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July 12, 2017

Mark Buell
President
San Francisco Recreation & Parks Department
McLaren Lodge – Golden Gate Park
501 Stanyan Street
San Francisco, CA 94117

Re: Geneva Car Barn & Powerhouse
Federal Historic Tax Credit Equity Investment

Dear Commissioner Buell:

Based on financial and other information provided on the proposed rehabilitation of the Geneva Car Barn & Powerhouse (the "Project") located at 2301 San Jose Avenue, San Francisco, CA (the "Property"), U.S. Bancorp Community Development Corporation ("USBCDC") is delighted to consider making an equity investment to facilitate completion of the Project. It is expected that such equity investment will result in Federal Historic Rehabilitation Tax Credits ("FHTCs") being available to USBCDC. The terms of such investment are outlined below.

Except for the obligations set forth in the section titled Transaction Costs and Confidentiality, the following term sheet does not constitute or create, and shall not be deemed to constitute or create, any legally binding or enforceable obligation on the part of either party and is for discussion purposes only and should not be construed as a commitment to provide loans or equity to the Project. This proposed investment by USBCDC will require underwriting and approval by U. S. Bank Credit Administration, and we have not performed the necessary due diligence to allow us to seek such approval. Should we agree to move forward with the investment, formal bank approval through USBCDC's internal credit process will be pursued. During the underwriting and documentation process, the terms and conditions of this proposal may change in material respects from what is proposed in this letter.

PROPERTY INFORMATION AND ASSUMPTIONS:
The Project consists of the acquisition and rehabilitation of the Geneva Car Barn & Powerhouse (the "Building") and related improvements. This proposal additionally assumes the following:

1. The Building qualifies for the 20% FHTC and will be substantially rehabilitated in accordance with the standards set by the Secretary of the Interior in order to qualify eligible expenditures for Federal Historic Rehabilitation Tax Credits. Approval of Parts 1 and 2 for the Historic Preservation Certification Application must be received prior to USBCDC funding.
2. Total Development Costs of approximately $ 11.90 million for Phase I.
3. Estimated Qualified Rehabilitation Expenditures ("QREs") of approximately $11.01 million.
4. No portion of the Project QREs have been Placed-in-Service ("PIS").
5. Closing of a transaction admitting USBCDC to the Master Tenant (as defined below) must occur prior to the QREs being PIS.

6. The FHTCs may be claimed when the Project QREs PIS before October 31, 2018.
7. Satisfactory review of all title, survey, environmental, and insurance matters.
8. Satisfactory review of construction plans and specifications by USBCDC construction consultant and/or HTC consultant prior to closing and funding of all draws. Cost for the construction consultant and the HTC consultant to be covered by the Project.
9. Satisfactory underwriting of San Francisco Recreation & Parks Department as guarantor (“Guarantor”).
10. Satisfactory review by USBCDC counsel of structure and all other aspects of this transaction.
11. All obligations of Guarantor outlined in this term sheet will be memorialized in an agreement prior to closing of the investment.

TAX CREDIT TERMS/TRANSACTION STRUCTURE

USBCDC requires that any proposed transaction structure meet the safe harbor provisions under IRS Revenue Procedure 2014-12. USBCDC envisions providing equity capital related to the FHTCs for the Project based on the following assumptions:

The Property will be owned by a to-be-formed single purpose entity (the “Property Owner”), a taxable entity controlled by an affiliate of the San Francisco Recreation & Parks Department (the “Sponsor”). The equity capital will be invested in a Master Tenant entity (“Master Tenant”). USBCDC will initially own 99% of the Master Tenant and an affiliate of the Sponsor acceptable to USBCDC (the “Managing Member”) will initially own 1% of the Master Tenant. A master lease will be put in place between the Property Owner, as lessor, and the Master Tenant, as lessee. The FHTCs generated by the rehabilitation of the Property will be passed through by the Property Owner to the Master Tenant, pursuant to an election to be made under Section 50(d) of the Internal Revenue Code of 1986, as amended (the “Code”). As USBCDC will own 99% of the Master Tenant, USBCDC will receive 99% of the FHTCs.

To the extent FHTC equity cannot be utilized at the Master Tenant Level, the Master Tenant may contribute capital to the Property Owner in the form of equity, debt or prepaid rent, depending on the circumstances of the transaction, all of which will be subject to USBCDC and counsel review and approval. In the event of a transfer of HTC equity in the form of equity in the Property Owner, (i) all fees, reserves and other arrangements at the Property Owner level will be subject to third party support acceptable to USBCDC and (ii) the ownership interest of the Master Tenant in the Property Owner shall be in proportion with its cash contributions to the Property Owner relative to the other partners (cash, sweat equity, etc.). In the event of a transfer of HTC equity in the form of debt to the Property Owner, the cash flow projections of the Property Owner much support payment of debt service on the loan at AFR. In the event of a transfer of HTC equity in the form of prepaid rent to the Property Owner, such rent shall be taken into account and subject to third party support acceptable to USBCDC and the 467 loan balance shall not be permitted to go negative during the term of the Master Lease.

The Managing Member shall be responsible for the day-to-day operations of the completed Project. The Managing Member or its affiliate will also act as managing member of the Property Owner and be responsible for the overall development of the Property.

FEDERAL HISTORIC TAX CREDIT EQUITY CAPITAL (AND ADJUSTMENTS):

USBCDC envisions providing equity capital related to the FHTCs for the Project based on the following assumptions:

USBCDC will receive 99% of all FHTCs generated by the QREs. Should USBCDC receive less than the estimated FHTC credit amount set forth below, the FHTC Equity will be adjusted accordingly as set forth in more detail below. USBCDC will provide additional equity capital for all additional FHTCs up to 10% more than the amount projected at closing and has the option (in its sole discretion) to provide additional equity capital for all available FHTCs. In the event that USBCDC is eligible for more or fewer FHTCs, the FHTC equity would be adjusted based on the equity per credit as detailed below:

Credit Type	QRE Amount	Credit Amt.*	FHTC Equity	Equity per Credit
FHTC	$11,010,096	$2,179,999	$1,852,999	$0.85

**Estimate. Final cost certification to certify final amount of credits. Assumes 99% allocated to USBCDC.*

Timing of Pay-in:
USBCDC proposes to fund the FHTC equity capital in installments according to the following schedule:

CONDITIONS	AMOUNT
First Installment (anticipated at Closing): 1. Closing of all necessary financing to complete the rehabilitation; 2. Receipt of approved Part 1 and the initial Part 2 with approved conditions from the National Park Service; 3. Receipt and approval of all required construction documents, including, but not limited to plans and specifications, final GMP construction contract, and form of performance bond. USBCDC will engage a third party consultant to assist with such review, the cost of which will be paid by the Project Owner; and 4. Building not yet PIS. Note: Anticipated to be made at closing but may be deferred until a date closer to PIS based on USBCDC's construction risk analysis	Estimated QREs x 20% x 30% x 99% x $0.85
Second Installment (anticipated upon PIS and delivery of cost cert): 1. Delivery of 2018 FHTCs; 2. Lien-Free Construction Completion; 3. All Certificates of Occupancy; 4. Final Cost Certification and, if required, a cost segregation analysis; 5. Evidence of submittal of Part 3 Approval and payment of the fee(s) associated therewith 6. Architect certificate of compliance with Part 2; 7. Receipt of prior year's tax returns and K-1, if applicable; 8. Covenant Compliance under Transaction Documents; 9. No defaults under Transaction Documents; and 10. Satisfaction of the requirements of the first installment.	Totals QREs in final Cost Certification x 20% x 90% x 99% x $0.85 (as may be adjusted) Less First Installment amount
Third Installment (anticipated upon delivery of Part 3 approval): 1. Receipt of Part 3 from National Park Service; 2. Receipt of prior year's tax returns and K-1, if applicable; 3. Covenant Compliance under Transaction Documents; 4. No defaults under Transaction Documents; and 5. Satisfaction of the requirements of the second installment.	Totals QREs in final Cost Certification x 20% x 100% x 99% x $0.85 (as may be adjusted) Less First Installment and Second Installment amounts

†Prior to the PIS date (date/timeframe to be determined by USBCDC), 75% of the FHTC equity capital will be fixed in amount. The remaining 25% of FHTC capital will be subject to adjustment as set forth herein. Contribution of any FHTC equity amounts (other than the amount contributed at closing/prior to PIS) remains subject to applicable conditions precedent regardless of whether such amount is fixed or subject to adjustment.

In addition to the tax credits, USBCDC will require certain annual economic benefits as set forth below in the sections entitled "Economic Benefits" and "Cash Flow Priority".

PIS DATE:
The project is expected to be PIS, as defined by the FHTC tax regulations, before October 31, 2018.

ADJUSTER:
If lien-free completion is delayed after October 31, 2018, the equity per FHTC shall be reduced by $0.02. The equity per FHTC will be additionally reduced $0.05 per quarter (or partial quarter) if completion is delayed past December 31, 2018. If more FHTCs are generated than initially contemplated, USBCDC will pay the equity per FHTC indicated above for such additional credits up to 110% of the referenced FHTC equity amount. Prior to a to be determined percentage of completion or number of days prior to PIS, USBCDC will have the right to require a preliminary cost certification for the Project which includes a reasonable estimate of expected QREs for the remaining work. After satisfactory review of such items by USBCDC and prior to PIS, 75% of the FHTC equity will be fixed in amount. If, as a result of such cost certification, the QREs to be recognized are less than the estimated QREs, then USBCDC will have the right to adjust its FHTC equity capital accordingly. After PIS, such reduction together with a reduction for delayed completion shall be limited to 25% of the aggregate FHTC equity capital.

USNDA:
The Property Owner will have (a) any ground lessor agree to sign a standstill agreement that will prohibit the ground lessor from terminating the ground lease during the 5-year compliance period even if the Property Owner is in default thereunder and (b) all lenders agree to sign an unconditional Subordination, Non-Disturbance and Attornment ("USNDA") agreement that will allow the Master Lease(s) to remain in place in the event of a foreclosure even if the Master Tenant is in default thereunder. The Standstill Agreement and the USNDA will also restrict the sale of the property to tax-exempt entities and other non-qualifying entities during the 5-year compliance period.

FINANCIAL PROJECTIONS; AUDIT & TAX PREPARATION COSTS; COST CERTIFICATIONS & COST SEGREGATION REPORTS:
The Property Owner shall engage a nationally recognized accounting firm acceptable to USBCDC to prepare the financial projections and all cost certifications and cost segregation reports. The engagement shall include a requirement that the accountants (a) review the executed construction contract and classify the QRE vs. NQRE costs utilizing the schedule of values or most recent G702/703 and (b) provide an excel version of the sources and uses by month during the construction period.

With respect to construction costs and QREs, the financial projections shall include the following:

1. A break out of hard and soft costs into sub-categories (construction, FF&E, interest, accounting fees, projections, legal, etc.). See Exhibit A for sample of such break out.
2. If requested by USBCDC or its counsel, footnotes regarding assumptions/methodology for how the QRE and QLIP percentages/dollar amounts are derived for each line item.
3. If applicable, a break out of total costs and QREs by Project phase/PIS date including footnotes indicating what portions of the Project are included in each column and how such determination was made. See Exhibit B for a sample of such break out.

The Property Owner and Master Tenant, at their own cost, shall also deliver to USBCDC: 1) an audit from a nationally recognized accounting firm acceptable to USBCDC each year within 90 days and drafts within 75 days after the end of each calendar year; 2) unaudited financial statements within 30 days after the end of each quarter; and 3) a tax return including form K-1 within 90 days and drafts within 75 days after the end of the calendar year. All costs certifications (draft and final) and cost segregation reports shall be prepared by a nationally recognized accounting firm acceptable to USBCDC and shall be at the sole cost and expense of the Property Owner.

TRANSFERS & DISCLOSURES:
USBCDC reserves the right to transfer its interest in the Master Tenant, the Put Option Agreement and in any Tax Indemnities and Guarantees to an affiliate without consent of the Property Owner or its affiliates. USBCDC also reserve the right to make certain disclosures with regard to the Project including project photographs/media.

OTHER FINANCING:
All project financing shall be satisfactory to USBCDC. All construction (if any), and all permanent debt for the Project shall be on commercially reasonable terms. USBCDC shall be provided notice of the terms of project financing and such terms shall be materially consistent with the final financial projections as accepted by USBCDC and its tax counsel at closing of the investment.

BUDGET ADJUSTMENTS:
Final budget (sources and uses) and proforma operating numbers are subject to USBCDC's review and approval. These terms are subject to final underwriting and investment committee approval.

DISBURSING AND BANK ACCOUNTS:
USBCDC shall have consent rights with respect to all construction draws (including those related to FF&E and other start up costs). If USBCDC deems it necessary, funds shall be monitored and disbursed by a USBCDC-approved disbursement agent, which may be selected by the Lender. A disbursement advisor and inspecting architect may be engaged by USBCDC to monitor construction and disbursing at cost to the Property Owner. Depending on the structure, the Property Owner and Master Tenant accounts may be maintained at a bank or financial institutions other than U.S. Bank National Association.

ECONOMIC BENEFITS:
Depreciation, Profits and Losses: profits and losses (including depreciation) at the Master Tenant level shall be allocated to the members of the Master Tenant pursuant to their ownership interests in the Master Tenant.

Cash Flow: Distributions of net cash flow from the Master Tenant to USBCDC (after taking into account priority items set forth below) over the entire life of its investment in the Master Tenant should be commensurate with its overall percentage interest in the Master Tenant (such provisions will be subject to tax counsel review and approval). In addition to the ability to claim FHTCs, USBCDC will require no less than 2% annual non-compounded return on the amount of FHTC equity capital contributed to the Master Tenant ("Priority Return") and payable from cash flow, if available. If Priority Return is not paid in any year, such amount shall accrue and be payable from available cash flow until paid in full. Expected cash flow to USBCDC from the Master Tenant over the entire life of its investment in the Master Tenant should equate to no less than 3% cash on cash return (which return shall take into account the time value of money) and shall not be limited to the priority return.

Tax Equivalency Payments: USBCDC shall receive tax equivalency payments equal to 38% of all 50(d) income and taxable income in connection with its membership interest in the Master Tenant. To the extent USBCDC elects to exercise its Put Option (defined below), it shall not be entitled to any tax equivalency payments for 50(d) income incurred subsequent to its exercise of the Put Option.

See section entitled "Cash Flow Priority" for additional detail regarding distributions of cash flow and relative priority.

CASH FLOW PRIORITY (MASTER TENANT):
<u>Cash flow at the Master Tenant level will be distributed in the following order:</u>

1. Operating expenses
2. Lease payment (from Master Tenant to the Property Owner).
3. Priority Return and accrued Priority Return to USBCDC.
4. Tax equivalency payments and accrued tax equivalency payments to USBCDC, if applicable.
5. Entity reserve requirements, if applicable.
6. Balance distributed to members in accordance with their respective membership interests.

Any rents or fees payable by the Master Tenant (including those payable to the Managing Member or its affiliate) or reserves required to be established by the Master Tenant will be subject to tax counsel approval and third party support acceptable to USBCDC.

CASH FLOW PRIORITY (PROPERTY OWNER) (ONLY APPLICABLE IF MASTER TENANT HAS INTEREST IN PROPERTY OWNER):
<u>Cash flow at the Property Owner level will be distributed in the following order:</u>

1. Approved operating expenses, debt service, management fees, and required reserves.
2. Deferred Developer Fees, if any (subject to USBCDC requirements and tax counsel approval);
3. Priority Return to Master Tenant, if applicable.
4. Balance distributed according to ownership interests.

Any fees payable by the Property Owner (including those payable to the Managing Member or its affiliate) or reserves required to be established by the Property Owner will be subject to tax counsel approval and third party support acceptable to USBCDC.

FHTC FLIP; MASTER TENANT EXIT:
Commencing on the later of (a) the 5-year anniversary of the PIS date of the Project (the "**<u>5-year PIS Date</u>**") and (b) USBCDC having received cash distributions in an amount equal to all unpaid priority return distributions and tax equivalency payments accrued through the 5-year PIS Date (unless otherwise waived by the Investor), USBCDC's partnership interest in the Master Tenant will "flip" to a percentage to be determined by the parties prior to closing (subject to tax counsel approval), but in no event to be less than 5%. In addition, USBCDC shall have the right to put its interest in the Master Tenant (the "Put Option") beginning the first day following the date that is the later of the termination of the compliance period and the flip date for a period of six months after it receives notice from the Sponsor for an amount (the "Put Option Price") equal to the lesser of (1) 5% of FHTC equity contributed by USBCDC plus any other amounts payable to USBCDC under the MT or ML operating agreements; and (2) fair market value of USBCDC's partnership interest as determined by USBCDC and the Sponsor at the time of exercise of the Put Option, plus any transfer taxes, other closing costs attributable to the exercise of the Put Option, and any other amounts due and owing to USBCDC (including any unpaid Priority Return or Tax Equivalency Payments).

GUARANTEES AND PROJECT RESERVES:
Guarantor, Property Owner, Master Tenant and San Francisco Recreation & Parks Department shall provide the following joint and several guarantees:

- **General Obligation.** Guarantor shall guaranty the representations, warranties, covenants, agreements, duties and obligations of the Property Owner and its Managers/Managing Members and the Master Tenant Manager/Managing Members and their Affiliates pursuant to the various project documents, including without limitation, the Master Lease and the Master Tenant Operating Agreement. Subject to any limitations in Rev. Proc. 2014-12, such guaranty shall cover all damages, liabilities, costs, expenses and other losses (on a tax affected basis) arising or which could arise out of a default. USBCDC shall have the sole and exclusive right to extend any date that triggers the obligation to pay such damages. The obligations covered include, without limitation, (i) failure to complete the Project and PIS by October 31, 2018; (ii) failure to obtain Part 3 approval within nine (9) months of substantial completion, or such later date as may be consented to by USBCDC, (iii) failure to achieve lien-free completion of 100% of the improvements within twelve (12) months of substantial completion of the Project or such other date as may be agreed to by USBCDC; (iv) failure to obtain and maintain casualty insurance; (v) occurrence of an event of bankruptcy with respect to any Sponsor affiliate prior to lien-free completion; (vi) failure to achieve stabilized operations within eighteen (18) months of substantial completion; (vii) failure to properly and accurately certify QREs; and (viii) such other provisions to be identified in the transaction. The parties agree to negotiate in good faith which obligations the Guarantor will guarantee with respect to the Manager/Managing Member of the Property Owner and the Master Tenant consistent with the limitations in Revenue Procedure 2014-12.
- **Operating deficits --** Guarantor will guaranty the payment of 100% of any operating deficits incurred until 5 years from the PIS date and twelve (12) months of operating expenses shall be reserved at the Master Tenant.
- **Amounts needed to close permanent loan, if any.**
- **Completion of construction --** Unlimited guaranty of lien-free construction completion and receipt of Certificate of Occupancy to the extent of USBCDC's losses, costs, expenses and other liabilities (on a tax effected basis) resulting from the failure of construction completion.
- **Put Option Price** – Guarantor will guaranty the payment of the Put Option Price.
- **Environmental --** Guarantor shall indemnify and hold harmless USBCDC, and all USBCDC entities participating in this transaction, for Environmental conditions, claims, etc. relating to the Project.

To the extent any aspect of the transaction structure is deemed by USBCDC and/or its counsel to fail to meet the safe harbor provisions under IRS Revenue Procedure 2014-12, as required hereunder, to the extent that USBCDC elects to pursue closing, an additional indemnity for HTC recapture/disallowance/loss up to 80% of the total HTC equity may be required. If necessary, alternative forms of security and guaranty-equivalency will be considered in whole or part along with traditional guarantees to provide USBCDC with the requisite security needed to undertake the contemplated investment.

FUNDING SOURCES:
USBCDC understands that the Project requires other funding sources, including New Markets Tax Credit ("NMTC") allocation and equity. USBCDC has also provided a NMTC equity term sheet. These terms are subject to the commitment and availability of the funding sources necessary to account for all costs associated with the completion of the project. Executed loan documents for permanent financing with a term exceeding the 5-year FHTC compliance period must be in place and all equity must be contributed to the Property Owner at or prior to closing of the proposed transaction.

QUALIFICATION FOR FEDERAL REHABILITATION TAX CREDITS:
USBCDC (and/or its construction consultant) will review all FHTC-related documents including necessary approvals of development plan prior to closing.

RENTS, FEES AND OTHER ARRANGEMENTS:
Any rents (including prepaid rent, if applicable) or fees payable by the Property Owner and/or the Master Tenant (including developer fees and any other fees payable to or other arrangements with the manager/managing member of such entity or any affiliate of such entity) or reserves required to be established by the Master Tenant and/or the Property Owner will be subject to tax counsel approval and, with respect to rents, fees and other arrangement payable to the Sponsor or any affiliate thereof, third party support acceptable to USBCDC.

All such rents, fee and other arrangements must be reasonable as compared to non-tax credit transactions and must represent fees for services actually performed by the party receiving the payment. Developer fees shall be paid in full during the year the Project is PIS. Deferred developer fees may be permitted in limited circumstances and will be subject to USBCDC requirements and tax counsel approval. USBCDC expects that an approved third party will review proposed fees for reasonableness.

AFFILIATE SUBLEASES:
All leases with the Master Tenant will be with true third party tenants. Any lease with an affiliate of the Sponsor, any Guarantor or the Property Owner will be subject to USBCDC's approval.

GENERAL CONTRACTOR:
A General Contractor/Construction Manager will perform/oversee any and all remaining construction work, and any such pertinent contracts must be acceptable to USBCDC and its construction consultant. Any final commitment or contract will be subject to USBCDC's approval. The General Contractor will not be affiliated with the Property Owner within the meaning of Section 707(b) of the Internal Revenue Code.

CONSTRUCTION INSPECTION:
USBCDC will engage a construction consultant which will provide a review prior to closing, prior to fixing 75% of the aggregate FHTC equity capital and prior to funding any FHTC equity capital. The Project will be responsible for the cost of such consultant.

CLOSING CONDITIONS:
USBCDC shall perform such due diligence and legal review of the transactions contemplated herein, including but not limited to the following:

1. All real estate documentation (plans, specs, contracts, title, etc.);
2. All organizational documents for all entities involved in these transactions;
3. All third party, arms-length support for all lease rates, operating reserves and any fees paid to any developer or affiliates;
4. Financial statements on all entities involved in these transactions;
5. Final financial projections, "source and use" statements, etc. from a USBCDC approved accounting firm;
6. All terms and conditions of all agreements, documents and similar items affecting the financing of the Project;
7. Satisfactory review of Property Owner, Guarantor and any other relevant project entity's organizational documents, including charter, bylaws, and operating agreement;
8. Satisfactory review of financial projections and opinion of counsel on true lease, ownership of the Project, allocations, true debt, the status of the Property Owner for federal and state tax purposes as a partnership, opinions to the effect that USBCDC should be entitled to the safe harbor regarding the allocation of the FHTCs as provided in Revenue Procedure 2014-12 and should receive 99% of the FHTCs, as well as customary borrower's counsel opinions, enforceability opinion, state law opinions, and other customary opinions;

9. Satisfactory review of NPS Part 1 and Part 2 and all related and relevant correspondence between Sponsor, the State Historic Preservation Office ("SHPO") and NPS;
10. Satisfactory review of Construction Plans, Specifications and Cost Review;
11. Satisfactory review of entire Project budget, including required Sponsor equity, adequate contingency, and sufficient interest and Operating Deficit ("OD") reserves, if required;
12. Satisfactory review of all third party reports including environmental and appraisal;
13. Satisfactory review of all loan and equity documentation, customary legal opinions and other due diligence required by USBCDC, including, without limitation, a term sheet regarding an NMTC investment and related NMTC transaction documentation, if applicable; and
14. All matters deemed necessary by USBCDC, as applicable, including but not limited to issuance of satisfactory tax opinions.

USBCDC shall receive the following representations and warranties from the parties to the transactions contemplated herein which shall be consistent with those customary in similar financing arrangements including, but not limited to:

1. Organizational/powers/authorization to enter the applicable transaction;
2. Valid interest in assets;
3. Governmental approval/no conflicts;
4. No "material adverse change" clause;
5. No pending/threatened litigation;
6. Compliance with laws, regulations and agreements;
7. ERISA compliance; and
8. Full disclosure.

USBCDC is a wholly-owned subsidiary of U.S. Bank National Association, a national banking association regulated by the Office of the Comptroller of the Currency. As such, USBCDC is subject to several federal laws that are designed to combat financial crimes, including money laundering, significant fraud, cyber threats, terrorist financing, and transactions with certain persons, companies, or foreign governments designated by U.S. authorities. Therefore, the due diligence and legal review conducted by USBCDC, as well as the representations and warranties that it requests, may be subject to USBCDC's ability to demonstrate its compliance with these laws, and to identify any litigation, criminal action or other administrative proceedings against any party to the transaction.

By signing this term sheet, parties also acknowledge that, if we successfully negotiate the proposed transaction and reach a closing, then all documents may be signed electronically, using a method that is acceptable to USBCDC (including .pdf signatures and third-party electronic signature providers, such as DocuSign).

TIMING OF CLOSING:
<u>This Term Sheet must be executed and a deposit received by end of day July 31, 2017 or it shall be null and void.</u> Prior to engaging in weekly conference calls, USBCDC will require a set of initial projections from an approved accounting firm, the completion of the underwriting checklist (available upon request) and proof of commitment of all funding sources. This term sheet assumes a closing no earlier than January 31, 2018. However, if the closing does not occur by March 31, 2018 (the "Termination Deadline"), USBCDC shall have no further obligation to close this transaction. All transaction costs incurred by such date shall be immediately due and payable by the Guarantor and/or Sponsor. USBCDC may apply any deposit amounts to such costs and send an invoice for additional costs to be paid by the Project Sponsor. USBCDC, in its sole election, may extend the deadline for closing or payment of transaction costs. Any such extension is not valid unless provided in writing (mail, fax or email).

TRANSACTION COSTS:
The undersigned agrees to pay all customary third-party transaction expenses associated with USBCDC's proposed investment in the Master Tenant even if the investment in, or loan(s) to, the Project does not close. Expenses shall include, but are not necessarily limited to, USBCDC's legal fees and third party accounting fees. Additionally, upon execution of this letter, **$25,000** shall be deposited by the undersigned into the controlled account at USBCDC set forth below. If USBCDC's transaction expenses near $25,000 then USBCDC may request an additional deposit from the Project, which **must then be paid within 3 business days** or USBCDC may ask its attorney to suspend work until received. USBCDC shall have the right to apply the deposited funds to its third party transaction expenses, at any time after the Termination Deadline.

Bank: U.S. Bank National Association
Account Name: U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, MO 63103
ABA: 091000022
Account #: 173103169541
Reference: Geneva Car Barn & Powerhouse

Please contact me at maria.bustriaglickman@usbank.com or 213.615.6689 when the deposit has been sent. Such amount is non-refundable and will be credited to the project at closing of the investment. NOTE: This deposit **<u>will not</u>** be in addition to the $25,000 requested in the NMTC term sheet, also dated as of today.

CONFIDENTIALITY:
The terms and conditions of this Term Sheet shall be confidential and shall not be disclosed to any third party without the consent of USBCDC and the potential Sponsor ("Parties"), except that the Parties may disclose the terms and conditions described in this Term Sheet, including its existence, to their respective officers, directors, employees, attorneys and other advisers, provided that such persons agree to the confidentiality restrictions contained herein.

Thank you for giving USBCDC an opportunity to participate in the financing of this exciting developer initiative.

Sincerely,

Maria Bustria-Glickman
Vice President – Business Development
New Markets & Historic Tax Credit Investments

Accepted this ______ day of _____________, 2017

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____
Name: ____________________________
Title: ______________________________