

# EXHIBIT 4

## LEASE OPTION

THIS LEASE OPTION (“**Option**”) is made this 10th day of August, 2021, by and between THE HOUSING AUTHORITY OF THE CITY OF GLENDALE, a public body, corporate and politic (“**Lessor**”) on the one hand, and LINC HOUSING CORPORATION, a California nonprofit public benefit corporation (“**LINC**”), and NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation (“**National CORE**”) (collectively with LINC, “**Lessee**”) on the other hand.

In consideration of the payment by Lessee to Lessor of the sum of One Dollar (\$1.00), the receipt and sufficiency of which is acknowledged by Lessor, and other good and valuable consideration, Lessor grants to Lessee an option to lease the real property described on Exhibit “A” attached hereto (“**Property**”), on the terms and conditions set forth herein and in the loan commitment letter between Lessor (“**Housing Authority**” therein) and Lessee (“**Borrower**” therein) of approximately even date herewith (“**Loan Commitment**”), which is incorporated into this Option by reference.

1. Term of Option

The term of the Option (“**Option Term**”) shall commence on the date hereof and shall expire at 5:00 p.m. PST on December 31, 2022, subject to extension as more particularly set forth in that certain Exclusive Negotiation Agreement dated concurrently herewith.

2. Manner of Exercising Option

Provided Lessee is not in default under any term or provision of this Option and provided further that Lessor and Lessee (or a limited partnership formed by Lessee and approved by Lessor) have entered into an Affordable Housing Agreement for the Property (“**AHA**”) specifying the terms of the development and use of the Property and Lessee has satisfied, or Lessor has waived, the conditions precedent to execution of the Ground Lease set forth in the AHA, the Option may be exercised by Lessee delivering to Lessor, prior to the expiration of the Option Term, written notice of such exercise.

3. Lease Term

The term of the Lease will be for 55 years from the date of recordation of the regulatory agreement by Lessee in favor of the California Tax Credit Allocation Committee, or such longer period as mutually agreed upon by the Lessor and Lessee and required by the tax credit investor, upon terms and conditions approved by the Housing Authority.

4. Rent Amount

The fully capitalized value of the annual rent for the Property will be twelve million four hundred thousand dollars (\$12,400,000), which will be paid in the form of a promissory note from Lessee to Lessor (“**Authority Note**”) upon the terms set forth in the AHA.

4. Escrow

Within five (5) business days (excluding weekends and California state holidays) following Lessee’s exercise of this Option pursuant to Paragraph 2, the parties will execute escrow instructions for the lease of the Property at a mutually acceptable licensed escrow company (“**Escrow Agent**”) upon the following terms and conditions:

- (a) The escrow will be for a period of thirty (30) days, or such longer period as mutually agreed in writing by Lessor and Lessee;
- (b) Lessee will have delivered to Lessor or the Escrow Agency the Authority Note and all documents related thereto, duly executed and acknowledged;
- (c) Lessee will pay the premium for Lessor’s ALTA policy of lender’s title insurance with an endorsement to make the policy applicable to a leasehold estate, subject only to those matters approved by Lessor.
- (d) Lessee will pay recording charges and all of the escrow charges.
- (e) Lessor and Lessee will deposit an executed memorandum of lease in escrow for recording at the close of escrow.
- (f) Possession will be given to Lessee at the close of escrow.
- (g) Taxes and assessments will be prorated to the close of escrow.
- (h) Close of escrow will be subject to Lessee’s satisfaction, or Lessor’s waiver, of the closing conditions set forth in the AHA.

5. Tax Credits

Lessee represents that it will submit an application for an allocation of 4% Low Income Housing Tax Credits from the California Tax Credit Allocation Committee (“**TCAC**”). It will be a condition of exercise of this Option by Lessee that prior to the exercise of this Option, Lessee will demonstrate to Lessor that it has in place all financing commitments necessary for the development of the Property upon the terms and conditions mutually agreed upon by Lessor and Lessee, and that the funding will close concurrently with the exercise of this Option. If the funding fails to close by the expiration of the Option Term, this Option will thereupon be null and void.

6. Ground Lease

Following satisfaction by Lessee, unless waived by Lessor, of the conditions precedent to execution of the Ground Lease set forth in the AHA and upon Lessee's exercise of this Option, Lessor and Lessee will execute a Ground Lease for the Property. The final form of the Ground Lease will be subject to the discretionary approval of Lessor and will include all provisions and attachments customarily included in Housing Authority ground lease agreements.

7. Notice

All notices or communications hereunder shall be sent by U.S. Mail, postage prepaid, registered or certified, return receipt requested, addressed as follows:

Lessor: Housing Authority of the City of Glendale  
141 N. Glendale Avenue, Suite 202  
Glendale, California 91206  
Attn: Executive Director

Lessee:

LINC:

Linc Housing Corporation  
3590 Elm Avenue  
Long Beach, CA 90807  
Attn: Anne B. Wilson, Chief Real Estate  
Development Officer  
(Facsimile: (562) 684-1137)

and

National CORE:

National Community Renaissance of California  
9421 Haven Avenue  
Rancho Cucamonga, California 91730  
Attn: Michael Ruane, Executive Vice President  
(Facsimile: (909) 291-0302)

No notice of exercise of Option shall be of any force or effect unless actually received by Lessor prior to the expiration of the Option Term at the foregoing address during regular business hours.

8. Right to Enter

During the Option Term, Lessee and its designated agents and independent contractors will have the right to enter upon the Property, subject to and conditioned upon the terms and conditions of the Right of Entry Agreement between Lessor and Lessee dated as of August 10, 2021.

515 PIONEER DRIVE  
LEASE OPTION

9. Failure to Exercise Option

It is agreed that time is of the essence of this Option. If the Option is not exercised in the manner provided in Paragraph 2 prior to the expiration of the Option Term, Lessee will have no interest whatsoever in the Property and Lessee agrees to deliver to Lessor the results of all soil tests, engineering and marketing studies undertaken by Lessee.

10. Commissions

Lessor and Lessee each represent to the other that they have not entered into any agreement or incurred any obligation which might result in the obligation to pay a sales, leasing, or brokerage commission on this transaction.

11. California Law to Apply

This Option will be governed by the internal laws of the State of California, without reference to the principles relating to conflicts of laws, and any question arising hereunder shall be construed or determined according to California law.

12. Assignment

It is anticipated that, to effectuate the purposes of the Loan Commitment and the AHA, Lessee will form a limited partnership approved by Lessor, in which case, Lessee may assign this Option to such limited partnership. This Option may not be assigned by Lessee to any other entity without Lessor's prior written consent.

13. Attorney's Fees

In the event of any legal action hereunder, the prevailing party will be entitled to reasonable attorney's fees and costs as the court may determine.

14. Entire Agreement

This Lease Option and the Loan Commitment contain the entire agreement between the parties respecting the matters set forth herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

[Remainder of This Page Intentionally Left Blank; Signatures on Following Pages]

IN WITNESS WHEREOF, the parties have entered into this Option effective as of the date first set forth above.

**LESSOR:**

HOUSING AUTHORITY OF THE CITY OF GLENDALE, CALIFORNIA

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Roubik R. Golanian, P.E.  
Executive Director

APPROVED AS TO FORM AND LEGALITY:

Michael Garcia, City Attorney  
General Counsel to the Housing Authority

By: \_\_\_\_\_  
Michael J. Garcia

APPROVED AS TO FORM AND LEGALITY:

KANE, BALLMER & BERKMAN  
Special Counsel to the Housing Authority

By: \_\_\_\_\_  
Deborah L. Rhoads

[Signatures Continue on Following Page]

**LESSEE:**

LINC HOUSING CORPORATION,  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Anne B. Wilson  
Chief Real Estate Development Officer

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA,  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Michael Ruane  
Executive Vice President

EXHIBIT "A"

LEGAL DESCRIPTION

That land situated in the City of Glendale, County of Los Angeles, State of California, described as follows:

515 PIONEER DRIVE  
LEASE OPTION

Exhibit A – Legal Description