

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED
LOAN AGREEMENT
(Treasure Island C3.2 – Maceo May)

This First Amendment to the Amended and Restated Loan Agreement (“First Amendment”) is made as of [Month] [Date], 2022, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the “City”), and **MACEO MAY APTS, L.P.**, a California limited partnership (the “Borrower”).

RECITALS

A. The City previously loaned Twenty-Four Million Two Hundred Fifty-Five Thousand and No/100 Dollars (\$24,255,000.00) (the “Original Loan”) to Borrower to finance development of the property located on Treasure Island in San Francisco on 55 Cravath Street (formerly 401 Avenue of the Palms) (the “Site”), on which the Borrower is constructing a 105-unit (including one manager’s unit) multifamily rental housing development known as “Maceo May” (the “Project”). The Loan is evidenced by the following documents: (1) an Amended and Restated Loan Agreement dated January 28, 2020 (the “Loan Agreement”); (2) a Third Amended and Restated Secured Promissory Note made by Borrower in an amount of Six Million Five Hundred Sixty-Two Thousand and No/100 (\$6,562,000.00) to the order of the City dated January 28, 2020 (the “Predevelopment Note”); (3) a Secured Promissory Note made by Borrower in an amount of Seventeen Million Six Hundred Ninety-Three Thousand and No/100 (\$17,693,000.00) to the order of the City dated January 28, 2020 (the “Construction Note”); (4) a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated January 28, 2020, and recorded on April 28, 2020 as DOC-2020-K927155-00 of Official Records (the “Deed of Trust”); and (5) a Declaration of Restrictions dated January 28, 2020, and recorded on April 28, 2020 as DOC-2020-K927154-00 of Official Records (the “Declaration”). All initially capitalized terms used but not defined in this First Amendment have the meanings given to those terms in the Agreement.

B. The Borrower has requested an additional loan of Funds (“Additional Loan”) from the City in the principal amount not to exceed Fourteen Million Nine Hundred Eighty-Three Thousand and No/100 Dollars (\$14,983,000)(“Additional Funding Amount”) because of increased construction cost from damage in the October 2021 atmospheric river storm and the loss of permanent sources due to the reduction of permanent loan by an estimated \$8,120,232 and reduction in equity investment by an estimated \$1,239,207. The City has reviewed Borrower's application for the Additional Loan and, in reliance on the accuracy of the statements in that application, has agreed to increase the Original Loan by the Additional Funding Amount to finance the additional construction costs and replace the loss of permanent financing sources.

C. On October 24, 2022, TIDA agreed to provide \$1,000,000 in Developer Housing Subsidy (the “TIDA Developer Housing Subsidy”) for the Project as one of the sources for the Additional Loan. In addition, obligations of the TIDA Developer Housing Subsidy funds requires MOHCD to share a prorata amount of the Residual Receipts with TIDA.

D. The Borrower and the City now desire to amend the Agreement in accordance with this First Amendment to increase the Original Loan, update the sources of the Funds, and clarify the Residual Receipts payment split between HCD and the City. Concurrently with this First Amendment, the Parties are also entering into a Secured Promissory Note (Additional Loan) and a First Amendment to the Deed of Trust to reflect such changes under this First Amendment.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in the City Documents, the City and the Borrower agree as follows:

1. Amendments to Agreement. The Agreement is hereby amended as follows:

(a) Cover Page, first paragraph, is hereby amended as follows (additions in double underline; deletions in ~~striketrough~~):

**AMENDED AND RESTATED LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO LMIHAF; AFFORDABLE
HOUSING FUND INCLUSIONARY; AFFORDABLE HOUSING
PROGRAM CONDOMINIUM CONVERSION; ERAF AFFORDABLE
HOUSING PRODUCTION AND PRESERVATION FUND; ~~AND~~
RESIDENTIAL HOTEL PRESERVATION FUND ACCOUNT; 2019
GENERAL OBLIGATION BOND FOR AFFORDABLE HOUSING; AND
TIDA DEVELOPER HOUSING SUBSIDY FUNDS)**

(b) Cover Page, list of City loan sources of funding and amounts, is hereby amended as follows (additions in double underline; deletions in ~~striketrough~~):

**MACEO MAY APARTMENTS
Treasure Island Parcel
C3.2 Temp address: 401 Avenue of the Palms, San Francisco
\$39,238,000
(Predevelopment Loan: \$6,562,000)
(Construction Loan: \$17,693,000)
(Additional Loan: \$14,983,000)
LMIHAF: ~~\$2,000,000~~\$4,000,000
AHF – Condominium Conversion: \$2,200,000
AHF – INCLUSIONARY: \$7,951,128
ERAF: \$11,000,000
PRESERVATION FUND: \$1,103,872
2019 General Obligation Bond: \$11,983,000
TIDA Developer Housing Subsidy: \$1,000,000**

(c) Recitals L and M are hereby added to the Agreement as follows:

L. On November 5, 2019, the voters of the City and County of San Francisco approved Proposition A (Ordinance 168-19), which provided for the issuance of up to \$600 million in general obligation bonds to finance the construction,

acquisition, improvement, rehabilitation, preservation, and repair of certain affordable housing improvements (the "2019 GO Bond"). To the extent permitted by law, the City intends to reimburse with proceeds of the Bond amounts disbursed under this Agreement to Borrower for the development of affordable housing. The funds provided under this Agreement from the proceeds of the 2019 GO Bond shall be referred to herein as the "2019 Go Bond Funds".

M. Under Resolution No. 241-11, adopted by the Board of Supervisors on June 7, 2011, the City and County of San Francisco approved the Disposition and Development Agreement (the "DDA") between TIDA and Treasure Island Community Development, LLC ("TICD" or the "Principal Developer"), including the attached Exhibit E (the "Housing Plan"), which describes and defines the use of a certain subsidy provided by the Principal Developer for the development of housing units on Treasure Island and Yerba Buena Island ("Developer Housing Subsidy"). Pursuant to the DDA and Housing Plan, the Developer Housing Subsidy shall be "paid by Principal Developer to the Authority for the development of Authority Housing Units on the Authority Housing Lots and the implementation of the Transition Housing Rules and Regulations." Since it is determined that the Project, defined in Recital I, meets the criteria and definition of Authority Housing Units as defined by the DDA and Housing Plan, and therefore is an eligible use of the Developer Housing Subsidy. TIDA has agreed to dedicate \$1,000,000 of its accrued Developer Housing Subsidy balance to be available to the Project. The funds provided from the Developer Housing Subsidy under this Agreement shall be referred to herein as the "TIDA Developer Housing Subsidy Funds," and together with the LMIHAF, Inclusionary Funds, Condo Fees, the Preservation Fund, ERAF Fund and 2019 Go Bond Funds collectively, the "Funds."

- (d) Recital I is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~)

I. The City has reviewed Borrower's application for Funds for the construction of the Project and, in reliance on the accuracy of the statements in that application, has agreed to make a loan of Funds (the "Construction Loan") in the principal amount of Seventeen Million Six Hundred Ninety-Three Thousand and No/100 Dollars (\$17,693,000) (the "Construction Funding Amount," ~~and together with the Predevelopment Funding Amount, the "Funding Amount"~~). The Construction Funding Amount is comprised of (i) ERAF Funds in the amount of Eleven Million and No/100 Dollars (\$11,000,000.00); (ii) Preservation Fund Account funds in the amount of One Million One Hundred Three Thousand Eight Hundred Seventy-Two and No/100 Dollars (\$1,103,872.00); and (iii) the Affordable Housing Fund (Inclusionary Fees) in the amount of Five Million Five Hundred Eighty-Nine Thousand One Hundred Twenty-Eight and No/100 Dollars (\$5,589,128). ~~The aggregate amount of the Funding Amount is Twenty Four Million Two Hundred Fifty Five Thousand and No/100 (\$24,255,000).~~

- (e) Recital O is hereby added to the Recitals of the Agreement as follows:

O. The City has reviewed Borrower's application for an additional loan

of Funds for the repair of storm damaged units and additional permanent financing related to the loss of tax credit equity and reduced permanent loan due to a six and one-half month construction delay while the storm damaged units were being repaired and, in reliance on the accuracy of the statements in that application, has agreed to make a loan of Funds (the "Additional Loan") in the principal amount of Fourteen Million Nine Hundred Eighty-Three Thousand and No/100 Dollars (\$14,983,000) (the "Additional Funding Amount," and together with the Predevelopment Funding and Construction Funding Amount, the "Funding Amount"). The Additional Funding Amount is comprised of (i) LMIHAF in the amount of Two Million and No/100 Dollars (\$2,000,000.00); (ii) the 2019 GO Bond Funds in the amount of Eleven Million Nine Hundred Eighty-Three Million and No/100 Dollars (\$11,983,000.00); and (iv) the TIDA Housing Developer Subsidy Funds in the amount of One Million and No/100 Dollars (\$1,000,000). The aggregate amount of the Funding Amount is Thirty-Nine Million Two Hundred Thirty-Eight Thousand and No/100 (\$39,238,000).

(f) Recital J is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~)

J. Borrower has secured the following additional financing for the Project (as defined below):

1. an issuance of multifamily housing revenue bonds to finance the construction Project in the amount of **Forty-Three Million Seven Hundred Four Thousand and No/100 Dollars \$43,704,000** with a commitment from Silicon Valley Bank to purchase the bonds, the proceeds of which shall be lent to the Project;

2. a construction loan from Silicon Valley Bank which shall be purchased by California Community Reinvestment Corporation for a permanent loan in the approximate amount of **One Million Nine Hundred Eighty Seven Thousand Seven Hundred Sixty Eight and No/100 Dollars (\$1,987,768.00)** ~~Nine Million Four Hundred Forty One Thousand Four and No/100 Dollars (\$9,441,000);~~

3. a commitment from HUD for rental assistance payments under a Project Rental Assistance Contract/Housing Assistance Payment ("HAP") contract and budget authority for sixty-five (65) Veterans Affairs Supportive Housing ("VASH") project-based vouchers respectively;

4. Veterans Homeless Housing Program (VHHP) through a State of California Housing and Community Development ("HCD") Firm Commitment letter dated January 30, 2020, providing for VHHP funding in the amount of Ten Million and No/100 Dollars (\$10,000,000.00);

5. an equity contribution from the sale of 4% tax credits in the amount of approximately **Twenty-Seven Million Five Hundred Twenty Five Thousand Two and No/100 Dollars (\$27,525,002.00)**; ~~Twenty-Nine~~

~~Million One Hundred Fifty-Four Thousand Three Hundred Thirty-Four and No/100 Dollars (\$29,154,334.00).~~

6. an equity contribution from the Borrower's general partner in the amount of One Million One Hundred Thousand and No/100 Dollars (\$1,100,000.00); and approximately ~~Five Hundred Thirteen Thousand Six Hundred Forty-One and No/100 Dollars (\$513,641.00).~~

7. a permanent loan from the Federal Home Loan Bank of San Francisco in the amount of One Million Forty Thousand and No/100 Dollars (\$1,040,000.00).

(g) The definitions under Section 1.1 (Defined Terms) of the Agreement are hereby amended as follows (additions in double underline; deletions in ~~strike through~~):

“Additional Funding Note” means the secured promissory note executed by Borrower in favor of the City in the original principal amount of the Additional Funding Amount.

“Agreement” means this Amended and Restated Loan Agreement, including any written amendments executed by the parties.

“City Documents” means this Agreement, the Predevelopment Note, the Construction Note, the Additional Funding Note, the Deed of Trust, the Declaration of Restrictions, and any other documents executed or, delivered in connection with this Agreement.

“Deed of Trust” means the deed of trust executed by Borrower granting the City a lien on the Site and the Project to secure Borrower's performance under this Agreement, the Predevelopment Note, the Additional Funding Note, and the Construction Note, in form and substance acceptable to the City.

“Development Proceeds” means the sum of: (a) funds contributed or to be contributed to Borrower by Borrower's limited partner as capital contributions, equity or for any other purpose under Borrower's limited partnership agreement; (b) all insurance proceeds from Borrower's insurers related to damage to the modular units of the Project; and ~~(b)~~ the proceeds of all other financing for the Project.

“Funds” has the meaning set forth in Recital ~~EM~~ and supersedes the meaning set forth in Recital E.

“Funding Amount” has the meaning set forth in Recital ~~JO~~.

“Loan” means collectively the Predevelopment Loan, Additional Loan, and the Construction Loan.

"Note" means collectively the Predevelopment Note (as set forth in **Recital H**), the Additional Funding Note (as set forth in **Recital O**), and the Construction Note (as set forth in **Recital I**), ~~both~~ each executed by Borrower in favor of the City.

(h) Section 3.3 (Interest) of the Agreement is hereby amended as follows (additions in double underline):

3.3 Interest. Except as set forth in subparagraph (c) pertaining to the Additional Loan, below and Section 3.4, interest will accrue on the Loan as follows:

(a) Interest will accrue on the principal balance outstanding under the Predevelopment Loan will continue to accrue at the rate of three percent (3%) per annum, simple interest.

(b) Interest will accrue on the principal balance outstanding under the Construction Loan, from time to time at the rate of one half of a percent (0.5%) per annum, simple interest, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents.

(c) No interest will accrue on the principal balance outstanding under the Additional Loan.

Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used.

(i) Section 3.5 (Repayment of Principal and Interest) of the Agreement is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

3.5 Repayment of Principal and Interest. Except as set forth in Section 3.7 below, the outstanding principal balance of the Loan, together with all accrued and unpaid interest, if any, will be due and payable on the Maturity Date according to the terms set forth in full in the applicable Note. ~~Notwithstanding the foregoing, if Borrower is awarded AHP funding, Borrower shall repay the AHP Bridge Loan to the City on the date that Borrower closes such loan for AHP funding and the AHP funds are disbursed to Borrower; provided, however, that if Borrower is not awarded AHP funding or receives AHP funding sufficient for only partial repayment of the AHP Bridge Loan, Notwithstanding anything to the contrary in the Construction Note, the City hereby waives repayment of the AHP Bridge Loan from the AHP funding. The City and Borrower agree that the unpaid principal balance of the AHP Bridge Loan and unpaid costs and fees incurred shall be repaid from Residual Receipts and due and payable at the Maturity Date according to the terms set forth in full in the Construction Note.~~

(j) Section 3.7 (Notification and Repayment of Excess Proceeds) of the Agreement is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

3.7 Notification and Repayment of Excess Proceeds. Borrower must notify the City in writing within thirty (30) days after the later of the date on which Borrower receives its Form 8609 from the California Tax Credit Allocation Committee or the date on which Borrower receives Excess Proceeds from its limited partner or other financing sources. In addition, Borrower must notify the City in writing when a final coverage determination of Borrower's insurance claim and all respective loss amounts submitted that relate to the damage of the modular units of the Project is received from the Borrower's responding insurers. Borrower must repay all Excess Proceeds to the City no later than sixty (60) days after receipt of such notification, unless the City has elected to waive such payment. The City must use such Excess Proceeds to reduce the balance of the Additional Loan Predevelopment Loan and Construction Loan on a pro rata basis.

(k) Section 4.9 (Disbursement of Additional Loan) is hereby added to the Agreement as follows:

Section 4.9 Disbursement of Additional Loan. In addition to the conditions precedent under Section 4.5, the City's obligation to approve any expenditure of the Additional Funding Amount is subject to Borrower's satisfaction of the following conditions precedent:

(a) MOHCD will only disburse up to \$7,232,745 of the Additional Funding Amount funds to pay off the Construction Contract, prevent mechanics liens against the Project, and cover soft costs approved by MOHCD in writing. The remaining amount of the Additional Funding Amount, if needed will be disbursed as part of the permanent loan conversion and through the permanent loan closing escrow. No less than sixty (60) days prior to permanent loan conversion, Borrower must deliver to MOHCD an updated MOHCD and Borrower's proforma to allow MOHCD to reevaluate the Project's operating expenses and determine whether the Project can support the estimated senior permanent loan. If the senior permanent loan is increased, the Additional Funding Amount shall be decreased by an equivalent amount.

(b) Once a SFHA-executed HAP showing SFHA approved VASH rents is received by Borrower, the remaining 39 non-VASH rents will be increased to 2022 and the entire first-year operating budget and 20-year cash flow will be updated and finalized. The entire first-year operating budget and 20-year cash flow will be re-evaluated by MOHCD, and Borrower must have the permanent loan resized by California Community Reinvestment Corporation. Any increases to such permanent loan will reduce an equivalent amount of the Additional Loan to be disbursed. After the Conversion Date, any amount of the Additional Loan that has not been disbursed will be disencumbered by the City. If the Additional Loan has been fully disbursed on the Conversion Date, the Sponsor shall use any proceeds, including insurance proceeds, and/or other cost savings from construction of the Project to repay the Additional Loan.

(c) Once 95% occupancy is achieved, Borrower must provide the stabilized occupancy calculation to MOHCD within forty-five (45) days, and

Borrower must provide MOHCD copies of the monthly stabilized occupancy calculations that Borrower is required to provide to the permanent lender until four-months of stabilized occupancy is achieved.

(d) Borrower must allow MOHCD to verify all costs and sources no later than thirty (30) days prior to the Conversion Date. MOHCD will only disburse up to \$7,750,255 of the Additional Funding Amount as needed to fund conversion of the senior construction loan after approval by MOHCD of such costs and sources. All Development Proceeds, including, but not limited to insurance proceeds, and Development Expenses must be approved by MOHCD. In addition, all cost and sources verified must be approved by MOHCD before payment of the At-Risk Developer Fee of \$1,069,184.00, as defined in the Developer Fee Agreement between MOHCD and Developer dated February 1, 2020.

(l) EXHIBIT B-1 – Table of Sources and Uses of Funds, is deleted in its entirety and replaced with the new Exhibit B-1, attached hereto as Attachment 1.

2. Secured Promissory Note. Concurrently herewith, Borrower will execute a Secured Promissory Note (Additional Loan) in favor of the City (the “Additional Funding Note”), in form and substance acceptable to the City. A copy of the Additional Funding Note is attached to this First Amendment as Attachment 2.

3. First Amendment to Deed of Trust. Concurrently herewith, Borrower will execute a First Amendment to Deed of Trust in form and substance acceptable to the City. A copy of the First Amendment to Deed of Trust is attached to this First Amendment as Attachment 3.

4. Residual Receipts Split with HCD. During negotiations of the Agreement, the City, inclusive of the TIDA Housing Developer Subsidy, anticipates that it will split residual receipts with HCD. The City will receive residual receipt repayment of the Loan and the balance of the Loan available to receive residual receipts payments will be \$39,238,000. The City’s residual receipts split with HCD is as shown below.

50/50 Residual Receipts Split Analysis			
Name of Residual Receipts	Initial Loan Amount	Residual Share %	Net Cash Flow %
HCD Residual Receipts	\$10,000,000	10.15%	20.31%
City & County of San Francisco	\$39,238,000	39.85%	79.69%
Total of City & HCD Residual Receipts	\$49,238,000	50.00%	100.00%

Further, MOHCD and TIDA have agreed to proportionally split residual receipts payments received by MOHCD when TIDA funds are part of the City loan sources. For this Project, and only this Project, TIDA Developer Housing Subsidy Funds is 2.55% of the Loan.

5. Representations and Warranties.

(a) All of the representations and warranties made by Borrower to the City in the Agreement and other City Documents continue to be true and complete as of the date of this First Amendment.

(b) No event has occurred and is continuing that constitutes an event of default or potential event of default under the Agreement, Note, or any other City Documents.

6. Miscellaneous.

(a) References. No reference to this First Amendment is necessary in any instrument or document at any time referring to the Agreement. Any reference to such documents will be deemed a reference to the Agreement as amended by this First Amendment.

(b) No Other Amendments. Except as amended by this First Amendment, the Agreement will remain unmodified and in full force and effect.

(c) Counterparts. This First Amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which when taken together will constitute one and the same instrument.

(d) Successors and Assigns. The terms, covenants, and conditions contained in this First Amendment will bind and inure to the benefit of Borrower and the City and, except as otherwise provided herein, their personal representatives and successors and assigns.

(e) Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this First Amendment.

Signatures Appear on Following Page

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment at San Francisco, California as of the date first written above.

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: _____
London N. Breed
Mayor

By: _____
Eric D. Shaw
Director, Mayor's Office of Housing
and Community Development

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Keith Nagayama
Deputy City Attorney

BORROWER:

MACEO MAY APT, L.P., a California limited partnership,

By: CCDC-Maceo May Apts LLC,
a California limited liability company,
its co-general partner

By: Chinatown Community Development
Center, Inc.,
a California nonprofit public benefit
corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

By: Swords-Maceo May Apts LLC,
a California limited liability company,
its co-general partner

By: Swords to Plowshares: Veterans
Rights Organization,
a California nonprofit public benefit
corporation,
its sole member/manager

By: _____
Michael Blecker,
Executive Director

Attachment 1

Exhibit B-1: Sources & Uses of Funds

See Attached.

Application Date: # Units: 105
Project Name: Masco May Apartments # Bedrooms: 138
Project Address: 55 CRAVA TRL # Beds:
Project Sponsor: Chinatown CDC, Swords to Plowshares

Table with 12 columns: SOURCES, 10 numerical columns, and Comments. Row 1: 24,255,000, 14,983,000, 1,987,768, 10,000,000, 1,040,000, 800,000, 0, 0, 1,100,000, 27,525,002, 28,587,290, 110,276,000.

USES

ACQUISITION

Table with 12 columns: ACQUISITION, 10 numerical columns, and Comments. Rows include Acquisition cost or value, Legal / Closing costs, Holding Costs, Transfer Tax, and TOTAL ACQUISITION.

CONSTRUCTION (HARD COSTS)

Table with 12 columns: CONSTRUCTION (HARD COSTS), 10 numerical columns, and Comments. Rows include Unit Construction/Rehab, Commercial Shell Construction, Demolition, Environmental Remediation, Onsite Improvements/Landscaping, Office Improvements, Infrastructure Improvements, Parking, GC Bond Premium/GC Insurance/GC Taxes, GC Overhead & Profit, CG General Conditions, Sub-total Construction Costs, Design Contingency, Bid Contingency, Plan Check Contingency, Hard Cost Contingency, and TOTAL CONSTRUCTION COSTS.

SOFT COSTS

Architecture & Design

Table with 12 columns: Architecture & Design, 10 numerical columns, and Comments. Rows include Architect design fees, Design Subconsultants, Architect Construction Admin, Reimbursables, Additional Services, Sub-total Architect Contract, Other Third Party design consultants, and TOTAL Architecture & Design.

Engineering & Environmental Studies

Table with 12 columns: Engineering & Environmental Studies, 10 numerical columns, and Comments. Rows include Survey, Geotechnical studies, Phase I & II Reports, CEQA / Environmental Review consultants, NEPA / 108 Review, CNA/PNA (rehab only), Other environmental consultants, and TOTAL Engineering & Environmental Studies.

Financing Costs

Table with 12 columns: Financing Costs, 10 numerical columns, and Comments. Rows include Construction Financing Costs, Construction Loan Origination Fee, Construction Loan Interest, Title & Recording, CD/LAC & CD/AC fees, Bond Issuer Fees, Other Bond Cost of Issuance, Other Owner's Rep. Misc. Syndication Cost, City FA, Permanent Financing Costs, Permanent Loan Origination Fee, Credit Enhance & Appl. Fee, Title & Recording, Sub-total Perm. Financing Costs, and TOTAL Financing Costs.

Legal Costs

Table with 12 columns: Legal Costs, 10 numerical columns, and Comments. Rows include Borrower Legal fees, Land Use / CEQA Attorney fees, Tax Credit Counsel, Bond Counsel, Construction Lender Counsel, Permanent Lender Counsel, City Attorney/Issuer Counsel, and TOTAL Legal Costs.

Other Development Costs

Table with 12 columns: Other Development Costs, 10 numerical columns, and Comments. Rows include Appraisal, Market Study, Insurance, Property Taxes, Accounting / Audit, Organizational Costs, Entitlement / Permit Fees, Marketing / Rent-up, Furnishings, PGE / Utility Fees, TCAC App / Alloc / Monitor Fees, Financial Consultant fees, Construction Management fees / Owner's Rep, Security during Construction, Relocation, Services Set-Up, Other (specify) 80% of Total MEP Peer Review, and TOTAL Other Development Costs.

Soft Cost Contingency

Table with 12 columns: Soft Cost Contingency, 10 numerical columns, and Comments. Rows include Contingency (Arch, Eng, Fin, Legal & Other Dev) and TOTAL SOFT COSTS.

RESERVES

Table with 12 columns: RESERVES, 10 numerical columns, and Comments. Rows include Distilling Reserves, Replacement Reserves, Tenant Improvements Reserves, Subsidy Transition Reserve, Other (specify), and TOTAL RESERVES.

DEVELOPER COSTS

Table with 12 columns: DEVELOPER COSTS, 10 numerical columns, and Comments. Rows include Developer Fee - Cash-out Paid at Milestones, Developer Fee - Cash-out At Risk, Commercial Developer Fee, Developer Fee - GP Equity, Developer Fee - Deferred, Development Consultant Fees, and TOTAL DEVELOPER COSTS.

TOTAL DEVELOPMENT COST

Table with 12 columns: TOTAL DEVELOPMENT COST, 10 numerical columns, and Comments. Rows include Development Cost/Unit by Source, Development Cost/Unit as % of TDC by Source, Acquisition Cost/Unit by Source, Construction Cost (inc Const Contingency)/Unit By Source, and Construction Cost (inc Const Contingency)/SF.

*Possible non-eligible GO Bond/COP Amount: 19,962,091

City Subsidy/Unit: 231,000

Tax Credit Equity Picking: 0,986

Construction Bond Amount: 43,704,000

Construction Loan Term (in months): 48

Construction Loan Interest Rate (as %): 2.82%

Construction fee item costs are % of hard costs
0.0%
2.3%
2.8%

Total Soft Cost Contingency as % of Total Soft Costs
4.2%

Attachment 2

Secured Promissory Note (Additional Loan)

See Attached.

SECURED PROMISSORY NOTE

(Additional Loan)

(City and County of San Francisco LMIHAF; 2019 General Obligation Bond for Affordable Housing; and TIDA Developer Housing Subsidy)

Principal Amount: \$14,983,000

San Francisco, CA

Date: _____, 2022

FOR VALUE RECEIVED, the undersigned, **MACEO MAY APTS, L.P.**, a California limited partnership ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of **FOURTEEN MILLION NINE HUNDRED EIGHTY-THREE THOUSAND** and No/100 Dollars (\$14,983,000) (the "Additional Funding Amount"), or so much of the Additional Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below as provided in this Note.

1. Agreement. Holder is making a loan of Fourteen Million Nine Hundred Eighty-Three Thousand and No/100 Dollars (\$14,983,000) (the "Additional Loan") to Maker for units damaged in the October 2021 atmospheric river storm and to cover the reduction in permanent loan and tax credit equity financing because of a six and one-half (6.5) month construction delay while the storm damaged units were being repaired on the multifamily rental housing development comprised of a 105-unit multifamily rental housing development (including one manager unit) affordable to low-income veteran households. This Note is given under the terms of the Amended and Restated Loan Agreement by and between Maker and Holder dated January 28, 2020, as amended by that certain First Amendment to the Amended and Restated Loan Agreement dated concurrently herewith (collectively, the "Agreement"), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated January 28, 2020, made by Maker for the benefit of Holder, and recorded on April 28, 2020, as Document No. DOC-2020-K927155-00, as amended by that certain First Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date of this Note (collectively, "Deed of Trust"). Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Except as set forth in Section 3, no interest will accrue on the principal balance outstanding under this Note.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Additional Loan.

4.1 Subject to Section 13.4 of the Agreement, Maker must make annual payments of principal and interest (each, a "Payment") in an amount equal to the Residual Receipts, if any, attributable to the prior calendar year, beginning on the first July 1st after the end of the calendar year of the Completion Date, and continuing each July 1st thereafter up to and including the Maturity Date, as defined below (each, a "Payment Date"). All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The unpaid principal balance of the Loan, together with all accrued and unpaid interest and unpaid costs and fees incurred, will be due and payable on the date that is the later (a) the fifty seventh (57th) anniversary of the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the fifty fifth (55th) anniversary of the Conversion Date (the "Maturity Date"). Any Payment Date, including any Excess Proceeds Payment Date and the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

4.2 Subject to Section 13.4 of the Agreement, Maker must make payments of principal and interest (each, an "Excess Proceeds Payment") in an amount equal to the Excess Proceeds, if any, on the date that is thirty (30) days after the later of the date on which Maker receives its Form 8609 from the California Tax Credit Allocation Committee or the date on which Maker receives Excess Proceeds from its limited partner or other financing sources, including, but not limited to insurance proceeds related to the storm damaged modular units (the "Excess Proceeds Payment Date"), in accordance with HCD if applicable. In addition, Borrower must notify the City in writing when a final coverage determination of Borrower's insurance claim and all respective loss amounts submitted that relate to the damage of the modular units of the Project is received from the Borrower's responding insurers. All Excess Proceeds Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Additional Loan.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note shall be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

7.3 Notwithstanding Section 7.2 and subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, provided, however, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

Notwithstanding anything to the contrary contained herein, Holder hereby agrees that any cure of any default made or tendered by Maker's limited partner shall be accepted or rejected on the same basis as if made or tendered by Maker.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

"MAKER"

Maceo May Apts, L.P.,
a California limited partnership

By: CCDC-Maceo May Apts LLC,
a California limited liability company,
its co-general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Malcolm Yeung,
Executive Director

By: Swords-Maceo May Apts LLC,
a California limited liability company,
its co-general partner

By: Swords to Plowshares: Veterans Rights Organization,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Michael Blecker,
Executive Director

Attachment 3

First Amendment to Deed of Trust

See Attached.

**Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1**

When recorded, mail to:
Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Ave., 5th Floor
San Francisco, California 94103
Attn: Agnes Defiesta

Lot 032; Block 0224

-----Space Above This Line for Recorder's Use-----

FIRST AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(Property Address: 401 Avenue of the Palms)

This First Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("First Amendment to Deed of Trust") dated as of _____, 2022, is attached to and made a part of that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated January 28, 2020, and recorded April 28, 2020, as Document Number DOC-2020-K927155-00 (the "Deed of Trust"). The Deed of Trust secures a loan in the amount of (the "Loan") made by the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation represented by the Mayor and acting through the Mayor's Office of Housing and Community Development ("City" or "Beneficiary"), to MACEO MAY APTS, L.P., a California Limited Partnership ("Borrower" or "Trustor"), whose address is 1525 Grant Ave., San Francisco, CA 94109, for development expenses associated with the real property described in the attached **Exhibit A**.

The Loan was evidenced by that certain Amended and Restated Loan Agreement dated January 28, 2020, by and between Trustor and Beneficiary (the "Loan Agreement") and by that certain Third Amended and Restated Promissory Note (Predevelopment) dated January 28, 2020 (the "Predevelopment Note"), a Secured Promissory Note (Construction) dated January 28, 2020 (the "Construction Note"), Declaration of Restrictions dated as of January 28, 2020 (the "Declaration") and the Deed of Trust.

Pursuant to that certain First Amendment to the Amended and Restated Loan Agreement, Beneficiary agreed to increase the Loan ("Additional Loan") by Fourteen Million Nine Hundred Eighty-Three Thousand and No/100 Dollars (\$14,983,000) (the "Additional Funding Amount"), as evidenced by that certain Secured Promissory Note executed by Borrower, each dated as of the date set forth above. The new aggregate amount of the Loan is \$39,238,000.

The Trustor agrees that the following covenants, terms, and conditions shall be part of and shall modify or supplement the Deed of Trust and that in the event of any inconsistency or conflict between the covenants, terms, and conditions of the Deed of Trust, as amended by this First Amendment to Deed of Trust, the following covenants, terms, and conditions shall control and prevail:

1. Obligations Secured. The parties agree that the Deed of Trust is hereby amended as follows:

1.1 Section 2 is hereby deleted in its entirety and replaced with the following:

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the "Secured Obligations"):

(a) performance of all present and future obligations of Trustor set forth in the Agreement, specifically compliance with certain restrictions on the use of the Property recited in that certain Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, that certain Third Amended and Restated Secured Promissory Note (Predevelopment Loan) dated January 28, 2020, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "Predevelopment Note"), that certain Secured Promissory Note (Construction Loan) dated January 28, 2020, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "Construction Note"), and that certain Secured Promissory Note (Additional Loan) dated _____, 2022, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "Additional Funding Note") and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement, as amended;

(b) payment of the indebtedness evidenced by the Agreement as amended by that certain First Amendment to Amended and Restated Loan Agreement and the Predevelopment Note in the original principal amount of Six Million Five Hundred Sixty-Two Thousand and No/100 (\$6,562,000.00), with interest, if any, according to the terms of the Agreement and the Note;

(c) payment of the indebtedness evidenced by the Agreement as amended by that certain First Amendment to Amended and Restated Loan Agreement and the Construction Note in the original principal amount of Seventeen Million Six Hundred Ninety-Three Thousand and No/100 (\$17,693,000.00), with interest, if any, according to the terms of the Agreement and the Note;

(d) payment of the indebtedness evidenced by the Agreement as amended by that certain First Amendment to Amended and Restated Loan Agreement and the Additional Funding Note in the original principal amount of Fourteen Million Nine Hundred Eighty-Three Thousand and No/100 Dollars (\$14,983,000), with interest, if any, according to the terms of the Agreement and the Note; and

(c) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

2. No Other Change. Except as specifically modified or amended by this Amendment, all other terms and conditions of the Deed of Trust remain the same.

Remainder of Page Intentionally Left Blank; Signatures Appear on Following Page

BENEFICIARY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development

By: _____

Eric D. Shaw

Director, Mayor's Office of Housing and Community Development

SIGNATURE ABOVE MUST BE NOTARIZED

APPROVED AS TO FORM:

DAVID CHIU

City Attorney

By: _____

Deputy City Attorney

"TRUSTOR:"

MACEO MAY APT, L.P., a California limited partnership,

By: CCDC-Maceo May Apts LLC,
a California limited liability company,
its co-general partner

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its sole member/manager

By _____
Malcolm Yeung,
Executive Director

By: Swords-Maceo May Apts LLC,
a California limited liability company,
its co-general partner

By: Swords to Plowshares: Veterans Rights Organization,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Michael Blecker,
Executive Director

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A
Legal Description of the Land

A LEASEHOLD INTEREST IN THE FOLLOWING LAND SITUATED IN THE CITY OF
SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA,
DESCRIBED AS FOLLOWS:

Street Address: 401 Avenue of the Palms

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 the document.

State of California)
County of San Francisco)

On _____, _____, before me, Jennifer M. Collins, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(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: _____

(Seal)