

[On City Letterhead]

Rancho Belago Developers, Inc.
27700 Kalmia Avenue
Moreno Valley, CA 92555-5200
Attn: James M. Jernigan, President

Re: Site Control Award Letter with Option Agreement Issued by the City of Moreno Valley to Rancho Belago Developers, Inc. in Connection with RBD's Application to the Housing Authority of the County of Riverside, RFP 2026-01, Seeking an Award of Section 8 Project-Based Housing Vouchers for Use at the Legacy Ridge, a 150-Unit Senior Multifamily Affordable Housing Project on an 8.47-Acre "Site" Owned by the City; Award Letter with Option Agreement Evidence Site Control of the Site as Required under HACR RFP 2026-001 and as Later Required by as Part of Applications to TCAC for Tax Credits and to CDLAC for a Bond Allocation

Dear Mr. Jernigan:

This Site Control Award Letter with Option Agreement ("Award Letter") is dated and effective as of April 21, 2026 ("Date of Award Letter")¹ and is issued by the **City of Moreno Valley**, a California municipal corporation ("City") to **Rancho Belago Developers, Inc.**, a California corporation, including its affiliate(s) or subsidiary(ies) ("RBD" or "Developer"). This Award Letter relates to Developer's proposed construction and operation of a 150-unit senior affordable housing project called "Legacy Ridge" on an 8.47-acre single parcel located at the southeast corner of Alessandro Boulevard and Lasselle Avenue, Moreno Valley, California APN 486-280-044 ("Site"). The Site is owned in fee by the City, and as further described herein the City has completed proceedings under the SLA and by letter to the City issued by and from the State of California, Department of Housing and Community Development ("HCD") authorizes disposition of the Site to RBD for affordable housing public purposes. City and Developer may be referred to each as a "Party" and together the "Parties".

Introduction

This Award Letter sets forth the basic terms between the Parties in connection with Developer's application to the Housing Authority of the County of Riverside ("HACR") in response to HACR's Request for Proposals, RFP No. 2026-001, Housing Choice Voucher Program, Project Based Vouchers² ("PBVs") seeking an allocation and award of PBVs for the Legacy Ridge Project. In this regard, this Award Letter (with Option) intends to fulfill HACR's requirement that Developer has "site control"³ of the Site in connection with its application for PBVs to be awarded by HACR for the Legacy Ridge Project.

Further, as intended by Developer and to inform HACR, the City acknowledges that Developer intends, in cooperation with the City and Moreno Valley Housing Authority

¹ Capitalized terms used in this Award Letter are as defined herein.

² See: HACR RFP No. 2026-001 at https://harivco.org/sites/g/files/aldnop131/files/2026-03/Project_Based_Voucher_RFP_No_2026-001.pdf. And, see: Section 8(0)(13) of the U.S. Housing Act of 1937, 42 U.S.C. Section 1437f(o)(13), and the implementing regulations set forth at 24 CFR Part 983.

³ Per HACR RFP 2026-001 Section 2.75: "Proposer must have site control or evidence to indicate that the needed approval/documentation for site control is likely to be obtained and will not delay the project."

("Authority"), to later submit application(s) for (i) a reservation of 4% Low Income Housing Tax Credits (or 9%) from the California Tax Allocation Credit Committee ("TCAC"), and (ii) paired with its application to TCAC for 4% tax credits, Developer will apply to the California Debt Limit Allocation Committee ("CDLAC") for an allocation and authorization to issue tax-exempt multifamily revenue housing bonds to the California Debt Limit Allocation Committee ("CDLAC"). More specifically, Developer intends to first apply in "Round 3" for a TCAC reservation of 4% tax credits and to CDLAC for an allocation to issued tax exempt bonds paired with such credits. If not successful in Round 3, then Developer may submit one or more applications to TCAC and/or CDLAC during 2027 Rounds, and if successful will close construction financing by 2028.⁴

Also, Developer, in cooperation with City, will apply to the City for the land use entitlement(s) (whether discretionary and/or ministerial) for construction and operation of the Legacy Ridge Project on the Site. The City's General Plan, already designates, and the Site is zoned, "R-30" (30/DUA) for residential development. In connection with such land use entitlement, compliance and determination under CEQA undertaken, albeit it appears Legacy Ridge will qualify as an exempt "by right" project, 100% affordable housing under CEQA, and if applicable as an exclusion project under NEPA.

In addition, Developer intends to apply for funding sources at the federal and state level by end of 2027 and close construction financing by 2028 in compliance with HACR RFP No. 2026-001. City is informed by Developer that Developer intends to submit one or more applications for state and federal enforceable financial commitments from TCAC and CDLAC as described above and in footnote 4., and/or other or additional state or federal funding sources.

HACR does not require Developer to identify local level funding sources (such as HOME, PLHA, PIP), nonetheless, this Award Letter informs HACR that, subject to the award of PBVs by HACR, the City desires in a subsequent award letter ("MoVal Funding Award") to be considered and acted on by the City Council (and Authority board) in their sole discretion, which if approved, will provide an enforceable financial commitment of funds through a subordinate, residual receipts loan as supplemental financing for development and operation of Legacy Ridge. The MoVal Funding Award, if approved, will authorize issuance of a "MoVal Loan", the principal amount for which will be sourced from, and be comprised of: (i) fair market value of Site with carry back financing, (ii) Permanent Local Housing Allocation Program ("PLHA") funds, either or both through City's annual PLHA allocation or from PLHA funds deposited pursuant to the Settlement Agreement dated July 15, 2024 between the City and HCD, (iii) Prohousing Incentive Program ("PIP") funds, and (iv) Authority's low to moderate income housing asset fund ("LMIHAF") for construction, development, and operation of Legacy Ridge Project.

⁴ The Project will be undertaken by a limited partnership to be formed by RBD, as administrative general partner, and Kingdom Development, Inc., a California nonprofit public benefit corporation ("KDI"), as managing general partner, and the tax credit investor(s) as limited partner. RBD and KDI are experienced in the construction, development, operation and management of high-quality housing in Southern California, including multiple affordable housing projects located in the City. The new limited partnership entity when formed will be the "applicant" and "developer" in applications to TCAC, CDLAC, and County of Riverside.

Legacy Ridge will be developed and operated as a senior housing development, subject to Developer receiving HACR's allocation and award of PBVs. Developer informs City its application to HACR under RFP 2026-001 will seek thirty-seven (37) PBVs, to be used for tenant households (i) who qualify as Unstably Housed⁵, Homeless or At-Risk of Homelessness, and/or (ii) for Veterans⁶, which will be part of the multiple financial subsidies to the Project through Developer applications to TCAC, CDLAC, City, Authority, HACR, and the County of Riverside ("County").

This Award Letter with Option Agreement intends to fulfill the requirements of HACR RFP No. 2026-001 for Developer's application to HACR to evidence "site control" of the Site. The *Option Agreement – Legacy Ridge Site* ("Option Agreement") authorized by this Award Letter, will be entered into between the City and Developer, substantially in the form of Exhibit A, attached hereto and fully incorporated by this reference.

1. Term of Award Letter. This Award Letter shall expire automatically on the earliest to occur of (i) December 31, 2027, or (ii) Developer's failure to satisfy the Award Letter Condition Precedent (defined below) prior to December 31, 2027 ("Award Letter Expiration Date"), at which time the terms set forth herein shall be null and void, unless prior to the Award Letter Expiration Date this Award Letter is amended and extended in writing by the City Manager, which decision to amend and extend, or not, is and shall remain in the sole and absolute discretion of the City Manager.

2. SLA Background of Site; Project Description.

2.1 SLA Background. The City has undertaken the procedures under the California Surplus Land Act, Government Code Section 54220, *et seq.* ("SLA"), including issuance of the required Notice of Availability ("NOA") and receipt of three Notices of Interest for proposed development of affordable housing (each "NOI") on the Site. RBD's NOI that

⁵ The term Unstably Housed includes Homeless and At-Risk of Homelessness:

"Unstably Housed" means households satisfying the criteria of (a), (b), (c) and/or (d), below:

- (a) Households who are living in a place not meant for human habitation, in transitional housing, or are exiting an institution where they temporarily resided, including households exiting an institution where they resided for up to 90 days, if they were in shelter or a place not meant for human habitation immediately prior to entering that institution.
- (b) Households who are losing their primary nighttime residence, which may include a motel or hotel or a doubled up situation, within 14 days and lack resources or support networks to remain in housing.
- (c) Families with children or unaccompanied youth who are unstably housed and likely to continue in that state, including families with children or unaccompanied youth who have not had a lease or ownership interest in a housing unit in the last 60 or more days, have had two or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment.
- (d) Households who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing.

⁶ The term "Veteran" and "VASH Program" PBVs include:

- (a) "Veteran" has the meaning ascribed in the United States Housing and Urban Development ("HUD") VASH Program.
- (b) "VASH Program" means the HUD Veterans Affairs Supportive Housing program that combines housing choice voucher rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating Veterans at VA medical centers (VAMCs) and community-based outreach clinics.

proposed development of the Legacy Ridge Project was selected by the City and that selection and disposition of the Site to RBD was approved by HCD in a letter to the City dated February 10, 2026.⁷ The HCD approval letter to the City reads, in part, “all the requirements under the SLA for the purposes of disposing of the Property [Site] have been met.” Therefore, the City desires to issue to Developer this Site Control Award Letter (and with Option Agreement) pursuant to the requirements of the SLA approval letter to the City and in furtherance of RBD’s application to HACR under RFP 2026-001 for an award of PBVs for the Legacy Ridge Project.

2.2 Project Description. Developer proposes to plan, design, construct, complete and operate the Project, a new 150-unit senior multifamily affordable housing development (148 units plus two on-site manager units). Legacy Ridge will include two (2) three-story buildings, with an approximate gross building area of 121,876 square feet (“sq.ft.”). Legacy Ridge residential units will include a total of one hundred and forty-eight (148) 1-bedroom units at 565 sq.ft. (approximate), and two (2) 2-bedroom manager units. The onsite community space will include patio, BBQ grills, basketball courts, and secure bicycle storage; and approximately 4,376 sq.ft. of common indoor space in the form of a community room, refreshment bar, onsite resident services (including supportive, social and other services), and community laundry rooms. The onsite landscaping will utilize drought tolerant planting and decorative landscaping, and provide passive areas that include seating for the residents and their guests. There will be 135 standard and 25 van accessible on-site vehicular parking spaces. As required by the HACR RFP 2026-001, the Project will provide wrap-around services, a robust supportive social services package to the residents in partnership with the Developer’s service providers, with an emphasis on health and wellness, as described and compliant with HACR RFP 2026-001, Section 2.7.

2.3 Unit Mix: Income Levels, Unit Size, Affordable Rent.

(a) *Project with 4% Tax Credits.* In connection with and if awarded a reservation of 4% Tax Credits, the unit mix, based on number of bedrooms, income category, and rent for 148 units at Legacy Ridge is set forth in subsections (i) to (vii) inclusive and subsection (b) below. Each and all Affordable Units shall be leased at an Affordable Rent pursuant to Health and Safety Code (“HSC”) Section 50053(b)(2) (presuming tax credits and bonds) based on the Riverside County Area Median Income (“AMI”) applicable to the Affordable Units in accordance with the following anticipated unit mix:

⁷ The February 10, 2026 HCD letter provides in part: “This letter constitutes HCD’s written findings pursuant to Government Code section 54230.5 of the Surplus Land Act (SLA), for surplus land located on Alessandro Boulevard, Assessor’s Parcel Number 486-280-044 (Property)... [T]he City reached price and terms with Rancho Belago Developers, Inc. to build a 100% affordable housing project consisting of 148 residential units. [D]isposition of this Property [Site] for an affordable housing development fulfills, in part, obligations outlined in HCD’s July 15, 2024 Settlement Agreement... “[A]ll the requirements under the SLA for the purposes of disposing of the Property [Site] have been met. Once a final disposition has taken place,... [City will] provide HCD with a copy of the respective recorded covenant pursuant to SLA Guidelines, Section 400(b)(1).” (Emphasis added.)

(i) Fifteen (15) 1-bedroom housing Units for 30% AMI Extremely Low Income Households; and

(ii) Eleven (11) 1-bedroom Housing Units for 40% AMI Very Low Income Households; and

(iii) Eleven (11) 1-bedroom Housing Units for 50% AMI Very Low Income Households; and

(iv) One Hundred Eleven (111) 1-bedroom Housing Units for 60% AMI Low Income Households

(v) Two (2) 2-bedroom Housing Units as the designated "Manager Units" that are unrestricted as to income and monthly rent.

(b) *Income Categories for 4% Tax Credit Project.* For a 4% Tax Credit transaction, the tenants at the Project shall qualify as to household gross income based on the income category applicable to his/her/their Housing Unit, which range of and category levels for Extremely Low, Very Low and Low Income households are defined below. Actual rent charged may be less than such maximum rent.

(i) "Extremely Low Income Households" means those households earning not greater than thirty percent (30%) AMI, adjusted for household size as defined by the Tax Credit Rules.

(ii) "Very Low Income Households" means those households earning not greater than fifty percent (50%) AMI, adjusted for actual household size as defined by the Tax Credit Rules, and shall include: (A) 30% Extremely Low Income Households; (B) 40% AMI Very Low Income Households; and (C) 50% AMI Very Low Income Households, as defined by the Tax Credit Rules.

(iii) "Lower Income" means: (i) lower income households at or below 60% AMI as defined in the Tax Credit Rules. Lower Income Households at or below 60% AMI shall include Very Low Income Households and Extremely Low Income Households as defined in the Tax Credit Rules.

(iv) "30% AMI Extremely Low Income Households", and "30% AMI Households" mean those households earning not greater than thirty percent (30%) AMI, adjusted for household size that is set forth annually by regulation of TCAC.

(v) "40% AMI Very Low Income Households" and/or "40% AMI Households" shall mean those households earning not greater than forty percent (40%) AMI, adjusted for household size that is set forth annually by regulation of TCAC. Further, 40% AMI Households also include 30% AMI Households.

(vi) "50% AMI Very Low Income Households" and/or "50% AMI Households" shall mean those households earning not greater than fifty percent (50%) AMI,

adjusted for household size that is set forth annually by regulation of TCAC. Further, 50% AMI Households include 40% AMI Households and 30% AMI Households.

(vii) “60% AMI Lower-Income Households” and/or “60% AMI Households” shall mean those households earning not greater than sixty percent (60%) AMI, adjusted for household size that is set forth annually by regulation of TCAC. Further, 60% AMI Households include 50% AMI Households, 40% AMI Households, and 30% AMI Households.

(c) “Household size appropriate to the unit” has the meaning set forth by regulation of TCAC. The minimum and maximum occupancy limits will be set forth in further implementing documents, which will be different than the Household size appropriate to the unit under the TCAC and CDLAC regulations.

3. Sources of Financing. As provided in Section 5. below, Developer shall seek and obtain the following prior to the Award Letter Expiration Date, which, if awarded, shall be paired with the Investor Limited Partner's equity investment:

3.1 Applications for Reservation of 4% Tax Credits.

(a) *Third Round 2026 for 4% Tax Credits.* Developer shall prepare and submit an application to TCAC in the 2026 third round for a reservation of 4% Tax Credits.

(b) *Subsequent Round for 4% and/or 9% Tax Credits.* If Developer's application in 3.1(a) is not successful or cannot be submitted by the deadline, then Developer shall prepare and submit an application to next TCAC round for a reservation of 4% Tax Credits.

3.2 MoVal Loan. Subject to HACR award and allocation of PBVs pursuant to HACR RFP 2026-001, and thereafter subject to the conditions precedent in the *subsequent* MoVal Funding Award, which will provide an enforceable financial commitment required by TCAC and CDLAC, as described above, City and Authority may authorize in their respective sole discretion, to issue to Developer the subsequent MoVal Funding Award after award of the PBVs by HACR, for issuance of the MoVal Loan in an original principal amount preliminarily estimated at approximately \$9,600,000 that will be evidenced by a promissory note (“MoVal Loan Note”) and secured by a deed of trust (“MoVal Loan Deed of Trust”). The “MoVal Loan Amount” will be set forth in a *Disposition, Development and Affordable Housing Agreement* (“AHA”) to be negotiated and entered into among City, Authority, and Developer limited partnership described in footnote 4., and the MoVal Loan Note Amount will not exceed the cumulative total of the following (a)-(c): (a) \$9,600,000 cash subsidy, from the City and/or Authority of available funds that may be sourced from (i) Authority's LMIHAF, (ii) City PIP funds, (iii) City PLHA funds, both in the County's pooled account that includes City, County, and other local government PLHA pooled funds and/or PLHA funds sourced from that certain *Settlement Agreement* dated as of July 15, 2024 between the City and HCD; or (iv) other funding sources, plus, (b) carry-back financing of the purchase price for the Site at its appraised value that is presently appraised at a fair market value of \$3,372,000, provided however, that valuation shall be adjusted to the appraised value determined by

independent appraisal completed at a date within and not later than sixty (60) days prior to Developer's application(s) to TCAC and CDLAC, plus (c) the cumulative fees, costs, and expenses, if any, incurred by MoVal for preparation of the Site for development as incurred during the period September 30, 2024 (first date of NOA) to the date of Closing of Financing, such as, but not limited to environmental assessment, clearance or remediation (if any), engineering, economic analysis, and other consulting or professional services, but excluding in-house staff time, provide however City (and Authority's) third party legal fees shall be paid by Developer pursuant to subsection 3.2(a) below; the foregoing are related to disposition and sale of the Site and construction and development of Legacy Ridge. All such amounts described above shall collectively constitute components of the MoVal Loan and are included as part of the overall "MoVal Assistance" provided by City (and Authority) for the Project.

(a) *MoVal Legal Fees.* At Closing of Financing, the City is authorized to prepare and submit into Escrow and invoice for their respective third party legal fees and costs incurred during the period commencing on September 30, 2024 and ending on the date of the Closing of Financing, which invoice shall be paid out the proceeds deposited into Escrow from one or more sources that may include Developer funds, Primary Lender funds, Tax Credit Investor funds, or other funds not sourced from the City or Authority.

3.3 County of Riverside Funding. In the event Developer receives a reservation of 4% Tax Credits by TCAC, prior to or concurrently with such financing by TCAC, Developer intends to seek, receive and maintain a loan commitment from the County sourced from HOME funds or other funds, in an estimated amount of \$1,500,000 ("County Assistance").

(a) *HACR PBVs.* Developer shall have received and maintain the award and allocation by HACR the PBVs described above, for which Developer seeks thirty-seven (37) PBVs awarded under HACR RFP No 2026-001. In connection with its application(s) Developer also shall seek other federal, state, regional and/or other funding sources to undertake the Project as described in Introduction above .

4. Affordable Housing Agreement. Developer has applied to MoVal for issuance of this Award Letter with Option, and subject to receiving the HACR award of PBVs pursuant to RFP No. 2026-001, and satisfaction of the subsequent MoVal Funding Award and conditions precedent described therein, and summarized below, and certain additional conditions precedent described herein, Developer desires to (a) negotiate and enter into an AHA with MoVal, (b) acquire the Site from the City pursuant to the Option Agreement, Exhibit A, and additional terms and conditions in the AHA, and (c) obtain the MoVal Loan pursuant to the AHA. The complete terms, conditions, and provisions of the AHA will be negotiated and entered into among the City, Authority and Developer at a time concurrent with (i) the closing of Developer's construction financing, (ii) Developer entering into a limited partnership agreement with its Investor Limited Partner, and (iii) related actions for commencing construction of the Project (together, "Closing of Financing").

5. Award Letter Condition Precedent. Developer shall apply for and use diligent good faith efforts to pursue the federal, state, and local funding sources for the Project as described herein. The applications for and award of such funding sources shall constitute the

“Funding Condition Precedent” herein, which will be more fully defined, described and set forth in the subsequent MoVal Funding Award, if approved.

6. Site Control Provided through City’s Commitment to Sell the Site to Developer.

By this Award Letter, City intends to provide Developer “site control” of the Site by grant of the Option, and thereby commitment to sell the Site, subject to receiving an award and allocation of PBVs through HACR RFP No. 2026-001 and satisfaction of MoVal Funding Award conditions precedent, and subject to terms and conditions of the TCAC and CDLAC regulations.

7. Entitlement and CEQA. As a part of Developer's Notice of Interest during the SLA process, and MoVal's selection thereof and pursuant to applicable provisions of the California Government Code, and as a condition precedent to Developer's application to TCAC and CDLAC, as applicable, and as required by HACR RFP No. 2026-001, Developer shall make application to the City for discretionary and/or ministerial actions that comprise the land use entitlement for development of Legacy Ridge on the Site. In connection therewith, Developer, City (and Authority) are subject to and shall comply with, and the Project is subject to, the California Environmental Quality Act, Public Resources Code Section 21000, *et seq.*, and the implementing Guidelines set forth at Title 14 California Code of Regulations Section 15000, *et seq.* (together, “CEQA”). Further, if applicable, the City shall cause the Project to be evaluated and approved under the National Environmental Policy Act, 42 U.S.C. 4321, *et seq.* (“NEPA”). The Parties note that the Project is within the class of projects described as infill developments pursuant to Section 15332 of the CEQA Guidelines; and within the class of projects described as affordable housing development pursuant to Section 21159.23 of the California Public Resources Code, so the Project may qualify for exemption(s) under CEQA and exclusions under NEPA as the Project will be 100% affordable and “by right” thereby exempt and excluded; provided however, MoVal reserves all rights to undertake an initial study of the Project and make necessary findings thereunder. Together, these land use and environmental quality actions shall comprise the “Entitlement” and Developer shall have obtained all necessary approvals (whether discretionary or ministerial) from MoVal as a condition precedent to Developer's initial application to TCAC and as applicable CDLAC.

(a) The land use and zoning for the Site and Project are set forth in and subject to Moreno Valley Municipal Code, Title 9, Planning and Zoning, Chapter 9.03, in general, sets forth the permitted land uses with a range of residential densities. (See: [City of Moreno Valley, CA RESIDENTIAL DISTRICTS](#))

(b) The City reserves all rights and discretion in consideration, review, and exercise of discretion for any actions, discretionary and/or ministerial, that comprise the Entitlement.

(c) Notwithstanding 7 and 7(a) and without prejudgment of discretion as described in 7(b) above, the Project development plans, including plans and specifications, shall be and remain subject to the City’s Building Plan Check process, and implementation of the conditions of approval for the Entitlement in connection with construction of the Project in compliance with and subject to the City’s development standards, zoning, other laws and regulations, and the requirements of the AHA.

7.2 Development Fees.

(a) *City Development Impact Fees.* The City impact fees will apply to the Project, with the exception that the City reserves all rights and discretion to waive up to 50% of the development impact fees applicable thereto, which shall be subject to City policies and ordinances and determined after the Developer satisfies the Award Letter Condition Precedent.

(b) *Transportation Fees.* The City and/or County transportation fees, including as applicable, TUMF fees and Quimby fees, imposed by the City and/or County of Riverside may be waived or otherwise exempt pursuant to applicable regulations and the City and/or County's exercise of their respective discretion, which shall be determined after the Developer satisfies all conditions precedent.

8. Compliance with Law: Statutory Requirements. Developer acknowledges, and the AHA will affirm, that the City purchased the Site with federal, state, and/or local funds. Further, the source of funding of part of the MoVal Loan Amount may be sourced from the LMIHAF. Therefore, this Award Letter, and then the AHA, when negotiated and entered into, and all other implementing documents and instruments are and shall remain subject to the applicable requirements of, and Developer covenants to comply with, all *applicable* requirements of: (i) Housing and Economic Recovery Act of 2008, Division A, Title III ("HERA"), (ii) affordable housing and related statutes affirmed and reinstated under the requirements of Senate Bill 341 and HSC Section 33000, *et seq.*, (iii) PLHA regulations, (iv) PIP regulations, (v) Environmental Laws (as defined in AHA), and (vi) all other applicable federal, state, and local laws and regulations.

8.1 Prevailing Wage Laws; Labor and Compliance with Laws. In connection with construction through completion and during operation of the Project, Developer shall comply with California Labor Code Section 1720, *et seq.*, and, all federal prevailing wage laws and regulations described below (together, "Prevailing Wage Laws"). In this regard, City and Developer acknowledge that such laws and regulations include certain exemptions that may, or may not, apply to the Project; however, under the AHA Developer will assume all responsibility, liability, obligation for payment and will indemnify, hold harmless, and pay for all claims, suits, and liabilities affecting Authority and City (and their Indemnitees) relating to Prevailing Wage Laws as such may be applicable to the Project, to Developer, its General Contractor and all Subcontractors. Further, the Project may be subject to a negotiated "Project Labor Agreement" that may be entered into between or among the Developer and one or more building trades.

(a) *PBVs and Certain Funding Sources of the MoVal and/or County Loan Will Require Compliance with Prevailing Wage Laws.* Developer acknowledges that due to funding sources for the Project, federal and state Prevailing Wage Laws will apply to the Project. In this regard, Developer shall cause its contractor and all subcontractors to pay to all laborers and mechanics employed in the Construction work not less than the wages prevailing in the locality, as predetermined by the Secretary of the United States Department of Labor pursuant to the California Labor Code and the Davis-Bacon Act (40 U.S.C. §276a-276a-5), and such contract(s) for work shall also be subject to the overtime provisions, as

applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §3701, et seq.). Participating contractors, subcontractors, and other participants must comply with regulations issued under these laws and with other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. Developer shall supply to City certification, in form and substance satisfactory to HUD and City Manager, as to compliance with the provisions hereof before receiving any disbursement of federal funds for the construction work. Developer shall require its contractor and subcontractors to implement and enforce all applicable prevailing wage and labor laws, including California Labor Code Section 1720, Davis-Bacon, and other applicable labor laws and regulations including, e.g., the requirement that all workers sign-in and sign-out of the job site.

8.2 Compliance with Applicable RDA Dissolution Laws. Developer and development of Project on the Site shall comply with all applicable federal, state, county, and local laws and regulations. Further, because the Site assembly included funds sourced as a housing asset under HCD 34176.1 and Senate Bill 341, the Project shall meet income targeting requirements set forth in HSC Section 34176.1(a)(3)(A).

9. Project Proforma. As of the date of this Award Letter, the valuation of the Site, the terms and conditions of this Award Letter have been evaluated and determined, and this Award Letter is provided, based on City's material reliance on and review of the Developer's Project Proforma dated as of April 6, 2026 ("April 6 Proforma"). The April 6 Proforma presumes approval of the funding sources described herein based on Developer's applications to HACR for the PBVs, later to the County for HOME funding, and to TCAC and CDLAC funding. Developer shall update the Project proforma based on and after the MoVal Funding Award and conditions precedent therein are satisfied, which will be a part of the updated Financial Gap Analysis and applicable subsidy layering review to be conducted as a part of and condition to entering into an AHA concurrent with the Closing of Financing.

9.1 April 6 Proforma. Copies of Developer's April 6 Proforma is attached as Exhibit B and is fully incorporated by this reference. MoVal has materially relied upon and issued this Award Letter, in part, based on the assumptions set forth in the April 6 Proforma.

10. Funding Applications; Cooperation. The Parties shall cooperate in good faith in connection with Developer's application(s) to (a) HACR RFP No. 2026-001 for the PBVs, (b) County for HOME funds, (c) TCAC for Tax Credits, and (d) CDLAC for an allocation to issue Bonds.

11. Disposition, Development and Affordable Housing Agreement. Subject to the Developer's satisfaction of all terms and conditions of this Award Letter, and the later MoVal Funding Award, if approved, the Parties will negotiate and enter into the AHA. The AHA will set forth a series of "Conditions Precedent", to be satisfied by the Developer, as applicable, and City and/or Authority, as applicable.

12. Financial Gap Analysis. This Award Letter was evaluated based on RBD's April 6 Proforma. Further, the subsequent MoVal Funding Award will be evaluated based on the April 6 Proforma and one or more subsequent "Financial Gap Analysis" of the proposed

development and operation of the Project, including all funding and financing sources, as a condition to sale of the Site, entering into the AHA, and Closing of Financing. City will re-review and analyze all awarded and committed funding sources for all costs of development and operation of the Project. Developer shall update the April 6 Proforma based on the awards from HACR, County, TCAC, CDLAC, Investor Limited Partner equity investment, Primary Loans, including construction and permanent loans, and City (and Authority) financial assistance through the MoVal Loan. This Financial Gap Analysis may be conducted by the City or its economic and housing consultant to evaluate, without limitation, supportable debt (construction and permanent financing), HACR award and allocation of PBVs, County loan of HOME funds, market value of Tax Credits, Investor Limited Partner tax credit investment, Developer Fee, Deferred Developer Fee, and other subordinate debt, and the terms therefor. Developer agrees to cooperate with City and its agents and provide complete, truthful supporting documentation in connection with conducting the Financial Gap Analysis. Developer and City agree to cooperate in good faith toward achieving a financially feasible Project and to that end each shall provide the other and their respective agents with complete, truthful, and timely supporting documentation in connection with conducting the Financial Gap Analysis.

13. Authorization to Implement Award Letter and Option Agreement.

13.1 City Manager Authority. By consideration and action to approve this Site Control Award Letter, City hereby authorize the City Manager to sign this Award Letter and the Option Agreement on behalf of City.

13.2 Option; Site Control of Site. In this regard, the City owns the Site and by this Site Control Award Letter sets forth its commitment to provide the Option for Developer to buy, and City to sell, the Site, subject to applicable laws, the terms and conditions herein, and in the subsequent MoVal Funding Award, and later AHA, as and if later approved.

Should you have any questions or require additional information, please contact Felicia London, Chief Financial Officer, Financial & Management Department, City of Moreno Valley at 951.413.3063 or by email at felicial@moval.org.

CITY OF MORENO VALLEY

By: Brian Mohan, City Manager

cc:

Felicia London, Chief Financial Officer
Joe Barron, Grants Division Manager
Laura Huerta, Senior Grants Analyst
Steve Quintanilla, Esq., City Attorney

James M. Jernigan, President
Rancho Belago Developers, Inc.
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Celeste Stahl Brady, Esq., Special Counsel, Stradling Yocca Carlson & Rauth
Nichole Berklas, Esq., Bocarsly Emden Cowan Esmail & Arndt LLP

The Site Control Award Letter to:

AGREED AND ACCEPTED:

This _____ day of April 2026

DEVELOPER:

RANCHO BELAGO DEVELOPERS, INC.,
a California corporation

By: _____
James M. Jernigan, President

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EXHIBIT A

Option Agreement (Legacy Ridge Project)

[attached]

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Recording Requested By and
When Recorded Mail To:

City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552-0805
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
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recording fee under Government Code Section 27383.)

OPTION AGREEMENT (Legacy Ridge Site)

This **OPTION AGREEMENT (Legacy Ridge Site)** ("Option Agreement"), dated as of April 21, 2026 ("Effective Date"), is entered into by and between the CITY OF MORENO VALLEY, a California municipal corporation ("City") and **RANCHO BELAGO DEVELOPERS, INC.**, a California corporation ("Developer"). City and Developer collectively constitute the "Parties", with each being a "Party."

RECITALS

The following recitals are a substantive part of this Agreement:

A. City and Developer have negotiated the terms and conditions of and entered into that certain *Site Control Award Letter* dated as of April 21, 2026, which is incorporated herein by reference ("Award Letter") to pursue various activities toward the new construction of a 150-unit "Legacy Ridge" senior affordable rental housing development as described with greater particularity within the Award Letter.

B. This Option Agreement is entered into in connection with Developer's application to the Housing Authority of the County of Riverside ("HACR") in response to HACR's Request for Proposals, RFP No. 2026-001, Housing Choice Voucher Program, Project Based Vouchers ("PBVs") seeking an allocation and award of PBVs for the Legacy Ridge Project. In this regard, this Option Agreement Letter intends to fulfill HACR's requirement that Developer has "site control" of the Site in connection with its application for PBVs to be awarded by HACR for the Legacy Ridge Project.

C. The Parties have made substantial progress in moving forward with the consummation of certain activities described in the Award Letter. Based upon such progress, as well as the continued interest of each Party in moving forward with those undertakings for the respective Parties as set forth in the Award Letter, the Parties desire at this time to further formalize arrangements for additional activities in implementation of the Award Letter, including a commitment by City to grant to Developer an "Option" to acquire the Site as the term is defined in the Award Letter and as legally described in Exhibit A, attached and

incorporated herein, subject to satisfaction of terms and conditions precedent therein and other terms and conditions set forth in this Option Agreement.

D. This Option Agreement is in the vital and best interest of the City of Moreno Valley, California, and the health, safety and welfare of its residents.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained, City and Developer agree as follows:

1. Capitalized Terms. Except to the extent expressly defined herein, capitalized terms shall have the meanings established under the Award Letter.

2. Grant of Option; Option Consideration. City, as optionor, grants to Developer, as optionee, the Option to lease the Site on the terms and conditions set forth in this Option Agreement. The term of the Option shall commence on the Effective Date and shall continue until expiration of the Term as defined and set forth in the Award Letter (“Expiration Date”). As of the Expiration Date, this Option Agreement and the Option shall automatically terminate without the need of any notice or documentation; upon such termination, neither Party shall have any further rights or obligations under this Option Agreement.

2.1 *AHA Condition Precedent.* The Option may only be exercised subject to the Parties agreeing on a final form of *Disposition, Development and Affordable Housing Agreement* (“AHA”) as described in the Award Letter, and subject to Developer having provided evidence satisfactory to City that Developer has obtained financing adequate to cause the Closing of Financing for the new construction and operation of the Legacy Ridge senior affordable rental development on the Site acceptable to City, and which is financed in part using 4% Tax Credits and Bonds.

2.2 *Option Price.* In consideration of the grant of Option, Developer shall pay to City the sum of One Hundred Dollars (\$100.00) (“Option Consideration Amount”) within two (2) days after the Effective Date. The Option Consideration Amount shall be retained by City as its sole property.

3. Form of Disposition, Development and Affordable Housing Agreement. The form of AHA by which City expects to agree to sell the Site to Developer will be negotiated between City and Developer as contemplated in the Award Letter. The AHA will include various terms, including without limitation with respect to construction, insurance, indemnity, criteria for selection of senior tenant households, income limits, what constitutes Affordable Rent, reporting requirements, property management, maintenance standards, and scope of supportive social services to the residents. It is contemplated that the final form of AHA will include the final terms of financing and development of the Legacy Ridge Project, consistent with the Award Letter.

3.1 Limited Partnership Entity. City and Developer acknowledge that as a condition to the applications to TCAC and CDLAC as described in the Award Letter, Developer and Kingdom Development, Inc., a California nonprofit public benefit corporation (“KDI”) or their affiliates or subsidiaries will be forming a California limited partnership that will be the “developer” entity under the AHA, with Developer as administrative general partner, KDI as managing general partner, and the tax credit investor as special limited partner(s).

4. **Conditions to Closing; Closing of Financing.** The obligation of City to sell and deliver possession of the Site pursuant to the Option of Developer to acquire the Site shall be subject to conditions customarily and normally applied by City in connection with affordable housing transactions, such as: a delineation of improvements, required in detail satisfactory to City; requirements that evidence of financing, reasonably satisfactory to the City Manager of the City, be in place; and requirements that a title insurer acceptable to City and Developer be prepared to insure fee title vested in Developer upon the Closing of Financing, subject only to encumbrances which do not render title unmerchantable. The Parties acknowledge that certain steps will be needed in order for the condition of title as those certain Site to be rendered merchantable, and agree to reasonably take commercially reasonable actions necessary and appropriate in order to accomplish such a result.

5. **Activities of City Manager.** The City Manager is authorized and directed to take such actions as he shall deem necessary or convenient to implement the disposition of the Site as provided above, and as generally described in the Award Letter and the negotiated and duly executed AHA.

6. **Reaffirmation.** Each of the Parties reaffirms its desire to proceed with implementation of those respective responsibilities and activities and further described in the Award Letter.

7. **No Third Party Beneficiaries.** This Option Agreement is made for the purpose of setting forth rights and obligations of City and Developer, and no other person shall have any rights hereunder or by reason hereof. Excepting (a) the Moreno Valley Housing Authority, which entity may be a party to the AHA, and (b) Kingdom Development, Inc. that will be the managing general partner of the limited partnership as described in Section 3.1 above, which entity will be the "developer" under the AHA, there shall be no third party beneficiaries of the Award Letter or this Option Agreement.

8. **Effectiveness.** This Option Agreement shall be effective as of the Effective Date and shall remain in effect until the Expiration Date.

9. **Interpretation.** This Option Agreement shall be interpreted to effectuate the terms of the Award Letter as modified hereby, in accordance with the laws of the State of California, and as if prepared and reviewed equally by the Parties. This Option Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the Parties hereto have caused this Option Agreement (Legacy Ridge Site) to be executed as of the Effective Date.

DEVELOPER:

RANCHO BELAGO DEVELOPERS, INC.,
a California corporation

By: _____
James M. Jernigan, President

(City signatures on following page)

(Option Agreement signatures continued from previous page)

CITY:

CITY OF MORENO VALLEY,
a California municipal corporation

By: _____
Brian Mohan, City Manager
or Authorized Designee

ATTEST:

M. Patricia Rodriguez, City Clerk
or Authorized Designee

APPROVED AS TO FORM:

STRADLING YOCCA CARLSON & RAUTH LLP

Celeste Stahl Brady
Special Counsel to City

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EXHIBIT A
LEGAL DESCRIPTION OF SITE

Real property in the City of Moreno Valley, County of Riverside, State of California, described as follows:

LOT 4 IN BLOCK 120, MAP NO. 1 BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN BERNARDINO COUNTY, CALIFORNIA, TOGETHER THE SOUTH HALF OF ALESSANDRO BOULEY ARD AND THE EAST HALF OF LASSELLE STREET, WITHIN SAID BLOCK, LYING WESTERLY OF THE EASTERLY LINE OF SAID LOT, PROLONGED NORTHERLY AND NORTHERLY OF THE SOUTHERLY LINE OF SAID LOT, PROLONGED WESTERLY.

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____,
Notary Public,

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

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

Exhibit B
April 6 Proforma
[attached]

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| | | |
|------------------------|----------------------------|---------------------|
| PROJECT SUMMARY | Kingdom Development | LEGACY RIDGE |
|------------------------|----------------------------|---------------------|

| | | |
|-----------------------------|--|-----------------------|
| 148 units plus 2 mgr. units | | TE Bonds + 4% Credits |
| New Construction | | Non-Rural |
| PW Senior project | | QCT-No DDA-Yes |

| Permanent Sources | | | | |
|--|--------------|---------|------|----------|
| Source | Amount | Rate | Amm. | / Unit |
| Perm Bond Proceeds | \$13,402,275 | 6.00% | 35 | \$89,349 |
| Tax Credit Proceeds | 48,165,870 | NA | NA | 321,106 |
| City of MV | 9,200,000 | 1.00% | RR | 61,333 |
| Donated Land | 0 | 1.00% | RR | 0 |
| Waived Fees | 3,423,832 | 1.00% | RR | 22,826 |
| County HOME (BABA) | 1,500,000 | 1.00% | RR | 10,000 |
| Gap | 0 | 101.00% | RR | 0 |
| Operating Income | 382,385 | NA | NA | 2,549 |
| Deferred Developer Fee | 4,598,979 | 1.00% | NA | 30,660 |
| <div style="display: flex; justify-content: space-between;"> \$80,673,342 \$537,822 </div> | | | | |

| Permanent Uses | | |
|--|------------|----------|
| Uses | Amount | Per Unit |
| Land Costs | \$0 | \$0 |
| Permits, Fees, & Studies | 8,125,000 | 54,167 |
| Direct Construction Costs | 51,900,832 | 346,006 |
| Offsites | 500,000 | 3,333 |
| Contingency | 3,120,042 | 20,800 |
| Developer Fee | 9,559,078 | 63,727 |
| Indirect Construction Costs | 1,478,230 | 9,855 |
| Rent-Up Costs | 120,000 | 800 |
| Reserves | 524,201 | 3,495 |
| Financing Costs | 5,345,959 | 35,640 |
| <div style="display: flex; justify-content: space-between;"> \$80,673,342 \$537,822 </div> | | |

| Source Pay in Schedule | | | |
|------------------------|--------------|--------|-----------|
| Source | Amount | Date | Notes |
| Perm Bond Proceeds | \$13,402,275 | Jun-29 | Convert |
| Tax Credit Proceeds | 7,224,881 | Mar-27 | Close |
| Tax Credit Proceeds | 7,224,881 | Sep-28 | CofO |
| Tax Credit Proceeds | 33,366,109 | Jun-29 | Convert |
| Tax Credit Proceeds | 350,000 | Sep-29 | 8609s |
| City of MV | 9,200,000 | Dec-27 | 50% Comp. |
| Waived Fees | 3,423,832 | Mar-27 | Close |
| County HOME (BABA) | 1,500,000 | Dec-27 | 50% Comp. |

| Construction Sources | | |
|--|------------|-----------|
| Source | Amount | Per Unit |
| Tax Credit Proceeds | 7,224,881 | \$48,166 |
| City of MV | 9,200,000 | \$61,333 |
| Waived Fees | 3,423,832 | \$22,826 |
| County HOME (BABA) | 1,500,000 | \$10,000 |
| Construction Loan | 46,247,431 | \$308,316 |
| Deferred Costs | 13,077,199 | \$87,181 |
| <div style="display: flex; justify-content: space-between;"> Totals 80,673,342 \$537,822 </div> | | |

| Bedroom Mix/Average Rent | | | |
|--------------------------|----------|------------|-----------|
| Bedrooms | Quantity | % of Units | Avg. Rent |
| 0 | | | |
| 1 | 148 | 100% | \$1,042 |
| 2 | | | |
| 3 | | | |
| 4+ | | | |

| Rent Schedule | | | | | |
|---------------|----------|----------|-----|-------|-------|
| Calculation | Quantity | Bedrooms | AMI | Rent | Util. |
| MGR | 2 | 2 | 0% | \$0 | \$0 |
| PBV 1,955 | 15 | 1 | 30% | 523 | 106 |
| PBV 1,955 | 11 | 1 | 40% | 733 | 106 |
| PBV 1,955 | 11 | 1 | 50% | 943 | 106 |
| TCAC | 111 | 1 | 60% | 1,153 | 106 |

| Operating Expenses | | |
|---|---------|----------|
| Expenses | Amount | Per Unit |
| Management | 135,000 | \$900 |
| Administration | 56,500 | 377 |
| Salaries & Benefits | 363,764 | 2,425 |
| Maintenance | 160,800 | 1,072 |
| Utilities | 138,000 | 920 |
| Insurance | 75,000 | 500 |
| Taxes | 26,100 | 174 |
| Services | 140,000 | 933 |
| Reserves | 75,000 | 500 |
| Fees | 9,619 | 64 |
| <div style="display: flex; justify-content: space-between;"> Totals \$1,179,783 \$7,865 </div> | | |

| Assumptions | | Assumptions | |
|-----------------|------|-----------------|------------|
| | | Const. Length | 18 |
| Site (acres) | 5.61 | CL Closing: | 3/1/27 |
| Debt Cov. Ratio | 1.15 | Est. Completion | 9/1/28 |
| Vacancy Factor | 5.0% | Const. Loan | 46,247,431 |
| | | Taxable Rate | 6.50% |
| | | Tax Empt Rate | 6.00% |

| USES, EXPENSES AND CREDIT | Kingdom Development | | LEGACY RIDGE | |
|-----------------------------|---------------------|--|--------------|-----------------------|
| 148 units plus 2 mgr. units | | | | TE Bonds + 4% Credits |
| New Construction | | | | Non-Rural |
| PW Senior project | | | | QCT-No DDA-Yes |

| Development Uses | | | | |
|--------------------------------|---------------------|---------------------|------------|------------------|
| Description | Amount | NC. Basis | Acq. Basis | Per Unit |
| Building Fees & Permits | \$699,000 | \$699,000 | \$0 | \$4,660 |
| Impact Fees | 6,426,000 | 3,002,168 | 0 | 42,840 |
| Architectural & Engineering | 1,000,000 | 1,000,000 | 0 | 6,667 |
| Offsite Construction | 500,000 | 500,000 | 0 | 3,333 |
| Onsite Improvements | 1,500,000 | 1,500,000 | 0 | 10,000 |
| Residential Construction | 43,500,000 | 43,500,000 | 0 | 290,000 |
| General Conditions | 2,538,900 | 2,538,900 | 0 | 16,926 |
| Contractor's Overhead & Profit | 3,843,112 | 3,843,112 | 0 | 25,621 |
| Performance Bond | 518,820 | 518,820 | 0 | 3,459 |
| Construction Contingency | 2,620,042 | 2,620,042 | 0 | 17,467 |
| Developer Fee | 9,559,078 | 9,559,078 | 0 | 63,727 |
| Financial Advisory | 250,000 | 250,000 | 0 | 1,667 |
| Construction Manager | 250,000 | 250,000 | 0 | 1,667 |
| Builders Risk Insurance | 778,230 | 778,230 | 0 | 5,188 |
| Audit and Accounting | 55,000 | 35,000 | 0 | 367 |
| Legal Fees | 130,000 | 75,000 | 0 | 867 |
| Market Study | 15,000 | 15,000 | 0 | 100 |
| Project Contingency | 500,000 | 250,000 | 0 | 3,333 |
| Lease-up and Marketing | 50,000 | 0 | 0 | 333 |
| Capitalized Operating Reserve | 524,201 | 0 | 0 | 3,495 |
| Common Area Furnishings | 70,000 | 70,000 | 0 | 467 |
| Construction Period Interest | 4,278,332 | 2,015,496 | 0 | 28,522 |
| Construction Loan Fees | 512,474 | 241,424 | 0 | 3,416 |
| Permanent Loan Fees | 134,023 | 0 | 0 | 893 |
| TCAC Fees | 243,209 | 0 | 0 | 1,621 |
| TCAC Refund | -100,000 | 0 | 0 | -667 |
| CDLAC Fees | 102,921 | 0 | 0 | 686 |
| Bond Issuance Costs | 115,000 | 0 | 0 | 767 |
| Title and Recording | 60,000 | 25,000 | 0 | 400 |
| Totals | \$80,673,342 | \$73,286,270 | \$0 | \$537,822 |

| Operating Expenses | | |
|---------------------------|-----------|----------|
| Description | Amount | Per Unit |
| Property Management | \$135,000 | \$900 |
| Marketing | 24,000 | 160 |
| Audit | 10,500 | 70 |
| Legal | 12,000 | 80 |
| Office Expenses | 10,000 | 67 |
| On-site Manager | 62,400 | 416 |
| Assistant Manager | 62,400 | 416 |
| Maintenance Personnel | 62,400 | 416 |
| Janitorial Personnel | 62,400 | 416 |
| Payroll Taxes | 19,968 | 133 |
| Insurance | 80,000 | 533 |
| Workers Compensation | 14,196 | 95 |
| Supplies | 10,800 | 72 |
| Repairs Contract | 60,000 | 400 |
| Pest Control | 6,000 | 40 |
| Grounds Contract | 48,000 | 320 |
| Elevator | 36,000 | 240 |
| Trash Removal | 48,000 | 320 |
| Electricity | 15,000 | 100 |
| Water & Sewer | 75,000 | 500 |
| Property & Liability Ins. | 75,000 | 500 |
| Business Taxes & License | 3,600 | 24 |
| Real Estate Taxes | 22,500 | 150 |
| Social Services | 20,000 | 133 |
| Supportive Services | 120,000 | 800 |
| Replacement Reserves | 75,000 | 500 |
| Bond Issuer Fees | 9,619 | 64 |

| | | |
|-----------------|-------------|----------|
| Total | \$1,179,783 | \$7,865 |
| 25% Test | | |
| Bond allocation | 19,237,646 | |
| Aggregate basis | 73,286,270 | = 26.25% |

| Tax Credit Calculation | | | |
|------------------------|---------------------|---------------|------------|
| | 4% Federal | Acq. Fed. | State |
| Eligible Basis | 73,286,270 | 0 | |
| Excluded | 0 | 0 | |
| Unadjusted | 73,286,270 | 0 | 73,286,270 |
| Basis Limit | 124,877,181 | | |
| Boost | 130% | 100% | |
| Adjusted | 95,272,151 | 0 | |
| Applicable | 100.0% | 100.0% | 100.0% |
| Qualified | 95,272,151 | 0 | 73,286,270 |
| Reduction | 0 | 0 | 1,350,000 |
| Adj. Qualified | 95,272,151 | 0 | |
| Rate Factor | 4.00% | 4.00% | 30.00% |
| Annual Credits | 3,810,886 | 0 | |
| Federal Credits | 38,108,860 | State Credits | 20,635,881 |
| Credit Price | 0.82 | | 0.82 |
| Proceeds | 31,246,140 | | 16,919,730 |
| Total | \$48,165,870 | | |