

**SECOND AMENDMENT TO THE LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
2015 GENERAL OBLIGATION AFFORDABLE HOUSING BOND, 2019 GENERAL
OBLIGATION AFFORDABLE HOUSING BOND, HOUSING TRUST FUND, HOPE SF
GENERAL FUND, IIG)
(SUNNYDALE PHASE 1A3 INFRASTRUCTURE)**

THIS SECOND AMENDMENT TO LOAN DOCUMENTS (“Second Amendment” or “Agreement”) is entered into as of December ___, 2023, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (“City”), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"), and **SUNNYDALE INFRASTRUCTURE PHASE 1A3, LLC**, a California limited liability company (the "Borrower").

RECITALS

A. The City previously loaned \$25,072,111 in 2015 General Obligations Bond funds, 2019 General Obligations Bond funds, Housing Trust Fund funds, and HOPE SF General Fund funds (the “Original Loan”) to Borrower. The Loan is evidenced by the following documents (1) a Loan Agreement (the “Original Agreement”) dated February 11, 2022, (2) a Secured Promissory Note made by Borrower to the order of the City (the “Original Note”) dated February 11, 2022, (3) a First Amendment to the Loan Agreement (the “First Amendment”) dated May 25, 2023, and (4) an Amended and Restated Promissory Note (the “Amended and Restated Note”) dated May 25, 2023. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Original Agreement.

B. The Borrower has requested an additional loan of Funds (the “Additional Loan”) from the City in the principal amount not to exceed One Million Four Hundred Ninety Five Thousand Two Hundred Ninety Four and No/100 Dollars (\$1,495,294.00) (the “Additional Funding Amount”) because of increased infrastructure construction costs associated with delays from severe weather conditions in early 2023 and interim power connection. 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 infrastructure construction costs.

C. The Borrower and the City now desire to amend the Agreement in accordance with this Second Amendment to increase the Original Loan and update the sources of the Funds. Concurrently with this Second Amendment, the Parties are also entering into a Second Amended and Restated Secured Promissory Note (the “Second Amended and Restated Note”) to reflect such changes under this Second Amendment.

D. Any future funding from the City to Borrower in connection with the Project will be loaned through and evidenced by an amendment to this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the City and Borrower agree as follows:

AGREEMENT

1. Amendments to Original Agreement as amended by the First Amendment 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
2015 GENERAL OBLIGATION AFFORDABLE HOUSING BOND, 2019 GENERAL
OBLIGATION AFFORDABLE HOUSING BOND, HOUSING TRUST FUND, IIG,
HOPE SF GENERAL FUND)**

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

**SUNNYDALE HOPE SF – PHASE 1A3 -- Infrastructure
San Francisco, CA
up to \$26,567,405**

2015 GO Bond: \$9,800,000

2019 GO Bond: \$9,673,529

Housing Trust Fund: \$3,005,700

HOPE SF General Fund: \$4,088,176

(c) Recital H is hereby deleted in its entirety and replaced with the following:

H. The City has reviewed Borrower's application for funds and, in reliance on the accuracy of the statements in that application, has agreed to make an additional loan of Funds to Borrower in the amount of One Million Four Hundred Ninety Five Thousand Two Hundred Ninety Four and No/100 Dollars (\$1,495,294.00) (“Additional Funding Amount”) to fund completion of infrastructure construction activities such that the total loan of Funds is equal to up to Twenty-Six Million Five Hundred Sixty-Seven Thousand Four Hundred Five and No/100 Dollars (\$26,567,405.00) (the “Funding Amount”). This Agreement is comprised of Nine Million Eight Hundred Thousand and No/100 Dollars (\$9,800,000.00) from 2015 GO Bond funds, Nine Million Six Hundred Seventy Three Thousand Five Hundred Twenty Nine and No/100 Dollars (\$9,673,529.00) from 2019 GO Bond funds, Three Million Five Thousand Seven Hundred and No/100 Dollars (\$3,005,700) in Housing Trust Fund funds, and Four Million Eighty-Eight Thousand One Hundred Seventy-Six and No/100 Dollars (\$4,088,176.00) in HOPE SF General Fund funds. The 2015 GO Bond funds, the 2019 GO Bond funds, the Housing Trust Fund funds and the HOPE SF General Fund funds together are the “Gap Funds”, which Gap Funds are to be used for construction of the infrastructure of the Site.

(d) The definitions under Section 1.1 (Defined Terms) are hereby amended as follows (additions in double underline; deletions in ~~striketrough~~):

“Additional Funding Amount” has the meaning set forth in Recital H.

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

~~“Loan” has the meaning set forth in Recital H~~ means collectively the Original Loan, the First Amendment to the Loan Agreement, and the Second Amendment to the Loan Agreement.

"Note" means the Second Amended and Restated Secured Promissory Note ~~the promissory note~~ executed by Borrower in favor of the City in the principal amount of the Funding Amount.

2. Note

A new Second Amended and Restated Secured Promissory Note in the amount of the Funding Amount will be executed by the Borrower in the form attached to this Amendment as Exhibit A (the “Second Amended and Restated Note”). The Amended and Restated Note will be cancelled and returned to the Borrower.

3. Miscellaneous.

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

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

(c) 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 Second Amendment.

(d) No Third-Party Beneficiaries. Nothing contained in this Second Amendment, nor any act of the City, may be interpreted or construed as creating the relationship of third-party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment at San Francisco, California as of the Effective Date.

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: _____
Heidi J. Gewertz
Deputy City Attorney

BORROWER:

SUNNYDALE INFRASTRUCTURE PHASE 1A3, LLC, a California limited liability company

By: New Grid 2 LLC, a California limited liability company, Member

By: Mercy Housing Calwest, a California nonprofit public benefit corporation

Its: sole member

By: _____
Name: _____
Title: _____

By: Related/Sunnydale Infrastructure, LLC, a California limited liability company, Member

By: _____
Ann Silverberg,
Vice President