Irvine Community Land Trust
503 Nightmist
Irvine, CA 92618

AGENDA
IRVINE COMMUNITY LAND TRUST
REGULAR MEETING
November 17, 2025

<u>THIS MEETING WILL BE HELD IN PERSON AT:</u>
503 Nightmist, Community Room
Irvine, CA

- **CALL TO ORDER** **4:00 p.m.**
- **ROLL CALL**

CHAIR:	Ryan Aeh
VICE-CHAIR/ TREASURER:	Nancy Donnelly
SECRETARY:	Russell Felbob
BOARD MEMBER:	James Mai
BOARD MEMBER:	William Go
BOARD MEMBER:	Leon Napper
BOARD MEMBER:	Patrick Strader

- **EXECUTIVE DIRECTOR'S REPORT**
- **PUBLIC COMMENTS** – The Irvine Community Land Trust welcomes and encourages community participation. At this time in the meeting, any person may address the Board of Directors on matters related to the business of the Irvine Community Land Trust. Comments may be made both on matters on the agenda of today's meeting or on other matters and issues not on the agenda. Each speaker is limited to three minutes.
- **BOARD COMMENTS-**

- **BOARD BUSINESS – OPEN SESSION**

1. **APPROVAL OF MINUTES- NO ACTION NEEDED**
   Approval of the Minutes of the Regular Meeting of the Irvine Community Land Trust held on August 18th, 2025 were approved by the Board via email on August 26, 2025. The vote was approved with 5 Ayes and 2 Absent

2. **APPROVAL OF REVISED BOD ELECTION SCHEDULE**
   RECOMMENDED ACTION
   Approval of the revised schedule for Board of Director selection policy.

3. **BOARD MEMBER ELECTIONS**
   RECOMMENDED ACTION:

   Ratify the action for the reelection of current board members Aeh and Felbob for additional two-year terms beginning October 1, 2025, and ending October 31, 2027

4. **OCTOBER 2025 FINANCIAL UPDATE**
   RECOMMENDED ACTION:
   Approve presentation of budget revenues and expenses YTD through October 2025.

5. **APPROVAL OF PARTNERSHIP BETWEEN IRVINE COMMUNITY LAND TRUST AND NATIONAL CORE**
   RECOMMENDED ACTION:
   Approve the Partnership Agreement between Irvine Community Land Trust and National CORE for the sole purpose of developing an affordable senior housing community in Fountain Valley, CA

6. **RESOLUTION 25-052- AMENDING THE BY-LAWS TO EXPAND ICLT FOOTPRINT**
   RECOMMENDED ACTION:
   Approve Resolution 25-052 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE COMMUNITY LAND TRUST AMENDING THE BYLAWS TO EXPAND THE AREA OF OPERATIONS OF THE IRVINE COMMUNITY LAND TRUST

7. **RESOLUTION 25-053- APPROVING A LOAN AGREEMENT FOR 2400 BARRANCA AVE, IRVINE**
   RECOMMENDED ACTION:
   Approve Resolution 25-053 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE COMMUNITY LAND TRUST APPROVING A LOAN AGREEMENT BETWEEN THE IRVINE COMMUNITY LAND TRUST AND THE LIMITED PARTNER DEVELOPER OF THE PROPERTY AT 2400 BARRANCA AVENUE, IRVINE, CA

8. **RESOLUTION 25-054- APPROVING A LOAN AGREEMENT FOR PA-40 PHASE I**
   RECOMMENDED ACTION:
   Approve Resolution 25-054 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE COMMUNITY LAND TRUST APPROVING A LOAN AGREEMENT BETWEEN THE IRVINE COMMUNITY LAND TRUST AND THE LIMITED PARTNER DEVELOPER OF THE PROPERTY AT PA-40 PHASE I, IRVINE, CA

9. RESOLUTION 25-055- APPROVING A LOAN AGREEMENT FOR PA-40 PHASE II

RECOMMENDED ACTION:

Approve Resolution 25-055 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE COMMUNITY LAND TRUST APPROVING A LOAN AGREEMENT BETWEEN THE IRVINE COMMUNITY LAND TRUST AND THE LIMITED PARTNER DEVELOPER OF THE PROPERTY AT PA-40 PHASE II, IRVINE, CA

10. RESOLUTION 25-056- APPROVING A LOAN AGREEMENT FOR SENIOR DEVELOPMENT AT HEIL AND EUCLID AVES, FOUNTAIN VALLEY

RECOMMENDED ACTION:

Approve Resolution 25-056 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE COMMUNITY LAND TRUST APPROVING A LOAN AGREEMENT BETWEEN THE IRVINE COMMUNITY LAND TRUST AND THE LIMITED PARTNER DEVELOPER OF THE PROPERTY AT HEIL AND EUCLID AVES, FOUNTAIN VALLEY, CA

- **BOARD BUSINESS – PRIVATE SESSION**

- **ADJOURNMENT**

Adjourn to a regular meeting on Monday, February 9, 2025, at 4:00 p.m.* this is 1 week early due to President's Day

Item

#1

Approval of Minutes

Irvine
Community Land Trust
503 Nightmist
Irvine, CA 92618

Minutes of the Regular Meeting of
The Irvine Community Land Trust
August 18, 2025

- **CALL TO ORDER**
  The Regular meeting of the Irvine Community Land Trust was called to order by Secretary Russel Felbob at 4:00 PM on August 18, 2025.

- **ROLL CALL**

CHAIR:	Ryan Aeh – (Absent)
VICE-CHAIR/ TREASURER:	Nancy Donnelly – (Absent)
SECRETARY:	Russell Felbob – (Present)
BOARD MEMBER:	James Mai – (Present)
BOARD MEMBER:	William Go – (Present)
BOARD MEMBER:	Leon Napper – (Present)
BOARD MEMBER:	Patrick Strader – (Present)

- **EXECUTIVE DIRECTOR'S REPORT**

Executive Director Hughes discussed updates on the development projects PA40 and 2400 Barranca. Showcasing the designs and overviews of the development and what each development is featuring on the sites such as public areas, recreational center, pool and fitness center, and many more amenities. Executive Director Hughes also discussed working with the City of Irvine and the Irvine Company on conveyance for PA40, with a conditional use permit application ready to be submitted once Irvine Company signs. Mr. Hughes is proceeding with 2400 Barranca as the ground developer for the whole site. Also discussed was that AMCAL is moving forward with its sale of the Alegre partnership to TRU America. ICLT will receive confirmation and documentation to ensure that ICLT is protected. Associate Project Manager Anthony DeJardin is coordinating with the Marketing and Branding Committee to meet soon and discuss the rebrand and website update.

- **PUBLIC COMMENTS**

Questions were asked about the timeline of the PA40 and 2400 Barranca, specifically wondering when the development would be completed and ready for tenants. Executive Hughes responded by giving an estimate of when certain milestones of the project would be achieved. The affordability level of each project was brought up with Executive Hughes giving the average AMI (Annual Median Income) and explaining the reasoning.

- **BOARD COMMENTS**

The financing strategy for both projects was discussed and similar to public comments Board Member Napper asked about maximum AMI for these projects with some units designated at 70%, with the average staying below 60%.

- **BOARD BUSINESS – OPEN SESSION**

1. **APPROVAL OF MINUTES- NO ACTION NEEDED**
Approval of the Minutes of the Regular Meeting of the Irvine Community Land Trust held on May 19th, 2025, were approved by the Board via email on June 11, 2025. The vote was unanimously approved with 7 Ayes and 0 Nays

2. **APRIL 2025 FINANCIAL UPDATE**
RECOMMENDED ACTION:

ACTION: Approve presentation of budget revenues and expenses for July 2025. Executive Director Hughes reviewed financial updates for 2025, with Hughes reporting that revenue was on track at 6.6-7% of the fiscal year, including ground lease payments from various properties. The board discussed pre-development costs for PA40 at $5.4 million (currently in design phase) and 2400 Barranca at $7.2 million (mainly the acquisition costs). Consulting expenses had not yet been incurred. The board approved the presentation of July 2025 Budget, Revenues, and Expenses. Secretary Felbob proposed the motion with Board Member Napper seconded the motion, and after no objections, the motion passed.

AYES:	5	BOARD MEMBERS: Felbob, Mai, Go, Napper, and Strader
NOES:	0	BOARD MEMBERS:
ABSENT:	2	BOARD MEMBERS: Aeh and Donnelly
ABSTAIN:	0	BOARD MEMBERS:

- **BOARD BUSINESS – PRIVATE SESSION**

N/A

- **ADJOURNMENT**

The Board adjourned the meeting at 4:55 to a regular meeting on Monday, October 20, 2025, at 4:00 p.m.

Item

#2

Approval of Amended BOD Election Schedule

Board of Directors Policy/Procedure
Director Selection/Election Process
Amended November 17, 2025

Purpose:

To establish the procedure for nominations and appointments of At-Large and Resident Board Members, excluding City of Irvine nominated Board Members, to the Board of Directors.

Policy:

This policy augments and provides additional direction to specific provisions found in the Land Trust Bylaws for At-Large and Resident Director appointments, which state:

> For At-Large Directors "… Directors shall be elected by the Board and shall be residents of and/or work in the City of Irvine who are not residents of housing located on land owned by the Corporation (the "At-Large Directors").
>
> For Resident Directors "Once there are at least five hundred (500) affordable housing units in properties located on land owned by the Corporation, there shall be two (2) additional authorized Directors who shall be residents of affordable housing units in properties located on land owned by the Corporation (the "Resident Directors"). The Resident Directors shall be selected by the Board from residents who have applied for Resident Director positions and residents recommended by the managers of properties located on land owned by the Corporation, pursuant to a procedure established by the Board."

This policy is intended to address vacancies occurring either from a Director stepping down or deciding not to serve another term or when an additional seat is established by the Board or the Board decides to open any or all seats for additional nominations.

Procedure:

1. The Board Chair shall establish a Board Review/Nominating Committee of the Board to consider all applications and provide recommendations to the Board. Committee members shall be from active Directors, in good standing, and there shall be at least two members on the Committee.

2. When terms are up for renewal, the Board Review/Nominating Committee shall ask Existing At-Large and Resident Board Members to express their interest in serving another term prior to the expiration of a current term as outlined on the schedule below.

3. Outreach procedure

    a. For At-Large Directors, excluding City nominated Directors

        i. The Executive Director shall keep an interest list of individuals who have expressed interest in serving as a Director and provide this list to the

Board Review/Nominating Committee.

ii. The Board Review/Nominating Committee shall notify interested candidates on an interest list of an existing or upcoming vacancy for an At-Large Director position. The Board Review/Nominating Committee may, at its election, direct staff to also implement other notification processes they deem appropriate. The notification will include a copy of the application form.

b. For Resident Directors

i. The Executive Director shall keep an interest list of individuals and residents of ICLT properties who have expressed interest in serving as a Resident Director and provide this list to the Board Review/Nominating Committee.

ii. The Board Review/Nominating Committee shall ask onsite property managers for ICLT rental units and Homeowner Association managers for ICLT ownership units to recommend candidates for Resident Director positions and shall notify recommended candidates and all residents on an interest list of an existing or upcoming vacancy for a Resident Director position. The Board Review/Nominating Committee may, at its election, direct staff to also implement other notification processes they deem appropriate. The notification will include a copy of the application form.

4. Candidates shall be advised as part of the notification of the due date to submit an application per the timeline below.

5. There shall be a regular schedule for the nomination/election process to facilitate Board member seating at the November Board meeting. The schedule may be amended by action of the Board, with the initial schedule identified as follows:

Schedule

Annual Schedule for Resident Board Member Nominations and Elections:

1. August Board Meeting - Existing At-Large and Resident Board Members shall advise the Board of their interest in serving another term by the August Board meeting.
2. September 1 to September 30 - Applications for Board Member positions will open on September 1 and submissions must be received by September 30.
3. October 1 to November Board meeting - Applicants may be interviewed and vetted by the Board Review/Nomination Committee, if established by the Chair, or the Board as a whole.

4. October - Applications will be reviewed and discussed at a Special Meeting, if necessary, in Private Session.

5. Third Monday of November - The Board shall vote on all applicants as well as any current At-Large and Resident Board Members who have expressed interest in another term to be elected to a two-year term beginning the November Board meeting.
6. Third Monday of November - Newly elected Resident Board Members shall be seated at the November Board Meeting.

Item

#4

YTD October 2025 Financial Presentation

Irvine Community Land Trust

FINANCE COMMITTEE

Finance Committee Meeting: November 12, 2025

TITLE: 2025-2026 FISCAL YEAR FINANCIAL STATUS

SUMMARY:

The Land Trust financial report for the FYTD October 31, 2025.

This update is for Revenues and Expenses through October 31, 2025 and is reported with approximately **33% of the fiscal year past.**

Revenues:

For the FY through October 31, 2025, Land Trust operating revenues were approximately $210,658 with the amounts coming from rents, leases and loan repayments. There was an additional interest approximate income amount of $390K from our investment accounts and our holding bank accounts at Farmers and Merchants Bank. The WFA interest is tracking ahead of budget and is reinvested to increase balances. Revenue sources including rents are received monthly while others are received as single payments, such as loan payments. The revenues report below (Table 1) provide details by categories.

REVENUES – Table 1

Program Revenues	Budget	Actual 2025-2026	Year Over Year Percentage
Nine Condominium Rent	$ 67,140.00	$ 17,085.75	25%
Alegre Ground Lease Payment (Received annually during the second half of the year)	$ 40,500.00	$ 81,148.32	200%
Salerno Ground Lease	$ 57,852.00	$ 19,284.00	33%
Sage Park Ground Lease	$ 122,400.00	$ 40,800.00	33%
Alegre Loan Repayment	$ 6,000.00	$ 5,234.00	87%
Doria Loan Repayment	$ 80,000.00	$ 33,833.00	42%
Salerno Loan Repayment	$ 22,000.00	$ 3,273.19	15%
Santa Ana Homes	$ 30,000.00	$ 10,000.00	33%
Subtotoal: On-going revenues	**$ 425,892.00**	**$ 210,658.26**	49%

*The revenue reflected in the table above for the nine condominiums is shown as a net revenue number. ICLT receives the net rent check from the properties after all necessary expenses and deductions are taken. The details of the rents and expenses are contained in a Properties Report issued by the manager.

As a reminder, the Land Trust receives annual payments on agreements and loans at different times of the fiscal year. The Alegre project paid their ground rent payment and loan payments for the 2024 year in August of 2025. While this was received in this fiscal year, ICLT's audit will reflect this as a FYE 2025 revenue number.

Short Term/ One-Time Revenue	Budget	Actual 2025-2026	YOY Percentage
Grants/Donations	$ -	$ -	#DIV/0!
Miscellaneous	$ -	$ -	#DIV/0!
Ground Rent at 2400	$ 18,400.00	$ 18,000.00	98%

Investment Income	Budget	Actual 2025-2026	YTD Percentage
Wells Fargo Advisors	$ 840,000.00	$ 375,823.00	45%
Interest on FMB/ Banner Bank	$ 60,000.00	$ 15,395.69	26%
Total Revenues	**$ 1,325,292.00**	**$ 607,059.26**	46%

*The Ground Lease payment for Alegre was received this year but was a payment for the property's YE 2024. Removing that deposit from our FYTD would reflect in the below actual revenue:

Total Revenues	**$ 1,325,292.00**	**$ 543,191.26**	41%

Expenditures:

For the YTD October 2025 expenditures for general operations, including employment and office costs were approximately $109K or 19% of the annual budget. Detailed expenditures are shown on Table 2 for various categories including employee costs, general office costs, and non-project related consultant costs.

Operating Expenses:

Operating expenses through October 2025 are shown on Table 2 below.

OPERATING EXPENSES – Table 2

Operational Expenses	Budget	Actual 2025-2026	YTD Percentage
Total Employer Costs	$ 490,628.00	$ 86,259.69	18%
General Operating Costs	$ 32,996.00	$ 7,681.60	23%
Computer/ Network	$ 23,850.00	$ 10,935.91	46%
Conference/ Events/ Meetings	$ 10,800.00	$ -	0%
Advocacy Work/ Sponsor	$ 6,000.00	$ 264.60	4%
Insurance/ Operations	$ 20,300.00	$ 4,686.00	23%
Subtotal Operations	**$ 584,574.00**	**$ 109,827.80**	19%

General Consultant Expenses:

General consultant costs through September are shown on Table 3 below. Generally, bookkeeping, payroll, advocacy, and lobbying services are paid monthly. Expenses for legal, administrative management, financial, marketing and communication services will vary monthly as work is done on non-project related activities. Expenses are inclusive of all billed invoices received as of the date of this report.

CONSULTANT EXPENSES – Table 3

Administrative Consultant Costs	Budget	Actual 2025-2026	YTD Percentage
Accounting/ Payroll Services	$ 21,640.00	$ 3,480.00	16%
Administrative Management	$ 31,600.00	$ -	0%
Advocacy/ Lobbying Services	$ -	$ -	#DIV/0!
Legal Services	$ 35,000.00	$ 11,966.09	34%
Auditing Services	$ 32,000.00	$ 16,500.00	52%
Communication Services	$ 13,000.00	$ -	0%
Subtotal Consulting	**$ 133,240.00**	**$ 31,946.09**	24%

Total Operating Expenses:

With 33% of the fiscal year behind us, the year-to-date operating expenses are approximately 20% of the annual budget.

Total Operating Expenses	Budget	Actual 2025-2026	YTD Percentage
Total Fiscal Year Operations	$ 723,114.00	$ 141,773.89	20%

Capital Project Expenses:

The Land Trust will have ongoing capital expenditures as well as new capital projects in the new fiscal year Budget. The condominiums that are owned by the Land Trust have fixed costs and have experienced various degrees of deferred maintenance that the Land Trust addresses as needed. The revenue from the condos is received net of these expenses so the expenses are already discounted in the Revenue section.

ICLT paid real estate taxes on all holdings in October that included the condos, Santa Ana homes and 2400 Barranca.

There are tenant rental guarantees for two projects, Alegre and Parc Derian, that are budgeted at an amount to cover two months of liabilities. The Land Trust separately accounts for the two Santa Ana homes and does not comingle revenues or expenses with other Budget activities or categories. The Santa Ana homes expenditures are cost neutral, being balanced against the revenues from the properties.

Capital Reserves have been set up to cover deferred maintenance items. These do not impact the Operation Expenses.

New Development Capital

ICLT has initiated efforts on two new developments and will be tracking the expenses under a separate budget. A pre-development budget was established for expenses associated with design, entitlement and predevelopment of the projects. Below is a tracking of the "to date" costs.

Total Development Costs	Budget	Actual 2025-2026	Completion Percentage
PA 40	$ 5,409,000	$ 1,158,493	21%
2400 Barranca	$ 8,671,640	$ 7,381,762	85%

Item

#5

Approval to enter partnership agreement with National CORE

AGREEMENT

This Agreement (**"Agreement"**) is dated October 28, 2025, for identification, and is between National Community Renaissance of California, a California nonprofit public benefit corporation (**"CORE"**) and Irvine Community Land Trust, a California nonprofit public benefit corporation (**"ICLT"**). CORE and ICLT are sometimes referred to in this Agreement individually as a **"Party"** or collectively, the **"Parties"**.

RECITALS

This Agreement is entered into with reference to the following facts, understandings or objectives:

A. CORE is an experienced developer of affordable housing; CORE is vertically integrated to enable it to locate, entitle, plan, construct, finance and operate affordable housing apartment communities. ICLT is an independent nonprofit organization created to oversee permanently affordable housing. Under the ICLT ownership model, ICLT either owns real property and partners to subdivide and develop the property and to improve it with homes which are subsequently leased to homeowners for affordable housing purposes, or leases the real property it owns to affordable rental housing developers through a long-term ground lease. This later structure enables ICLT to provide affordable housing units to the community by restricting rents as one of the provisions of such a ground lease. Since its formation, ICLT has created over 400 permanently affordable housing units serving low and moderate income families.

B. CORE is currently negotiating a term sheet with Shopoff Realty Investments/Euclid & Heil FV Owner, LLC (**"Master Developer"**) relating to the Master Developer's Euclid + Heil real estate project in Fountain Valley, California. The Master Developer is in the process of entitling approximately 18 acres which is planned to include over 200 for-sale common interest residential units together with over 300 market rate for-rent apartments. In order to satisfy the affordable housing requirements of the City of Fountain Valley (**"City"**), the development is also planned to include approximately 83 units of affordable apartment housing for qualifying senior persons and families (the **"Senior Affordable Project"**). The Master Developer has recently received approval of a Tentative Parcel for Condominium Purposes Map No. 2024-103 from the Planning Commission of the City. The Senior Affordable Project is to be developed on Lot 3 of such tentative parcel map (**"Lot 3"**).

C. CORE and ICLT have discussed their mutual interest in jointly developing the Senior Affordable Project if the provisions of a purchase agreement or other agreement relating to sale/development of Lot 3 can be finalized with the Master Developer. The Parties anticipate that Lot 3 will be delivered by the Master Developer as a "rough graded pad" suitable for vertical construction purposes including utilities stubbed into the site and paved roadway access sufficient for construction vehicles. The Parties believe that they may be able to come to agreement with the Master Developer for the Master Developer to donate Lot 3 to ICLT on mutually agreeable terms and conditions. Subsequently, the Parties anticipate that they will be able to negotiate provisions reasonably acceptable to ICLT to form a limited partnership, structured generally as provided in this Agreement and including both CORE and ICLT, to ground lease Lot 3 from ICLT on mutually agreeable provisions, with such ground lease to include such terms as a fixed annual rent payment to ICLT and appropriate rent and occupancy restrictions.

D. If an agreement to acquire Lot 3 containing acceptable terms can be entered into with the Master Developer, the Parties intend to form a limited partnership (the **"Limited Partnership"**) with both Parties acting as the general partners thereof, or if the Parties elect to do so, with both Parties acting as managers of one or more limited liability company(ies) to be formed by the Parties for the purpose of acting as the general partner thereof (in any event, the partnership agreement or operating agreement must specifically designate that both Parties are designated as "general partners" or as "co-managers" thereof). This entity will acquire leasehold title to Lot 3 from ICLT and proceed with planning approvals, development, construction and operation of the Senior Affordable Project. The Parties agree that the initial general partners of the Limited Partnership must be the Parties or, if the Parties agree, an affiliated entity/entities which might be formed to act as a general partner. For the purposes of this Agreement, an affiliated entity formed to act as a general partner or formed by a Party to act as a general partner in the Limited Partnership will be deemed to be subject to all of the terms, provisions and obligations contained in this Agreement to which the Party owning or controlling such entity is subject. Initially, the Limited Partnership will consist of CORE (or its affiliate) as the managing general partner (in this capacity, the **"MGP"**) and ICLT (or its affiliate) as the administrative general partner (in this capacity, the **"AGP"**), and an entity affiliated with CORE acting as a placeholder limited partner, all of which will be governed by an agreement of limited partnership (**"Initial Partnership Agreement"**) to be executed by the Parties.

E. The Parties expect that a partnership agreement for the Limited Partnership will provide for management by the general partners. The Parties also expect that there are numerous operational financial and decision-making procedures which will not be addressed at all or in full in such a partnership agreement, which this Agreement is intended to address. Because development, construction and operation of the Senior Affordable Project will require numerous decisions, as well as agreements and negotiations, the Parties recognize the need for a structure to implement their cooperative collaboration and a method to make decisions if the Parties cannot come to mutual agreement.

F. The Parties anticipate that sources of funding for the development, construction and operation of the Senior Affordable Project will include, among other specialized affordable housing financing sources, the syndication of Limited Partnership interests in connection with the allocation of Federal and/or State low-income housing tax credits (**"tax credits"**) which might be awarded to the Project by the California Tax Credit Allocation Community (**"TCAC"**). Syndication customarily takes the form of admission of one or more qualified investors as limited partners in the Limited Partnership (collectively, the **"Investor Limited Partner"**) in return for an agreed-upon capital contribution. The Parties expect that, as a condition precedent to and concurrently with the admission of an Investor Limited Partner into the Limited Partnership, the Initial Partnership Agreement will be amended and/or restated to provide not only for the admission of the Investor Limited Partner but also for other matters customarily pertaining to the operation and management of the Limited Partnership thereafter, including certain guarantees from the MGP to the Investor Limited Partner (the Initial Partnership Agreement as so amended and/or restated is referred to herein as the **"ARALP"**; as used herein, the term **"Initial Partnership Agreement"** or **"Partnership Agreement"** will refer to whichever of the Initial Partnership Agreement or the ARALP is in effect at the time in question). The Parties will both use their best commercial efforts to identify and apply for financing in a sufficient amount to acquire, entitle, develop construct and operate the Senior Affordable Project. However, the Parties currently project based on their financial modeling that, given affordable housing loans or grants which the Limited Partnership has identified for acquisition, entitlement, construction and operation of the Senior Affordable Project, there will be a funding gap. They agree that such funding shortfall will be addressed through an ICLT loan to the Project Partnership. At such time as it is reasonably required to move the Senior Affordable Project forward, ICLT will issue its loan commitment to make a loan to the Limited Partnership in the anticipated amount of not less than $10,000,000 and not-to-exceed $12,000,000 (the **"ICLT Project Loan"**). The Parties expect that the ICLT Project Loan commitment will be subject to the satisfaction of customary conditions reasonably acceptable to ICLT, including repayment of the loan at an interest rate not-to-exceed 3% simple interest per annum with payments made out of an allocable share of the net operating income or "residual receipts" received from the operation of the Senior Affordable Project, with the allocation based on the ratio of the initial principal balances of all such loans which are payable from residual receipts. The willingness of ICLT to provide a leaseback structure to facilitate acquisition of Lot 3 from the Master Developer and to give its conditional commitment to make the ICLT Project Loan is a significant benefit to both CORE and the Senior Affordable Project and a valuable role which ICLT's involvement provides.

G. As a condition precedent to the qualification for the grant of tax credits to the Limited Partnership as well as the award of other construction and permanent financing necessary for construction and operation including, but not limited to, the ICLT Project Loan, the Limited Partnership or one of the Parties (as they may determine meets the acquisition structure acceptable to the Master Developer) must have achieved acceptable "site control" of Lot 3 from the Master Developer in the form of a sale or gift of title thereto. The Parties anticipate that to close all such funding, Lot 3 will also require permanent parking and shared parking easements necessary for the tenants, staff, vendors and other applicable parties to reach the Senior Affordable Project from Euclid Street and Heil Avenue and to satisfy, applicable parking requirements of the City, and receipt from the City of all entitlements and approvals required and/or necessary in connection with the development of the Senior Affordable Project. Attaining such approvals is anticipated to be a necessary condition to conclude the successful admission of the Investor Limited Partner to the Limited Partnership and to close of all necessary construction-related financing. For the purposes of this Agreement, **"Entitlements"** will mean and include all governmental designations, permits, approvals and certifications required to develop and construct the Senior Affordable Project including those which may be legislative or adjudicatory, ministerial or discretionary, and issued by any public agency with jurisdiction over the Senior Affordable Project (but not including certificates of occupancy or permits to operate after initial completion of construction has occurred). Such approvals will eventually customarily include, but are not limited to, City approval of plans and specifications for construction so that the Senior Affordable Project will be made "permit ready". At that point, all building permits necessary for construction of the improvements constituting the Senior Affordable Project will have received final City approval and be ready to issue, conditioned only upon payment of necessary fees and charges.

H. In addition to various guarantees and indemnifies which the Parties anticipate will be required by the Investor Limited Partner, the Parties also anticipate that certain acquisition, development and construction financing which may be obtained on behalf of the Limited Partnership will require borrower indemnities, completion and repayment guarantees, and that permanent financing sources may require guaranties of exceptions to non-recourse liability (collectively, **"Loan Guarantees"**). To the extent that there are any conflicts between the terms of this Agreement and an ARALP or other instrument containing required Loan Guarantees (or any other document executed by the Parties ancillary to or in connection therewith), the terms of an executed ARALP, Loan Guarantee or other ancillary document will prevail regarding the Limited Partnership, but applicable provisions of this Agreement will control as between the Parties.

I. The Parties desire to enter into this Agreement in order to set forth their understanding regarding the joint cooperative development of the Senior Affordable Project as well as to set out other mutual agreements regarding the respective roles and responsibilities of the Parties for the development, entitlement, construction, ownership and operation thereof, including, but not limited to, matters relating to (i) providing funding for development expenditures incurred prior to construction loan closing and during the course of construction itself, (ii) the manner of distribution or allocation of fees paid during construction to the "developer" or "general contractor" of the Senior Affordable Project, fees paid for partnership and Senior Affordable Project management, and division of net cash flow from operation, (iii) responsibility for indemnities and guaranties which might be required in connection with the ARALP or with Senior Affordable Project financing, and (iv) repurchase obligations and rights and options to acquire the Limited Partnership interest of an Investor Limited Partner or title to the Senior Affordable Project itself.

J. These Recitals are incorporated into the Operative Provisions of this Agreement.

OPERATIVE PROVISIONS

NOW, THEREFORE, the Parties hereto agree as follows:

1. MGP/AGP. The Parties agree that CORE or its qualifying wholly owned affiliated entity will be the MGP of the Limited Partnership and ICLT (or its qualifying wholly owned affiliated entity) will be the AGP of the Limited Partnership. If the Parties agree to establish a limited liability company entity to act as the General Partner, both CORE and ICLT will be the co-managers of such entity. The Parties agree that except for an allocation of responsibility or decision-making between CORE and ICLT which may be established in this Agreement, significant or major decisions which must be made by the General Partner of the Limited Partnership will be made by CORE in its capacity of MGP, but only after conferring with ICLT employing whatever process the Parties develop to facilitate mutual agreement upon issues or questions. Although the provisions of this Agreement allocate substantial responsibility for project management, property management and general operation of the Senior Affordable Project to CORE, as is reflected in Section 2(b) below the Parties have committed to exercise their good faith efforts to come to an operational process which will involve ICLT with the planning for, financing of and operation of the Senior Affordable Project.

2. Designated Representatives; Meetings.

(a) For purposes of this Agreement, ICLT hereby appoints William Hughes as **"ICLT's Designated Representative"** and CORE hereby appoints Alexa Washburn as **"CORE's Designated Representative"** (ICLT's Designated Representative and CORE's Designated Representative may be individually referred to herein as a **"Designated Representative,"** if referring generally to the responsibilities, obligations or rights of a person appointed as a "Designated Representative" for a Party hereunder, and collectively referred to herein as the **"Designated Representatives"**). A Designated Representative may, by written notice to the other Party or its Designated Representative, identify other persons empowered to act with or for such Designated Representative on behalf of a Party; a Party may give written notice to the other Party of its action to appoint a different or additional "Designated Representative."

(b) In this Agreement, the Parties have allocated certain responsibilities for the Senior Affordable Project. Each Party is charged with responsibility for certain tasks, with the other Party providing input, and within some cases, an approval right. The division is not intended to exclude one Party from the particular responsibility, but to allocate primary responsibility between the Parties in order to make joint management workable to achieve the goal of constructing and operating a successful Senior Affordable Project. The Parties recognize the need for agreement and, notwithstanding anything in this Agreement or the Partnership Agreement, each Party must obtain the consent of the other Party prior to entering into any agreements, contracts, guaranties or other documents or instruments that could materially adversely affect the Limited Partnership or its assets, the partners or create material liability for which the Parties would be obligated. The Parties will meet (either with Designated Representatives or with other representatives of the Parties) as needed to review how the Limited Partnership is functioning and to ensure that each Party is meeting its respective obligations under this Agreement and the Partnership Agreement. After final completion of construction of the Senior Affordable Project, the Parties will meet (either with the Designated Representatives or with other representatives of the Parties) quarterly or as necessary to review the status of operation and services.

3. Communication with Partnership Counsel and Third Parties. The Parties recognize that each will have its own independent legal counsel for the purpose of negotiating the provisions of this Agreement, as well as the terms of the Partnership Agreement. Each Party may retain the services of external or internal legal counsel, and, at such time as cash flow permits, the Parties will discuss an arrangement whereby the Limited Partnership might reimburse a Party for such Party's actually incurred legal fees. The Parties will meet and confer to designate a single attorney or law firm to act on behalf of the Limited Partnership to prepare partnership documents and to represent the Limited Partnership in connection with construction financing and tax credit syndication (**"Partnership Counsel"**), provided, however, each Party may continue to engage separate counsel. An equal amount, representing the reasonable cost of counsel, shall be paid to the Parties as a Senior Affordable Project expense if the Senior Affordable Project achieves construction loan closing and the construction lender (or other lenders) gives its approval. Partnership Counsel may be an attorney or law firm which does represent or has represented a Party in the past and in that case the Parties will join to execute any conflict waivers which might reasonably be required under the circumstances. Partnership Counsel must send contemporaneous copies of all emails, correspondence and other forms of written communication relating to the Senior Affordable Project or the Limited Partnership to both Parties. In the event that either Party receives written notice or other written communication relating to the Senior Affordable Project addressed to the "Limited Partnership" or the "General Partner", the Party receiving such notice will provide a copy of such notice to the other Party and, if applicable, to Partnership Counsel, within 4 business days of receipt, provided that the other Party was not listed as an addressee on the original notice or communication.

4. Allocation of Responsibilities. The Parties acknowledge their agreement to jointly develop and operate the Senior Affordable Project is intended to satisfy applicable requirements of California Code of Regulations, Title 4, Div. 17, Ch. 1 (**"CCR"**), Section 10325(1)(A) to enable each Party to, as applicable, claim points which might be awarded for general partner experience in a TCAC application assuming that the other provisions of such subparagraph (1)(A) are otherwise demonstrated. In that light, this Section 4 sets forth certain primary responsibilities which are allocated between the Parties. The allocation of responsibilities is intended to address

major tasks customarily required to guide a real estate development project through the entitlement process, to finance such a project, to prepare the necessary documents, agreements and other paperwork to bring an entitled affordable housing apartment project to reality and then to operate it profitably and successfully thereafter. The Parties commit to each other to continue to cooperatively discuss and come to agreement to address and direct the responsibility for actions which may not be set out in this Section 4. This Section 4 will not alter or limit the obligation of one Party to seek consensus or the consent of another Party to the extent required by the Partnership Agreement or by this Agreement. Any provision of this Section 4 that indicates one Party is to obtain the **"Approval"** of the other Party for a certain matter means that the first Party must give notice to the other Party by sending in writing (which may be accomplished electronically) the materials that are the subject of the request, together with a written request for Approval. Within 5 business days after the date the second Party receives the materials and the request, the second Party must send in writing (which may be accomplished electronically) its Approval or non-Approval (and if not approved, the communication must include an explanation). If the second Party does not respond within the 5-business day period, then the second Party will be deemed to have given its Approval to the request. The Parties agree to meet and confer to resolve any disagreement between them which might arise as a result of non-approval of a request.

(a) Pre-development Expenditures. Within 30 days of the Effective Date CORE will develop a predevelopment budget for the Senior Affordable Project for review by ICLT and thereafter the Parties will periodically meet and confer to ensure that the predevelopment budget remains current. The obligation to fund or pay for pre-development expenditures related to the Senior Affordable Project will be borne by CORE. The foregoing provision is not to be interpreted to deny CORE the ability to be reimbursed for pre-development expenses which it has advanced from any funding source permitting such reimbursement, including a predevelopment loan to the project by a public or private entity (such predevelopment loan to be on terms and conditions customary for such financing). The Parties anticipate that CORE will incur substantial architectural, engineering, financing and other pre-development costs prior to the close of construction financing for the Senior Affordable Project. CORE will fund or pay pre-development obligations in a prompt and timely manner before the Parties are, or the Limited Partnership is, in default for non-payment. If requested by ICLT, CORE will provide backup data substantiating the hard and soft costs incurred by CORE for predevelopment. CORE will be entitled to a reasonable amount to reimburse CORE for staff time expended in connection with such predevelopment activities. Disbursements from loans or other funding to the Limited Partnership which provide for reimbursement for pre-development funding will be allocated and disbursed to CORE to the extent that pre-development expenses have been paid by CORE, and the Parties will join in providing such payment instructions for reimbursement of pre-development expenses as may be required by an equity provider or lender. Except as otherwise may be expressly provided in this Agreement, the Parties agree that CORE will be primarily responsible for handling/managing the accounting functions relating to and disbursements/payments of pre-development expenses of the Limited Partnership.

(b) Due Diligence Property Investigation. CORE will have primary responsibility to coordinate with Fidelity Title Company (the **"Title Company"**) for necessary services and conduct review of title to Lot 3 upon issuance by the Title Company of its preliminary title report covering Lot 3. CORE will also hire consultants to perform testing of the property, and to develop and review new and existing reports and perform such actions or develop such information as is reasonably necessary for the Parties to make an informed decision to complete the acquisition of Lot 3 from the Master Developer. Prior to submission, CORE will share with ICLT proposed terms and information on the consultants to be hired to assist with the due diligence property review process and with any necessary testing. All proposed agreements, contracts, instruments and related documents proposed to be agreed to or entered into on behalf of the Limited Partnership in connection with such due diligence investigation will be executed by CORE pursuant to applicable requirements of Section 2 of this Agreement.

(c) Design. The Parties will meet and confer to discuss CORE's choice of an architect, civil engineer and other primary design team members for the Senior Affordable Project, and the terms of engagement of such professionals. CORE anticipates that the terms of engagement for other customary members of the design team (such as, for example, landscape architect, utility consultant, lighting consultant, and so forth) will be reasonably comparable to terms of engagement of such design team members for similar projects with similar design responsibility. Instructions to the architect, civil engineer and other members of the design review team by CORE must be consistent with the provisions of this Agreement.

(d) Planning for Entitlements and Land Use. CORE will be primarily responsible for managing the consultants and analysts engaged by the Limited Partnership in connection with preparation for and processing for necessary Entitlements for the Senior Affordable Project. In addition to those items mentioned in the Recitals hereto, examples of "entitlements" which may be considered necessary or pursued include density bonuses, environmental impact filings, statements and negative declarations, environmental exemptions (if applicable), site plan approvals, use permits, variances, and all other required or necessary discretional or ministerial permits required for the Senior Affordable Project. CORE will be primarily responsible to prepare initial unit analysis, to address issues and respond to matters associated with the zoning and use of the property, and to complete, make and file all applications and submittals to public regulatory agencies relating to the Entitlements. Insofar as such processing may require such things as site layout or site plans, exterior building elevations, and design of interiors of apartment units, CORE will be primarily responsible to coordinate such work product developed in accordance with the allocation of responsibility set forth in this Section 4 as necessary to satisfy project submission requirements of the City or any other public entity or agency from whom such entitlement approvals for the Senior Affordable Project are required. CORE will provide ICLT with copies of tentative/conceptual proposed site plans, floor plans, building elevations and any other material developed by CORE in connection with and in anticipation of filing for necessary entitlements as provided in this subparagraph, and with all entitlement submittals prior to submission. If litigation challenging any Entitlement is timely filed CORE will be responsible for selection of legal counsel and coordination of opposition to such litigation and must confer with ICLT on the terms of any settlement or other resolution short of final judgment or dismissal of such litigation. The ICLT Designated Representative may meet with and may attend with the CORE Designated Representative meetings of regulatory agencies and community meetings. CORE will prepare for and coordinate presentations at any City staff or public hearings relating to land use and Entitlements.

(e) Funding. CORE will develop a preliminary budget, financial structure and strategy for development, construction and, as applicable, operation of the Senior Affordable Project including financial projections, projections of potential sources of financing or funding and uses of such financing and funding.

(i) Local Funding. CORE will have primary responsibility to prepare applications and proposals for funding or subsidies from local, state and federal public agencies and related public sources of funding (such as non-profit housing trusts, for example), to prepare all required reports to agencies and funding sources, to provide responses to due diligence requests in connection with financing transactions, and to monitor the progress of agreements or issuance of commitments for financing. CORE will provide ICLT with copies of the foregoing applications, proposals, due diligence requests and responses. If the gift structure for transfer of Lot 3 is agreed to by the Master Developer, ICLT will provide its reasonable cooperation to structure and complete donation of Lot 3 from the Master Developer to ICLT, preserving beneficial tax consequences for the Master Developer. ICLT will concurrently provide its reasonable cooperation to enable the Parties to develop a ground lease for the Limited Partnership to acquire a leasehold interest in Lot 3 from ICLT. Such a ground lease will contain provisions reasonably satisfactory to CORE which are customarily incorporated into such ground leases for affordable housing projects by ICLT, but the Parties also anticipate that the Limited Partnership will be obligated thereunder to pay ICLT a fixed annual rental payment. All proposed funding or financing commitments which result from CORE's negotiations with local and other public and private entities and agencies will be executed by the Parties pursuant to the requirements of Section 2 of this Agreement. CORE will provide an opportunity to the ICLT Designated Representative to attend meetings with the Master Developer and local agencies regarding funding and disposition issues.

(ii) ICLT Project Loan. Concurrently with the search for local public funding, representatives of CORE and ICLT will meet and confer to negotiate provisions of the loan commitment for the ICLT Project Loan which are reasonably acceptable to ICLT. Unless otherwise agreed, such loan commitment and the subsequent agreement between the Limited

Partnership and ICLT for such funding is anticipated to include: the agreed upon principal amount of such loan, which may vary depending on such things as changes in the cost of construction from early estimates as well as other funding sources developed for the Senior Affordable Project; interest rate (projected to be 3%); repayment terms, including reasonable provisions regarding repayment of such ICLT Project Loan from residual receipts with the payment allocated from 50% of the net operating income of the Senior Affordable Housing Project expected to be payable under the ARALP in proportion to the principal balances of all such loans payable from residual receipts; maturity date of such ICLT Project Loan, but including provisions which might accelerate such maturity date similar to provisions customarily found in residual receipts loans (or as otherwise agreed by the Parties); security for such ICLT Project Loan, including a deed of trust to be recorded in such priority as the Parties reasonably agree, but to be junior in priority to the deed(s) of trust securing construction and permanent funding as well as a regulatory agreement in favor of TCAC, and, possibly, in favor of the City, if required; and a funding distribution schedule for draw of funds from the ICLT Project Loan at such times and in such amounts as the Parties may mutually agree.

(f) Financial Analysis. CORE will prepare and share with ICLT early preliminary and any subsequently updated evolving financial analysis of the Senior Affordable Project. As reasonably necessary, CORE may engage specialized financial consultants to prepare financial and tax schedules to be provided to prospective and final lenders and Investor Limited Partners.

(g) Lender and Tax Credit Investor Relations. The Parties will jointly identify possible construction and/or permanent lenders. CORE will have primary responsibility to prepare initial drafts of proposals to be made to such lenders and to prepare the tax credit application for submittal to TCAC. As such materials are developed by CORE, CORE will share with ICLT copies of all such lender proposals and tax credit applications. CORE will be primarily responsible to negotiate terms of any lender arrangement, negotiate final terms of any loan agreement with any third party lender, review all loan documents, provide any necessary documents and other information required by any lender as a part of the lender's due diligence, all in furtherance of the budget, financial projections and financial structure developed for the Senior Affordable Project. CORE will be primarily responsible to prepare for and coordinate the construction loan closing process, including negotiating final terms of any ARALP with the Investor Limited Partner necessary to cause admission of the Investor Limited Partner to the Limited Partnership at the construction loan closing, and coordinate the satisfaction of conditions precedent to the Investor Limited Partner's first, and subsequent, capital contribution(s). CORE will be primarily responsible to coordinate the preparation of any necessary documents or other information required to secure a commitment to fund the permanent loan for the Senior Affordable Project following completion of construction and satisfaction of the conditions precedent to permanent loan closing, or, as applicable, to coordinate conversion of a portion of the construction loan to a permanent loan under the same circumstances. At each stage of the financing process, CORE will share with ICLT copies of all of the foregoing applications, proposals, loan commitments and loan documents. ICLT will provide CORE, as necessary, with due diligence documents required for CORE to satisfy its responsibilities hereunder as they may relate to ICLT. CORE will act as the liaison with local, state or federal lending agencies to coordinate funding of all such loans at the close of the construction loan for all such loans which are construction sources of financing, and to coordinate at the permanent loan closing funding of all such loans which are permanent loan sources.

(h) Contracting, Construction and Management of Construction Activities. CORE will be responsible to supervise design consultants as necessary to prepare the Senior Affordable Project's final plans and specifications, to obtain final plan approval of all necessary plans from the City and to obtain written assurance from the City necessary to satisfy TCAC, Investor Limited Partner and other lender's construction closing requirements that the Senior Affordable Project is "permit ready." CORE will create, submit, and monitor as necessary a construction budget for the Senior Affordable Project. CORE will provide copies to ICLT of plans and design elements and the construction budget, as the same may be revised from time to time and as finalized, together with any changes to that budget following the commencement of construction, in accordance with requirements of the construction lender. CORE will also act as the general contractor to build the Senior Affordable Project. Construction for the Limited Partnership will proceed on the basis of a guaranteed maximum price contract (a **"GMAX Contract"**). Promptly following execution of this Agreement, CORE will provide ICLT with a copy of the form of GMAX Contract which CORE proposes to use for the Senior Affordable Project. At such time as it develops a proposed final GMAX Contract, which includes the guaranteed/fixed price of construction and amounts for contractor overhead, profit and general requirements all of which must comply with the limitations contained in CCR Section 10327, CORE will provide a copy of that instrument to ICLT. If ICLT has a concern regarding a provision of the proposed final GMAX Contract, Designated Representatives of CORE and ICLT will promptly meet and confer to provide data to ICLT concerning a questioned item and, if reasonably achievable, to reach mutually acceptable resolution thereof. Items so negotiated will be used in the final GMAX Contract between CORE and the Limited Partnership. The Parties acknowledge, however, that some provisions of the GMAX Contract including, but not limited to, matters like approved pricing, will be driven by the construction lender, which is the reason that this Agreement puts resolution of the final form of GMAX Contract to be executed as a responsibility of CORE. CORE will use its good faith efforts to negotiate the best GMAX Contract terms for the Limited Partnership, which are reasonably achievable under the circumstances. No GMAX Contract may impose financial responsibility on ICLT without the prior written consent of ICLT, which it is not under any obligation to provide. CORE will have the primary responsibility to identify, negotiate with and hire subcontractors as necessary to construct the Senior Affordable Project, to negotiate the final terms of any construction agreement with a subcontractor and to execute subcontracts in the name of the Limited Partnership with a subcontractor. As necessary, CORE will provide required construction completion and payment bonds and guarantees, and necessary and customary indemnities to lenders and investors. CORE has primary responsibility to obtain property, general liability and other required types of insurance to be provided during (and following) construction. Notwithstanding the foregoing, the terms and provisions of the final GMAX Contract entered into between the Limited Partnership and CORE in its role as the general contractor will control if such provisions are inconsistent with the terms of this Agreement.

(i) Construction Draws. CORE is responsible to assemble and prepare all capital contribution requests and all construction draw requests (as defined below), and will provide copies of the same to ICLT. A **"Construction Draw Request"** means a draw request for disbursement of loan proceeds from the construction or other applicable lender, including (if and as applicable) ICLT in its capacity as a project lender, and/or for the disbursement of a required capital contribution from the Investor Limited Partner, together with all required supporting documentation including, without limitation, the report of the inspecting architect supporting payment of such draw requisition, a site inspection report, and conditional and other lien releases from subcontractors or material suppliers, all of which will satisfy the requirements for such information as the applicable lender or the Investor Limited Partner has required or as may reasonably be requested. CORE will provide ICLT with a copy of each Construction Draw Request and all material required in support thereof, giving ICLT a reasonable amount of time to review the same. If ICLT has questions regarding any component of any Construction Draw Request, it will immediately contact CORE and the Parties will meet and confer to provide information to ICLT to satisfy its inquiry. Because Construction Draw Requests typically involve third party payments, ICLT will use its best efforts to promptly review the same and, if it has questions, to provide such questions to CORE in sufficient time so that the payment of third party costs in a Construction Draw Request are not delayed due to this process. CORE will provide ICLT with a copy of all owner change order requests, as well as a "progress billing worksheet-schedule of values-detail" for each construction draw.

(j) Lease Up and Occupancy of Senior Affordable Project. CORE will be the property manager of the Senior Affordable Project and will have primary responsibility for leasing and occupancy arrangements, application delivery and review, rental applicant financial review and qualification or verification required by any agency program, state or federal regulations or statues, preparation and execution of all leases, management of all waiting lists, maintenance of any Senior Affordable Project systems used in connection with operation (such as telephone, internet, etc.) including those used to solicit prospective residents, coordination of tours of the Senior Affordable Project to prospective residents and coordination of the rent-up and overall occupancy of the Senior Affordable Project. CORE will prepare the tentative project operating budget and revise the same as necessary until construction of the Senior Affordable Project has been completed. CORE will be responsible thereafter for preparing operating budgets for the Senior Affordable Project for the Investor Limited Partner and for governmental agencies and lenders who require review and/or approval of the same. CORE will provide ICLT with copies of such leasing data as it may reasonably request or require, and ICLT agrees to comply with all State of California and federal privacy requirements relating to any such data concerning prospective or actual tenants or their personal and financial information. CORE will also supply ICLT with operational budgets which CORE is preparing in compliance with the requirements of this provision and will meet and confer with the Designated Representative of ICLT regarding any such leasing or budgetary data. All such actions by CORE will be in compliance with applicable tax credit eligibility and regulatory agreement requirements applicable to the Senior Affordable Project, the Limited Partnership and under the ARALP. CORE intends to use its standard form of property management agreement for the Senior Affordable Project and to receive a property management fee paid by the Limited Partnership in a per-unit amount customarily charged by CORE in the other of its comparable affordable housing apartment communities for which CORE is the property manager. The Parties recognize that the form of property management agreement and the amount of property management fee are subject to review and approval by the Investor Limited Partner, lenders and applicable public agencies. Consequently, provisions inserted into or changes made to the CORE form of property management agreement will be deemed to be approved by the Parties if in compliance with such lender, Investor Limited Partner and agency requirements. The terms and provisions of any property management agreement finally executed by the Limited Partnership and CORE to document CORE's role as the property manager will control if there are any inconsistent terms between the terms thereof and the terms of this Agreement. CORE will be responsible to cause operation of the Senior Affordable Project to conform to and comply with all applicable tax credit, lender and regulatory restrictions regarding tenancy, tenant relations, tenant documentation, and reporting.

(k) Resident and Social Services. CORE will be responsible to provide, or cause qualified third parties, as applicable, to provide required resident and social services to the Senior Affordable Project's resident population. CORE will engage its affiliated entity, Hope Through Housing Foundation (**"HOPE"**), to provide and/or coordinate provision of such necessary and/or required social services. The Limited Partnership will enter into an agreement with HOPE to document the provision of such services. The terms of the proposed social services agreement between the Limited Partnership and HOPE will be subject to review and approval of lenders, the Investor Limited Partner and regulatory/public agencies. The terms and provisions of any social services agreement between the Limited Partnership and HOPE will control if there is any inconsistent provision between the terms of this Agreement and any such social services agreement.

(l) Property Tax Exemption. CORE and ICLT will cooperate to secure property tax exemptions for the Senior Affordable Project which might be available under California Revenue & Taxation Code Sections 214(g) (the **"welfare exemption"**) and/or Section 214.18. CORE, as MGP, will be responsible to oversee operation of the Senior Affordable Project to insure that the Senior Affordable Project complies with all operational requirements of the ARALP and all regulations and restrictions of the California Franchise Tax Board so that the Senior Affordable Project qualifies for and preserves the maximum ad valorem "welfare" property tax exemption available. CORE, in its capacity as MGP, will also be responsible to cause inspection of the Senior Affordable Project and maintenance of such books and records of the Senior Affordable Project as may be necessary to satisfy the terms and provisions regarding the same which will be contained in the ARALP and to satisfy statutory and regulatory requirements to obtain and continue the qualification of the Senior Affordable Project for its "welfare" property tax exemption. Should the Parties elect to qualify for exemption under Section 214.18, ICLT will be responsible to provide the data regarding its status as a "community land trust," and the Parties will work together to provide additional data which may be required to take advantage of the property tax exemption available under that statutory provision.

(m) Asset Management. CORE will be responsible to take such actions as may be required to satisfy the provisions of the ARALP relating to asset management of the Senior Affordable Project for the Limited Partnership and to receive a fee for such actions payable by the Limited Partnership.

(n) Bank Accounts.

(i) CORE will cause the Limited Partnership to open a construction bank account at such financial institution as may be required by or acceptable to the construction lender. Except as otherwise determined, prior to the funding of the final capital contribution of the Investor Limited Partner, withdrawals will be made from the Limited Partnership's bank account only pursuant to a Construction Draw Request in compliance with the budget for the Senior Affordable Project. Designated representatives of CORE will be the authorized signers on all Limited Partnership bank accounts, providing ICLT with reasonable opportunity of review. If representatives of ICLT have concern regarding any withdrawal on this account authorized by CORE, representatives of ICLT and CORE will meet and confer to satisfy any such concern. The Limited Partnership's construction bank account utilized for this purpose will be closed after disbursement of the final capital contribution of the Investor Limited Partner. Thereafter, the Limited Partnership will require that CORE, as the property manager, maintain a bank account in the name of the Limited Partnership to be used exclusively for operation of the Senior Affordable Project pursuant to the approved property management agreement and the terms of the Partnership Agreement with CORE property and accounting management personnel acting as signatories for such account. All distributions to partners and any payments to affiliates of partners, other than payments made pursuant to contracts with the Limited Partnership, will be made from this operating bank account.

(ii) CORE will cause Senior Affordable Project reserve accounts to be maintained at a financial institution acceptable to lenders and the Investment Limited Partner in accordance with the loan documents and the Partnership Agreement. CORE personnel will be designated as authorized signers on the account and will use the reserves in compliance with disbursements authorized in an approved annual Senior Affordable Project operating budget or, as applicable, by the Investor Limited Partner or by lenders.

5. Guaranties and Repurchase Obligations. The Parties have agreed to allocate the responsibility for liability and/or potential payments under indemnities, guaranties or repurchase obligations which might be imposed under provisions of the ARALP or of various construction loan agreements, loan documents or regulatory agreements applicable to the Senior Affordable Project. In anticipation, the Parties agree as follows:

(a) Pursuant to the GMAX Contract, construction loan agreement(s) between the Limited Partnership and various public or private lenders or, in the case of a completion or performance bond, bonding company, all of which relate to the construction of or timing of construction of the Senior Affordable Project, to the extent that CORE is liable to make payments under a guaranty or indemnity as a result of CORE's default or breach of agreement, intentional act, negligent act or omission, CORE will bear, and be solely responsible for paying, 100% of such payment and obligation.

(b) The Parties acknowledge that the Investor Limited Partner may require in the ARALP that its interest be repurchased in part or in full if certain conditions are not satisfied (a **"Repurchase Obligation"**). A Repurchase Obligation may arise from delays which cause reductions in the amount of tax credits available to the Senior Affordable Project, reducing the same in a year or during the entire Compliance Period (as defined below). CORE agrees that it will be responsible for and obligated to the Investor Limited Partner under provisions of the ARALP for repurchase obligations or payments under guaranties such as: (i) development completion guaranty, CORE will guaranty to the Investor Limited Partner completion of construction of the Senior Affordable Project substantially in accordance with plans and specifications approved by the Investor Limited Partner and pay all amounts due thereunder, and additionally pay amounts needed in excess of the available development proceeds (including use of project continency and/or deferral of development fee) to complete the improvements, (ii) operating deficit guaranty (pre-conversion), CORE will be responsible to pay amounts necessary to make operating deficit loans to the Limited Partnership under the provisions of the ARALP arising from or relating to lease-up delays or other failure to satisfy conditions to convert to and/or fund the permanent loan which are the fault of CORE, until all conditions of closing and conversion to permanent funding status have been satisfied and achieved, and CORE and ICLT equally will pay amounts necessary to achieve permanent loan closing which might arise from reductions to the permanent loan amount which are not due to the fault, actions or inactions of either of the Parties; (iii) operating deficit guaranty (post-conversion), amounts payable under any operating deficit guaranty contained in an ARALP which may arise due to operating expenses, debt services obligations or other expenses of the Limited Partnership following conversion, to the extent not paid from any operating reserve for the Senior Affordable Project maintained in accordance with the ARALP, will be paid by CORE (and may be repayable to CORE under applicable provisions of the ARALP); (iv) tax credit adjustor, amounts due under the ARALP to the Investor Limited Partner arising from indemnity obligations arising or relating to any reduction, recapture or late delivery of Federal or State tax credits not being delivered as projected will be borne or paid by CORE, or, in the event that the ARALP provides for a reduction in the capital contribution of the Investor Limited Partner as a result of the reduction, recapture or late delivery of Federal or State tax credits, CORE will be responsible to pay the Limited Partnership the amount by which the Investor Limited Partner's capital contribution was reduced accordingly, or, if the reduction, recapture or late delivery of tax credits results in an obligation on the part of the General Partner to repurchase some or all of the Investor Limited Partner's interest in the Limited Partnership, CORE will pay the purchase price, calculated in accordance with the provisions of the ARALP, to the Investor Limited Partner. If, in accordance with the provisions of this subparagraph, CORE is obligated to repurchase tax credits from an Investor Limited Partner, then CORE will be entitled to the ownership interest of the Investor Limited Partner in the Limited Partnership.

(c) If liability arises to the Investor Limited Partner or any private or public lender for breach of "carve-out" recourse liability provisions which might be contained in any loan documents or in the ARALP due to a default by a Party of its obligations under this Agreement, the ARALP or such loan documents, then such Party will bear responsibility for payment arising from or relating to the "carve-out" obligations.

(d) For purposes of this Agreement the term **"Compliance Period"** means, with respect to any building in the Senior Affordable Project, the tax credit "compliance period" as defined in Section 42(i)(1) of the Code, and, with respect to the Senior Affordable Project, the period beginning on the earliest date that a Compliance Period begins for any building in the Senior Affordable Project and ending on the latest date that a Compliance Period ends for any building in the Senior Affordable Project.

(e) If a Party breaches its obligations under this Section 5, then until such time as the breach is cured, the breaching party will not be entitled to receive any payment of any fee or amount from the Limited Partnership, including, but not limited to, developer fee, cash flow, property refinancing or sale proceeds, property management fees, asset management fees, and Limited Partnership management fees, but all such payments to which the breaching party was entitled pursuant to the terms of this Agreement will be paid to the Party not in breach of its payment obligations until such time as the breach is cured.

6. Fees and Loan Payments. The Parties agree as follows and to take such action as is necessary to give effect to the payment of such fees whether documented or evidenced in the Development Agreement (as defined below), ARALP, or otherwise:

(a) ICLT will be entitled to receive all payments of ground lease rent, principal, interest and other amounts payable under the Limited Partnership obligation evidencing the ground lease of Lot 3 and the ICLT Project Loan, which amounts will not be offset against any other fees payable to ICLT hereunder.

(b) Any partnership management fee and asset management fee payable to the General Partner under the provisions of the ARALP, whether paid currently or paid after deferral, will be payable to CORE. Any property management fee or social services fee payable by the Limited Partnership will be paid 100% to CORE and HOPE, respectively.

(c) CORE and ICLT are to receive a developer fee(s) relating to the development of the Senior Affordable Project (**"Developer Fee"**) to be documented under the ARALP and/or any Development Agreement with the Limited Partnership. All such Developer Fee will be paid 50% to CORE and 50% to ICLT. The term **"Development Agreement"** means an agreement calling for the development of the Senior Affordable Project to be entered into among the Parties (or their affiliates), the Investor Limited Partner (if applicable) and the Limited Partnership.

(d) ICLT and CORE will equally share in any distributions from the Limited Partnership of the net cash flow of the Project or of any incentive management fee or other payment provided in the ARALP which is essentially an allocation of payment of net operating proceeds (collectively, the **"Net Cash Flow"**).

(e) CORE is to receive 100% of the fee for overhead and profit relating to its role as the general contractor for the Project (the **"OH&P Fee"**) in amounts complying with applicable provisions of Section 4(h) above.

(f) To the extent that the provisions of this Agreement require an allocation of any fee payable by the Limited Partnership or payable to the General Partner, as between the Parties the provisions of this Agreement will control in the event of any conflict in the language of this Agreement and the language of the ARALP.

(g) To the extent any Party receives any payment of any of the fees or other amounts to be shared between the Parties as detailed above in an amount or percentage which exceeds such Party's sharing percentage thereof, such Party must pay (or cause its affiliate to pay) to the other Party (or such other Party's affiliate (as applicable)), such amounts as are necessary to give effect to the applicable sharing percentage detailed above in this Section 6, promptly after the receipt of any such amount.

7. Rights Options. It is intended that the Parties will negotiate an option to purchase the Senior Affordable Project from the Limited Partnership, or to purchase the interest of the Investor Limited Partner therein, or a right of first refusal to purchase either of the same or a put option to purchase either of the same, as early as upon expiration of the Compliance Period, for a purchase price not to exceed the greater of fair market value (taking into account all restrictions) or debt plus taxes, as well as a right of first refusal exercisable at a purchase price equal to the assumption or payment of debt plus taxes (collectively, the **"Rights Options"**). The Rights Options will be exercisable jointly and/or individually by the Parties according to the following procedures:

(a) Election Notice. Either Party may elect to exercise a Rights Option by giving written notice (an **"Election Notice"**) thereof to the other Party of its intent to exercise the Rights Option in the manner and within the time frame provided in the ARALP. The first Party to send an Election Notice is referred to herein as the **"Electing Grantee"** for the applicable Rights Option and the other Party will be referred to herein as the **"non-Electing Grantee"** (the Grantee and the non-Electing Grantee will be collectively referred to herein as the **"Grantees"** or individually as a **"Grantee"**).

(b) Joinder or Non-Participate Notice. If the non-Electing Grantee desires to participate in the applicable Rights Option that is the subject of the Election Notice, then within 15 days of the date the non-Electing Grantee receives the Election Notice, the non-Electing Grantee must give written notice to the Electing Grantee (the **"Joinder Notice"**) of its agreement to participate in the Rights Option. The Joinder Notice must specify the percentage interest in the Senior Affordable Project or the Investor Limited Partner interest that non-Electing Grantee agrees to purchase pursuant to the Rights Option, but except as provided herein, in no event may the non-Electing Grantee's specified percentage interest in the Senior Affordable Project or the Investor Limited Partner interest exceed 50%. If the non-Electing Grantee desires not to participate in the Rights Option, then within 15 days of the date the non-Electing Grantee receives the Election Notice, the non-Electing Grantee must give the Electing Grantee written notice of its decision not to participate in the Rights Option (**"Non-Participate Notice"**). If the non-Electing Grantee does not timely provide a Joinder Notice (satisfying the requirements of this paragraph), then it will be deemed to have given a Non-Participate Notice as of the date immediately following the aforementioned 15-day period.

(c) Exercise of Rights Option by Grantees. Within 10 days of the date the Electing Grantee receives a Joinder Notice, the Electing Grantee, for itself and the non-Electing Grantee, will exercise the Rights Option, by giving notice of such exercise to the Limited Partnership in the manner provided in the ARALP and in a manner that also documents the non-

Electing Grantee's election in the Joinder Agreement. If the Electing Grantee does not exercise the Rights Option within such 10-day period, then the non-Electing Grantee may promptly exercise the Rights Option, for itself and for the Electing Grantee, by giving notice of such exercise in the manner provided in the ARALP.

(d) Exercise of Rights Option by Electing Grantee Only. If after the Electing Grantee provides its Election Notice, the non-Electing Grantee provides, or is deemed to have provided, a Non-Participate Notice, then within 10 days thereafter, the Electing Grantee will, for itself only (and not on behalf of the non-Electing Grantee) exercise the Rights Option, by giving notice of such exercise to the Limited Partnership and each of its Partners in the manner provided in the ARALP. In such event, the Rights Option will be deemed to have expired and will be of no further force or effect as to the non-Electing Grantee, and the Electing Grantee will have the exclusive right to acquire 100% (but not less than 100%) of the Senior Affordable Project or the Investor Limited Partner interests pursuant to the Rights Option.

(e) Closing the Rights Option. Upon (a) delivery of the Election Notice and (b) either delivery of the Joinder Notice or the Non-Participate Notice for a particular Rights Option, all rights under the other methods of exercising the Rights Option will be subordinate to the rights then being so exercised unless and until such exercise is withdrawn or discontinued. In the event that a Joinder Notice is delivered, but a Grantee fails to consummate the acquisition of the Project or the Investor Limited Partner interest in accordance with the requirements of this Agreement and the ARALP (the **"Defaulting Grantee"**), the non-Defaulting Grantee will without further action, and without prejudice to any rights or remedies it may have with respect to the Defaulting Grantee, be deemed to have assumed all of the rights and obligations of the Defaulting Grantee with respect to 100% of the Rights Option, the Senior Affordable Project or the Investor Limited Partner interest (as the case may be), and the Defaulting Grantee will no longer be a Grantee for purposes of this Agreement or the ARALP. The closing costs to exercise the Rights Option will be borne between the Grantees on a pari passu basis consistent with the agreed-upon ownership percentages of each party pursuant to Section 7(b) of this Agreement.

8. State Tax Credits. If the Senior Affordable Project receives an allocation of certificated State tax credits (**"State Credits"**), the State Credits will be allocated to CORE. CORE will then enter into a purchase and sale agreement with the Investor Limited Partner to transfer all of CORE's rights to the State Credits in consideration for a purchase price to be negotiated in such a purchase and sale agreement (which will be a purchase price set by agreement between the parties) (**"Purchase Price"**). CORE will use the proceeds of the Purchase Price to make a loan to the Limited Partnership on terms and conditions acceptable to the Investor Limited Partners.

9. Actions and Limitations on General Partner. Whenever in the ARALP, in any loan agreement or in any regulatory agreement, there is a provision calling for decision either by the

General Partner, the "developer", a "borrower" (in the case of loan documents), or a "managing general partner," "general partner" or any similar terms in a regulatory agreement, the decision to be made on behalf of and for the benefit of the Limited Partnership will be made by the Parties jointly when responsibility for such decision is not allocated to a specific Party pursuant to the provisions of this Agreement. The Parties agree that when the decision in question involves a major or substantial issue, the Parties will quickly have their representatives meet and confer to discuss the matter in question and attempt to arrive at a consensus agreement. However, the Parties have also agreed that in the event consensus between the Parties cannot be reached, the determination or resolution made by CORE in its capacity as the MGP will control. In other words, the Parties have determined that on such issues where the general partner of the Limited Partnership is to take an action or make a decision, CORE will have a vote of 51% and ICLT in its capacity as the AGP will have a vote of 49%. Whenever the provisions of the ARALP or any other contract or agreement which has been entered into by the Limited Partnership impose costs or liability on the General Partner, and such costs or liabilities have not arisen due to the fault of a Party or the failure to act or action of a Party in violation of the provisions of the ARALP or of this Agreement, and if the provisions of this Agreement are otherwise silent on payment, payment of such costs will be borne equally by the Parties. Notwithstanding the provisions of the Partnership Agreement, the Parties will take no action to commit the Limited Partnership to any act which requires the consent of the Investor Limited Partner without CORE's consent. CORE will execute any required standard lender and Investor Limited Partner environmental indemnity; however, the Parties have agreed that, notwithstanding CORE's indemnity, any payments required as a result of a breach of any environmental law, requirement or contract provision will be borne entirely by the Party whose action, inaction or wrongful act was the cause of liability under the environmental indemnity.

The Parties confirm their agreement that, otherwise than as specifically provided herein, any transaction between the Limited Partnership and a General Partner or between General Partners must be on terms fair and reasonable to the Limited Partnership under all circumstances surrounding the transaction in question. For any such transaction, the Parties must determine in good faith after reasonable investigation that the Limited Partnership or General Partner, as applicable, could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Notwithstanding the generality of the foregoing, however, if such a transaction between the Limited Partnership and a General Partner is governed by a specific provision of this Agreement, the provision of this Agreement shall control.

10. Notification. Any Party receiving notice of any of the following events, circumstances or occurrences must promptly notify the other Party of the same. The actions taken by the Parties thereafter taken in their capacity as general partners will be governed by the provisions of Section 9 above. Except in the case of an emergency, the Party receiving the notice must not act or respond in its role as a general partner of the Limited Partnership with respect to any such event, circumstance or occurrence unless and until both Parties have had an opportunity to meet and confer regarding an action to be taken, as provided in Section 9:

(a) Any lawsuit, claim or governmental administrative proceeding brought against the Project or the Limited Partnership that has or may have a Material Adverse Effect, including but not limited to, any compliance findings brought by TCAC;

(b) Any assessment of taxes or claim of noncompliance with government status or regulations asserted against the Project;

(c) All uninsured costs arising from any catastrophe or other similar physical occurrence at the Project; and

(d) Any default under the documents evidencing project financing or the Partnership Agreement.

The term **"Material Adverse Effect"** means a material adverse effect on, or any event, fact, circumstance, condition or change that, individually or in the aggregate, is likely to have a material adverse effect on the assets, business, operations, condition (financial or otherwise), management, liabilities or obligations of the Limited Partnership or the Senior Affordable Project.

11. Dispute Resolution:

(a) Good Faith Negotiations. In the event of a dispute concerning any action, matter or issue requiring an action by the General Partner, where responsibility for such action, matter or issue is not given to a Party by the provisions of this Agreement, the Parties will attempt in good faith to resolve any actual or potential dispute between themselves under this Agreement and the Partnership Agreement (a **"Dispute"**) informally and promptly. The Parties will attempt to resolve the Dispute by meeting and conferring promptly through meetings of senior level principals. If a Dispute is not resolved informally, then resolution of such a Dispute will be made in accordance with the provisions of Section 9. If responsibility for any action, matter or issue which has resulted in a Dispute is not delegated to one or the other of the Parties, then any such Dispute will be subject to mediation using the mediators and mediation services provided by the Judicial Arbitration and Mediation Service (**"JAMS"**) at its office located the closest to the Senior Affordable Project. Mediation will be conducted by a mutually selected impartial and neutral mediator under the applicable JAMS ADR Rules. The Parties will be equally responsible for the payment of fees and costs of the neutral mediator and other fees and costs of the JAMS mediation process. Mediation will commence at the earliest reasonably possible opportunity unless otherwise agreed by the Parties. The Parties must promptly and diligently cooperate with one another and with the neutral mediator and must perform such acts as may be reasonably necessary to obtain a prompt and expeditious resolution of the Dispute in the mediation process.

12. Notices. Any notice or other communication provided for herein or given hereunder to a party hereto must be in writing and must be given in the manner provided herein, or, if the

notice in question relates to the Limited Partnership, in the manner provided in the Partnership Agreement, to the following addresses:

If to CORE:

National Community Renaissance of California
9692 Haven Avenue, Suite 100
Rancho Cucamonga, CA 91730
Attn: Kevin Lim, Acting Chief Financial Officer
Email Address: klim@nationalcore.org

With a copy to:

National Community Renaissance of California
9692 Haven Avenue, Suite 100
Rancho Cucamonga, CA 91730
Attn: Robert Diaz, General Counsel
Email Address: rdiaz@nationalcore.org

If to ICLT:

Irvine Community Land Trust
503 Nightmist
Irvine, CA 2618
Attn: William Hughes, Executive Director
Email Address: billy@irvineclt.org

With a copy to:

Redwood Public Law
Attn: Jon E. Goetz
109 Thirteenth Street, Suite 600
Oakland, CA 94612
Email Address: Jon.Goetz@redwoodpubliclaw.com

If any notice or other communication to be delivered by electronic means cannot be transmitted because of a problem affecting the receiving Party's computer or if such electronic transfer occurs on other than a business day or is sent after 5:00 p.m. on a business day, the date of delivery or receipt of such notice or other communication will be deemed extended to the next business day.

13. Miscellaneous.

(a) Governing Law. This Agreement will be liberally construed and enforced in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof, to effectuate the purpose of this Agreement.

(b) Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns, but will not be assignable by any party hereto without the prior written consent of the other Party.

(c) Third Party Beneficiaries. Each Party hereto intends that this Agreement will not benefit or create any right or cause of action in or on behalf of any person other than the Parties hereto and, as applicable, their affiliated entities.

(d) Counterparts. This Agreement may be executed in counterpart signature pages executed and delivered via electronic transmission with scan attachment, and any such counterpart will be deemed an original for all intents and purposes, but all of which will constitute but one instrument.

(e) Captions. The captions contained in this Agreement hereto are for convenience of reference only and do not form a part of this Agreement.

(f) Attorneys' Fees. In the event of any action or proceeding at law or in equity between the Parties other than one which must be resolved by mediation under Section 11 above or to protect or establish any right or remedy of either Party hereunder, the unsuccessful Party to such action or proceeding will pay to the prevailing Party all costs and expenses, including reasonable attorneys' fees incurred therein by such prevailing Party, and if such prevailing Party recovers judgment in any such action or proceeding, such costs, expenses and attorneys' fees will be included in and as a part of such judgment.

(g) Waiver or Other Action. Any consent, waiver or other action taken pursuant to this Agreement, or the waiver of any inaccuracies in the representations and warranties by any other party and compliance by any other party with any of the covenants and conditions herein, must be in writing. The waiver by a Party of any breach hereof or default in the performance hereof will not be deemed to constitute a waiver of any other default or any succeeding breach or default. The failure of any Party to enforce any of the provision hereof will not be construed to be a waiver of the right of such Party thereafter to enforce such provisions.

(h) Amendment. The Parties may amend this Agreement only by a writing signed by each Party.

(i) Partial Invalidity. Wherever possible, each provision hereof will be interpreted in such a manner as to be effective and valid under applicable law. In case any one or more of the provisions contained herein is, for any reason, held to be invalid, illegal or unenforceable in any respect, such provision or provisions will be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability, without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

(j) Further Assurances. Each Party will execute, acknowledge and deliver such further instruments and do such further acts as may be necessary or proper to effectively carry out the purposes of this Agreement.

(k) Due Authority. If a representative of a Party has executed or initialed any provision of this Agreement or its Exhibit, execution will be deemed authorized by the entity for whom signature or initial was made notwithstanding the actual lack of capacity of the person so signing to bind the Party in question.

(l) Defaults – General. Failure or delay by either Party to perform any term or provision of this Agreement constitutes a default under this Agreement; provided, however, such Party shall not be deemed to be in default if (i) it cures, corrects or remedies such default within 30 days after receipt of a written notice from the other Party specifying such failure or delay, or (ii) for defaults that cannot reasonably be cured, corrected or remedied within such 30-day time period, if such Party commences to cure, correct or remedy such failure or delay within such time period after receipt of notice from the other Party and diligently prosecutes such cure, correction or remedy to completion within an additional 60 days following the conclusion of such 30-day period (for a total of 90 days). The Party giving notice of a default must specify in such notice the default complained of by the injured Party in reasonable detail. A default which has not been cured by a Party in accordance with the applicable provisions of this subparagraph may be, at the discretion of the injury Party, the grounds for the injured Party to give written notice of termination of this Agreement or to exercise any legal right and/or remedy available to the injured Party. Any failure or delay by a Party in giving a written notice of default or in asserting any of its rights and remedies as to any such default shall not constitute a waiver of any default, nor shall it change the time of default, nor shall it deprive such Party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

(m) Other Terminations. If the Parties or the Limited Partnership, as applicable, fails to acquire Lot 3 or fails to obtain financing necessary to make the Senior Affordable Project feasible and if such failure constitutes a default under any contract or agreement which the Limited Partnership or the Parties may have relating to the Senior Affordable Project, such as, for example, an option agreement, purchase agreement, or a disposition and development, affordable housing or affordable loan agreement and as a result the Limited Partnership or the Parties, as applicable, loses the right to proceed further to acquire, develop or construct the Senior Affordable Project, then the termination of any such contract or agreement necessary to acquire, finance, develop or construct the Senior Affordable Project, shall, when final, be deemed a termination of this Agreement. If requested by a Party, the other Party will join in confirming such termination of this Agreement.

(n) Effective Date. The "Effective Date" of this Agreement will be the last date on which a Party has executed this Agreement.

[signatures of the Parties are on the following pages]

IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

Irvine Company Land Trust,
a California nonprofit public benefit corporation

By: ______________________________
Name: William Hughes
Title: Executive Director

Date of Execution: ________________, 2025

IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

National Community Renaissance of California,
a California nonprofit public benefit corporation

By: ____________________________________

Name: ____________________________________

Title: ____________________________________

Date of Execution: _______________, 2025

Item

#6

Approval of

Resolution 25-052

Amend By-Laws to extend ICLT footprint

RESOLUTION 25-052

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE COMMUNITY LAND TRUST AMENDING THE BYLAWS TO EXPAND THE AREA OF OPERATIONS OF THE IRVINE COMMUNITY LAND TRUST

WHEREAS, the mission of the Irvine Community Land Trust (Land Trust) is to provide secure, high-quality affordable housing; and

WHEREAS, the Land Trust was formed as a California Nonprofit Public Benefit Corporation for charitable purposes on March 24, 2006 and obtained its Internal Revenue Service designation as a 50l(c)(3) and 509(a)(3) tax exempt, public charity on March 5, 2007; and

WHEREAS, the Land Trust has adopted Bylaws to govern the operations of the Land Trust, which Bylaws have been amended on numerous occasions; and

WHEREAS, the Bylaws of the Land Trust state that "The specific purpose of this corporation is to lessen the burdens of government by assisting the City of Irvine, California and other cities and communities within the County of Orange, California to ensure that their residents are able to secure housing by, among other things, developing, construction, financing, managing, selling, renting, subsidizing, and monitoring single- and multi-family housing, and to conduct or perform any ancillary or related activity in furtherance of the foregoing"; and

WHEREAS, the Board desires to expand the geographical area in which the Land Trust may operate, in order to avail itself of opportunities to provide secure, high-quality affordable housing in communities nearby and adjacent to Orange County.

NOW, THEREFORE, the Board of Directors of the Irvine Community Land Trust DOES HEREBY RESOLVE as follows:

SECTION 1. The first sentence of the second paragraph of Article 3 of the Bylaws of the Land Trust is hereby revised to read as follows: "The specific purpose of this corporation is to lessen the burdens of government by assisting the City of Irvine, California and other cities and communities within the Counties of Orange, Los Angeles, Riverside, San Bernardino and San Diego, California to ensure that their residents are able to secure housing by, among other things, developing, constructing, financing, managing, selling, renting, subsidizing, and monitoring single- and multi-family housing, and to conduct or perform any ancillary or related activity in furtherance of the foregoing."

SECTION 2. The officers and employees of the Land Trust are authorized and directed to seek out, analyze, and negotiate opportunities in the geographical areas of operation of the Land Trust which further the purpose of acquiring, developing and funding affordable housing in accordance with the Articles of Incorporation, Bylaws, and mission statement of the Land Trust.

The cost to the Land Trust of any projects located outside of the City of Irvine shall not be paid with funds directly provided to the Land Trust by the City of Irvine.

PASSED AND ADOPTED by the Board of Directors of the Irvine Community Land Trust at a regular meeting held on the 17th day of November, 2025.

____

RYAN AEH
PRESIDENT OF THE IRVINE
COMMUNITY LAND TRUST

ATTEST:

____

RUSSELL FELBOB
SECRETARY OF THE IRVINE
COMMUNITY LAND TRUST

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF IRVINE)

I, Russell Felbob, Secretary of the Irvine Community Land Trust, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the Board of Directors of the Irvine Community Land Trust held on the 17th day of November 2025.

AYES: __ MEMBERS:

NOES: __ MEMBERS:

ABSTAIN: __ MEMBERS:

ABSENT: __ MEMBERS:

____
RUSSELL FELBOB
SECRETARY OF THE IRVINE
COMMUNITY LAND TRUST

Item

#7

Approval of

Resolution 25-053

Potential Loan for

Development on

2400 Barranca, Irvine

25-053

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE COMMUNITY LAND TRUST APPROVING A LOAN AGREEMENT BETWEEN THE IRVINE COMMUNITY LAND TRUST AND THE LIMITED PARTNER DEVELOPER OF THE PROPERTY AT 2400 BARRANCA AVENUE, IRVINE, CA, AND AUTHORIZING THE PRESIDENT, VICE-PRESIDENT, SECRETARY, AND/OR EXECUTIVE DIRECTOR TO EXECUTE THE LOAN AGREEMENT AND OTHER DOCUMENTS PURSUANT THERETO

WHEREAS, the mission of the Irvine Community Land Trust (the "Land Trust") is to acquire, develop and provide secure, high-quality affordable housing to low and moderate income households; and

WHEREAS, the Land Trust has acquired a site located at 2400 Barranca Avenue, Irvine, CA (the "Site") for the development of an affordable housing project thereon (the "Project"); and

WHEREAS, the Land Trust has formed or intends to form a California limited partnership to serve as the developer of the affordable housing project on the Site (the "Limited Partnership"; and

WHEREAS, in order to finance the construction and long-term operation of the Project on the Site, it is necessary for the Land Trust to make a construction/permanent loan to the Partnership, upon such terms and conditions as will be mutually determined by the Land Trust and the Partnership (the "Land Trust Loan"); and

WHEREAS, the Land Trust desires to approve the Land Trust Loan in an amount not to exceed the sum of [Ten Million Dollars ($10,000,000)]; and

WHEREAS, the Board desires to designate the President, Vice-President, Secretary and Executive Director as the officers who may execute all agreements documenting the Land Trust Loan on behalf of the Land Trust.

NOW, THEREFORE, the Board of Directors of the Irvine Community Land Trust DOES HEREBY RESOLVE as follows:

<u>SECTION 1</u>. The Land Trust hereby approves the Land Trust Loan in an amount not to exceed the sum of [Ten Million Dollars ($10,000,000)], and upon such further terms and conditions as determined and approved by the Executive Director of the Land Trust.

<u>SECTION 2</u>. The President, Vice-President, Secretary, and Executive Director of the Land Trust are authorized to execute and approve all documents necessary and proper to memorialize the Land Trust Loan on behalf of the Land Trust, and to perform any other activities necessary or proper to carry out the Land Trust Loan.

SECTION 3. The authorization delegated to the President, Vice-President, Secretary, and Executive Director of the Land Trust by this Resolution shall be valid through December 31, 2030, unless earlier revoked or amended by resolution of the Board of Directors of the Land Trust.

PASSED AND ADOPTED by the Board of Directors of the Irvine Community Land Trust at a regular meeting held on the 17th day of November, 2025.

____
RYAN AEH
PRESIDENT OF THE IRVINE
COMMUNITY LAND TRUST

ATTEST:

____
RUSSELL FELBOB
SECRETARY OF THE IRVINE
COMMUNITY LAND TRUST

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF IRVINE)

I, Rusell Felbob, Secretary of the Irvine Community Land Trust, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the Board of Directors of the Irvine Community Land Trust held on the 17^{th} day of November, 2025.

AYES:__ MEMBERS:

NOES:__ MEMBERS:

ABSTAIN:__ MEMBERS:

ABSENT:__ MEMBERS:

____
RUSSELL FELBOB
SECRETARY OF THE IRVINE
COMMUNITY LAND TRUST

Item

#8

Approval of

Resolution 25-054

Potential Loan for

Development at

PA 40 Phase I, Irvine

25-054

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE COMMUNITY LAND TRUST APPROVING A LOAN AGREEMENT BETWEEN THE IRVINE COMMUNITY LAND TRUST AND THE LIMITED PARTNER DEVELOPER OF PHASE ONE OF THE PROPERTY AT PA 40, IRVINE, CA, AND AUTHORIZING THE PRESIDENT, VICE-PRESIDENT, SECRETARY, AND/OR EXECUTIVE DIRECTOR TO EXECUTE THE LOAN AGREEMENT AND OTHER DOCUMENTS PURSUANT THERETO

WHEREAS, the mission of the Irvine Community Land Trust (the "Land Trust") is to acquire, develop and provide secure, high-quality affordable housing to low and moderate income households; and

WHEREAS, the Land Trust is negotiating an agreement with the City of Irvine for the acquisition of a site located at PA 40, Irvine, CA (the "Site") for the development of a two-phase affordable housing project thereon (the "Project"); and

WHEREAS, the Land Trust intends to form a California limited partnership to serve as the developer of Phase One of the Project on the Site (the "Limited Partnership"; and

WHEREAS, in order to finance the construction and long-term operation of Phase One of the Project on the Site, it is necessary for the Land Trust to make a construction/permanent loan to the Partnership, upon such terms and conditions as will be mutually determined by the Land Trust and the Partnership (the "Land Trust Loan"); and

WHEREAS, the Land Trust desires to approve the Land Trust Loan in an amount not to exceed the sum of [Six Million] Dollars ($6,000,000); and

WHEREAS, the Board desires to designate the President, Vice-President, Secretary and Executive Director as the officers who may execute all agreements documenting the Land Trust Loan on behalf of the Land Trust.

NOW, THEREFORE, the Board of Directors of the Irvine Community Land Trust DOES HEREBY RESOLVE as follows:

<u>SECTION 1</u>. The Land Trust hereby approves the Land Trust Loan in an amount not to exceed the sum of Six Million Dollars ($6,000,000), and upon such further terms and conditions as determined and approved by the Executive Director of the Land Trust.

<u>SECTION 2</u>. The President, Vice-President, Secretary, and Executive Director of the Land Trust are authorized to execute and approve all documents necessary and proper to memorialize the Land Trust Loan on behalf of the Land Trust, and to perform any other activities necessary or proper to carry out the Land Trust Loan.

SECTION 3. The authorization delegated to the President, Vice-President, Secretary, and Executive Director of the Land Trust by this Resolution shall be valid through December 31, 2030, unless earlier revoked or amended by resolution of the Board of Directors of the Land Trust.

PASSED AND ADOPTED by the Board of Directors of the Irvine Community Land Trust at a regular meeting held on the 17th day of November, 2025.

____
RYAN AEH
PRESIDENT OF THE IRVINE
COMMUNITY LAND TRUST

ATTEST:

____
RUSSELL FELBOB
SECRETARY OF THE IRVINE
COMMUNITY LAND TRUST

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF IRVINE)

I, Russell Felbob, Secretary of the Irvine Community Land Trust, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the Board of Directors of the Irvine Community Land Trust held on the 17th day of November, 2025.

AYES: __ MEMBERS:

NOES: __ MEMBERS:

ABSTAIN: __ MEMBERS:

ABSENT: __ MEMBERS:

____
RUSSELL FELBOB
SECRETARY OF THE IRVINE
COMMUNITY LAND TRUST

Item

#9

Approval of

Resolution 25-055

Potential Loan for

Development at

PA 40 Phase II, Irvine

25-055

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE COMMUNITY LAND TRUST APPROVING A LOAN AGREEMENT BETWEEN THE IRVINE COMMUNITY LAND TRUST AND THE LIMITED PARTNER DEVELOPER OF PHASE TWO OF THE PROPERTY AT PA 40, IRVINE, CA, AND AUTHORIZING THE PRESIDENT, VICE-PRESIDENT, SECRETARY, AND/OR EXECUTIVE DIRECTOR TO EXECUTE THE LOAN AGREEMENT AND OTHER DOCUMENTS PURSUANT THERETO

WHEREAS, the mission of the Irvine Community Land Trust (the "Land Trust") is to acquire, develop and provide secure, high-quality affordable housing to low and moderate income households; and

WHEREAS, the Land Trust is negotiating an agreement with the City of Irvine for the acquisition of a site located at PA 40, Irvine, CA (the "Site") for the development of a two-phase affordable housing project thereon (the "Project"); and

WHEREAS, the Land Trust intends to form a California limited partnership to serve as the developer of Phase Two of the Project on the Site (the "Limited Partnership"; and

WHEREAS, in order to finance the construction and long-term operation of Phase Two of the Project on the Site, it is necessary for the Land Trust to make a construction/permanent loan to the Partnership, upon such terms and conditions as will be mutually determined by the Land Trust and the Partnership (the "Land Trust Loan"); and

WHEREAS, the Land Trust desires to approve the Land Trust Loan in an amount not to exceed the sum of [Six Million Dollars ($6,000,000); and

WHEREAS, the Board desires to designate the President, Vice-President, Secretary and Executive Director as the officers who may execute all agreements documenting the Land Trust Loan on behalf of the Land Trust.

NOW, THEREFORE, the Board of Directors of the Irvine Community Land Trust DOES HEREBY RESOLVE as follows:

SECTION 1. The Land Trust hereby approves the Land Trust Loan in an amount not to exceed the sum of Six Million Dollars ($6,000,000), and upon such further terms and conditions as determined and approved by the Executive Director of the Land Trust.

SECTION 2. The President, Vice-President, Secretary, and Executive Director of the Land Trust are authorized to execute and approve all documents necessary and proper to memorialize the Land Trust Loan on behalf of the Land Trust, and to perform any other activities necessary or proper to carry out the Land Trust Loan.

SECTION 3. The authorization delegated to the President, Vice-President, Secretary, and Executive Director of the Land Trust by this Resolution shall be valid through December 31, 2025, unless earlier revoked or amended by resolution of the Board of Directors of the Land Trust.

PASSED AND ADOPTED by the Board of Directors of the Irvine Community Land Trust at a regular meeting held on the 17th day of November, 2025.

RYAN AEH
PRESIDENT OF THE IRVINE
COMMUNITY LAND TRUST

ATTEST:

RUSSELL FELBOB
SECRETARY OF THE IRVINE
COMMUNITY LAND TRUST

STATE OF CALIFORNIA)

COUNTY OF ORANGE) SS

CITY OF IRVINE)

I, Russell Felbob, Secretary of the Irvine Community Land Trust, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the Board of Directors of the Irvine Community Land Trust held on the 17th day of November, 2025.

AYES: __ MEMBERS:

NOES: __ MEMBERS:

ABSTAIN: __ MEMBERS:

ABSENT: __ MEMBERS:

____

RUSSELL FELBOB
SECRETARY OF THE IRVINE
COMMUNITY LAND TRUST

Item

#10

Approval of
Resolution 25-056
Potential Loan for
Development at
Euclid and Heil Aves,
Fountain Valley

25-056

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE COMMUNITY LAND TRUST APPROVING A LOAN AGREEMENT BETWEEN THE IRVINE COMMUNITY LAND TRUST AND THE LIMITED PARTNER DEVELOPER OF THE PROPERTY AT HEIL AND EUCLUD AVES, FOUNTAIN VALLEY, CA, AND AUTHORIZING THE PRESIDENT, VICE-PRESIDENT, SECRETARY, AND/OR EXECUTIVE DIRECTOR TO EXECUTE THE LOAN AGREEMENT AND OTHER DOCUMENTS PURSUANT THERETO

WHEREAS, the mission of the Irvine Community Land Trust (the "Land Trust") is to acquire, develop and provide secure, high-quality affordable housing to low and moderate income households; and

WHEREAS, the Land Trust has entered into an agreement for its participation in the acquisition and development of a site located at Heil Ave and Euclid Street, Fountain Valley, CA (the "Site") for the development of an affordable housing project thereon (the "Project"); and

WHEREAS, the Land Trust has formed or intends to form a California limited partnership to serve as the developer of the affordable housing project on the Site (the "Limited Partnership"; and

WHEREAS, in order to finance the construction and long-term operation of the Project on the Site, it is necessary for the Land Trust to make a construction/permanent loan to the Partnership, upon such terms and conditions as will be mutually determined by the Land Trust and the Partnership (the "Land Trust Loan"); and

WHEREAS, the Land Trust desires to approve the Land Trust Loan in an amount not to exceed the sum of Ten Million Dollars ($10,000,000); and

WHEREAS, the Board desires to designate the President, Vice-President, Secretary and Executive Director as the officers who may execute all agreements documenting the Land Trust Loan on behalf of the Land Trust.

NOW, THEREFORE, the Board of Directors of the Irvine Community Land Trust DOES HEREBY RESOLVE as follows:

SECTION 1. The Land Trust hereby approves the Land Trust Loan in an amount not to exceed the sum of Ten Million Dollars ($10,000,000), and upon such further terms and conditions as determined and approved by the Executive Director of the Land Trust.

SECTION 2. The President, Vice-President, Secretary, and Executive Director of the Land Trust are authorized to execute and approve all documents necessary and proper to memorialize the Land Trust Loan on behalf of the Land Trust, and to perform any other activities necessary or proper to carry out the Land Trust Loan.

SECTION 3. The authorization delegated to the President, Vice-President, Secretary, and Executive Director of the Land Trust by this Resolution shall be valid through December 31, 2025, unless earlier revoked or amended by resolution of the Board of Directors of the Land Trust.

PASSED AND ADOPTED by the Board of Directors of the Irvine Community Land Trust at a regular meeting held on the 17th day of November, 2025.

____
RYAN AEH
PRESIDENT OF THE IRVINE
COMMUNITY LAND TRUST

ATTEST:

____
RUSSELL FELBOB
SECRETARY OF THE IRVINE
COMMUNITY LAND TRUST

STATE OF CALIFORNIA)

COUNTY OF ORANGE) SS

CITY OF IRVINE)

I, Russell Felbob, Secretary of the Irvine Community Land Trust, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the Board of Directors of the Irvine Community Land Trust held on the 17th day of November, 2025.

AYES:__ MEMBERS:

NOES:__ MEMBERS:

ABSTAIN:__ MEMBERS:

ABSENT:__ MEMBERS:

____

RUSSELL FELBOB
SECRETARY OF THE IRVINE
COMMUNITY LAND TRUST