

EXHIBIT C

NEW MARKET TAX CREDIT TRANSACTION SUMMARY

A) Commission and HHP Investment, LLC shall enter into Loan Agreement. All discussion of the Commission loans and new market tax credits will be in the Loan Agreement, including conditions precedent to disbursement, permitted uses, repayment terms, and so forth.

B) The parties open an escrow. In that escrow:

1) Heritage Housing Partners, which currently owns all 3 parcels, will convey title to the Developer. Title will be conveyed clear of the existing Commission Regulatory Agreement and Deed of Trust. A new Commission Regulatory Agreement, with the affordable housing restrictions and a right of repurchase in event of default, executed by Developer and Commission, will be recorded.

2) Pursuant to the Loan Agreement, Commission deposits \$4,174,000 into escrow. Loan is evidenced by a promissory note executed by HHP Investment LLC, and secured by a Pledge Agreement, whereby 100% of the ownership interest in HHP Investment LLC, and 99.99% of the ownership interest in NMTC-CDE-9 is assigned to both Pasadena and Glendale.

3) Pursuant to their separate transaction and documentation, Glendale deposits \$3,246,000 into escrow.

4) The Pledge Agreement secures both the Commission loan for the Pasadena Project, and Glendale's loan for their project. Pasadena and Glendale will enter into an Intercreditor Agreement, essentially providing for a pro rata allocation of assets in the event of default.

5) HHP Investment, LLC "contributes" the proceeds of the Glendale and Pasadena loans, together with the proceeds of Commercial Capital Bank's contribution to HHP Investment LLC, to NMTC-CDE-9. This contribution is known as the "qualified equity investment" or QEI.

6) NMTC-CDE-9 loans the proceeds of the QEI to the Developer (the "Pasadena Secured Loan"), for acquisition, predevelopment, relocation, construction and other eligible expenses. The loan is secured by a deed of trust on all three parcels, in favor of NMTC-CDE-9 (the "NMTC Deed of Trust"). Steps 5 and 6 generate the new market tax credits. For the period commencing with the date of the Close of Escrow through the sale of all units, collateral for the Pasadena Secured Loan shall consist of a lien on the Development, which lien shall be subordinate to the conventional construction loan for the Development but senior to any affordability covenants on the Development. During this period, Commission Loan shall bear interest at a rate of 0%, and no payments shall be required on the Commission Loan.

7) At the close of escrow, Heritage Housing Partners repays \$2,052,119.70 million to Commission, in repayment of the monies previously disbursed per the OPLA, dated March 29, 2004, the Affordable Housing Agreement, dated May 10, 2004, dated May 10, 2004, the Acquisition and Rehabilitation Agreement, dated May 14, 2002 and Acquisition and Rehabilitation Agreement, dated December 9, 2002.

- C) Developer constructs the Pasadena Project (all 3 sites) during the following 24 months.
- D) At sale of the restricted units, Commission shall deposit State BEGIN funds in an amount not to exceed \$930,000 to the escrows of eligible homebuyers of the Restricted Units. Developer will originate second mortgage loans (the "Pasadena Second Mortgages") to eligible Low and Moderate Income First-time Homebuyers who purchase the Restricted Units. The terms and conditions of the Pasadena Second Mortgages will be established in accordance with the guidelines of the Commission Homeownership Opportunities Program (HOP), as amended. HHP DFO, LLC will pledge these mortgages, as they are originated, to secure the NMTC-CDE-9 loan; NMTC-CDE-9 will release and reconvey the NMTC Deed of Trust.
- E) On December 31, 2012 (7 years), as repayment of the Commission's \$5,104,000 contribution to HHP Investment ,LLC and low/moderate-income homebuyers, the Commission shall receive: (i) a collateral assignment of the Pasadena Second Mortgages in the amount of \$5,104,000 to the Commission, and (ii) payment of an amount not to exceed \$100,000.