

File No. 240024

Committee Item No. 9

Board Item No. 30

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date January 24, 2024

Board of Supervisors Meeting

Date January 30, 2024

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement |
- Draft First Amendment to Amended and Restated Loan Agreement
 - Draft Promissory Note
 - Draft PASS Market Rate Note
 - Draft PASS Deferred Note
 - Draft PASS BMR Note
 - Draft Deed of Trust
 - Draft Amendment No. 1 to Deed of Trust
- | | | |
|--------------------------|--------------------------|------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Executed Loan Agreement 8/10/2022</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Recorded Deed of Trust 8/31/2022</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MOHCD Presentation 1/24/2024</u> |
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Completed by: Brent Jalipa Date January 18, 2024,

Completed by: Brent Jalipa Date January 25, 2024

1 [Loan Amendment - San Cristina L.P. - 100% Affordable Housing at 1000 Market Street - Not
2 to Exceed \$12,781,730]

3 **Resolution approving and authorizing 1) the execution of a First Amendment to the**
4 **Amended and Restated Loan Agreement with San Cristina L.P., a California limited**
5 **partnership, to increase the loan amount by \$1,993,694 for a new aggregate loan**
6 **amount not to exceed \$12,781,730 to finance additional rehabilitation costs related to a**
7 **100% affordable, 58-unit multifamily rental housing development for very-low income**
8 **formerly homeless households located at 1000 Market Street (“Project”); and 2) the**
9 **Mayor and the Director of Mayor’s Office of Housing and Community Development to**
10 **execute documents, make certain modifications and take certain actions in furtherance**
11 **of this Resolution, as defined herein.**

12
13 WHEREAS, The City and County of San Francisco, acting through the Mayor’s Office
14 of Housing and Community Development (“MOHCD”), administers a variety of housing
15 programs that provide financing for the development of new housing and the rehabilitation of
16 single- and multi-family housing for low- and moderate-income households in San Francisco;
17 and

18 WHEREAS, MOHCD enters into loan agreements with affordable housing developers
19 and operators; administers loan agreements; reviews annual audits and monitoring reports;
20 monitors compliance with affordable housing requirements in accordance with capital funding
21 regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

22 WHEREAS, Among its programs, MOHCD administers the Preservation and Seismic
23 Safety Program (“PASS Program”) under Administrative Code, Chapter 66, which plays a
24 critical role in advancing the City’s anti-eviction and preservation strategies by providing low-
25 cost and long-term financing for the acquisition, rehabilitation, and preservation of multi-family

1 housing as well as seismic retrofits not currently available on the conventional loan market;
2 and

3 WHEREAS, The City previously provided loans in the total amount of \$2,764,036
4 (“Original Loan”) to San Cristina L.P., a California limited partnership (“Borrower”), with
5 HomeRise (formerly known as Community Housing Partnership) as the General Partner of
6 Borrower, for the purpose of predevelopment, rehabilitation, and permanent financing of a
7 100% affordable, multifamily residential rental development, consisting of 58 rental units for
8 very low-income formerly homeless households and 4,078 square feet of commercial space
9 (the “Project”); and

10 WHEREAS, The Project requires extensive rehabilitation consisting of replacement of
11 major building systems including plumbing, fire alarm, and heating and air systems,
12 renovation of units, community rooms and services offices, adding accessibility improvement
13 to bathrooms, (“Rehabilitation”); and

14 WHEREAS, Borrower obtained a construction loan in the amount of \$35,657,570 and a
15 commitment of permanent financing from the California Department of Housing and
16 Community Development (“HCD”) in the amount of \$34,135,953 (“HCD Loan”) for the
17 Rehabilitation; and

18 WHEREAS, In 2022, the Citywide Affordable Housing Loan Committee, consisting of
19 MOHCD, Department of Homeless and Supportive Housing, Office of Community Investment
20 and Infrastructure, and the Controller’s Office of Public Finance recommended approval to the
21 Mayor of a PASS loan of \$8,024,000 (“PASS Loan”) for the purpose of permanent financing
22 after completion of the Rehabilitation, in conjunction with the HCD Loan, under an Amended
23 and Restated Loan Agreement dated August 10, 2022, between the City, acting through
24 MOHCD, and the Borrower, on file with the Clerk of the Board of Supervisors in File
25 No. 240024 (“Loan Agreement”); and ; and

1 WHEREAS, On August 31, 2022, the Borrower closed construction and permanent
2 financing for the Rehabilitation, which included a private construction loan in the amount of
3 \$35,657,570 and a loan from the California Department of Housing and Community
4 Development (“HCD”) for the purpose of permanent financing after completion of the
5 Rehabilitation, and Borrower commenced construction of the Rehabilitation on September 1,
6 2022; and

7 WHEREAS, In 2023, large increases in interest rates and insurance costs have led to
8 increased costs for all affordable housing projects currently under construction in San
9 Francisco and across California; and

10 WHEREAS, The Rehabilitation has encountered increased construction costs in the
11 amount of \$1,993,694 because of 1) supply chain issues increased costs production time for
12 electrical equipment, including the necessary new switchgear for the Project, 2) the Project is
13 in the Market Street Theatre and Loft District, and the Rehabilitation encountered greater than
14 expected repair needs to the cornice at the edge of the roof of the Project, and 3) increased
15 construction loan interest and insurance costs; and

16 WHEREAS, To complete construction of the Rehabilitation, the Borrower has
17 requested additional funding from MOHCD to cover the increased construction costs of the
18 Rehabilitation; and

19 WHEREAS, The Citywide Affordable Housing Loan Committee recommended approval
20 to the Mayor of a loan increase for the Rehabilitation in an amount not to exceed \$1,993,694;
21 and

22 WHEREAS, MOHCD desires to increase the Original Loan by an amount not to exceed
23 \$1,993,694 (“Additional Loan”), for a loan to the Borrower in the amount of \$4,757,730, and
24 together with the PASS Loan, an aggregate loan amount from the City in an amount not to
25 exceed \$12,781,730, pursuant to a First Amendment to the Loan Agreement (“First

1 Amendment”) in substantially the form on file with the Clerk of the Board of Supervisors in File
2 No. 240024, and in such final form as approved by the Director of MOHCD and the City
3 Attorney; and

4 WHEREAS, The material terms of the Additional Loan include: (i) a minimum term of
5 55 years; (ii) three percent simple interest will accrue on the loan; (iii) annual repayment of the
6 loan through residual receipts from the Project; (iv) the Project shall be restricted for the life of
7 the Project as affordable housing to very low-income formerly homeless households with
8 annual maximum rent and income established by MOHCD; (v) the loan shall be secured by
9 the deed of trust currently recorded against the Project; and

10 WHEREAS, The material terms of the PASS Loan include: (i) a minimum term of 55
11 years for a portion of the loan amount; maximum terms of 40 years for the portion of the loan
12 amount based on the requirements of the PASS Program funding sources; (ii) interest rates
13 shall be set at distinct rates for portions of the funds as follows: PASS Program interest rates
14 of up to 3.87289%, 0.95763%, and 0.95763%; (iii) annual repayment of based on the
15 amortization schedule in the PASS loan promissory notes; (iv) the Project shall be restricted
16 for (a) the Seventy Fifth (75th) anniversary of the date the Deed of Trust is recorded in the
17 Recorder’s Office of San Francisco County, even if the Loan is repaid or otherwise satisfied or
18 the Deed of Trust is reconveyed or (b) the end of the Life of the Project; provided, however,
19 that if the Life of the Project is less than 75 years due to casualty, then the end date of the Life
20 of the Project controls, as affordable housing to low-income households with annual maximum
21 rent and income established by MOHCD; (v) the loan shall be secured by a deed of trust
22 recorded against the Borrower’s interest in the Project; now, therefore, be it

23 RESOLVED, That the Board of Supervisors hereby approves the First Amendment and
24 authorizes the Mayor and the Director of MOHCD or his designee to enter into any
25 amendments or modifications to the First Amendment (including, without limitation,

1 preparation and attachment or, or changes to, any of all of the exhibits and ancillary
2 agreements) and any other documents or instruments necessary in connection therewith that
3 the Director determines, in consultation with the City Attorney, are in the best interest of the
4 City, do not materially increase the obligations or liabilities for the City or materially diminish
5 the benefits of the City, are necessary or advisable to effectuate the purposes and intent of
6 this Resolution and are in compliance with all applicable laws, including the City Charter; and,
7 be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and
9 delegates to the Mayor and Director of MOHCD, and his designee, the authority to undertake
10 any actions necessary to protect the City's financial security in the Property and enforce the
11 affordable housing restrictions, which may include, curing the default under a senior loan; and,
12 be it

13 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
14 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors;
15 and be it

16 FURTHER RESOLVED, That within thirty (30) days of the First Amendment being fully
17 executed by all parties, MOHCD shall provide the final First Amendment to the Clerk of the
18 Board for inclusion into the official file.

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RECOMMENDED:

 /s/
Eric D. Shaw, Director
Mayor's Office of Housing and Community Development

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|--------------------------------------|---|
| Item 9 File 24-0024 | Department: Mayor’s Office of Housing and Community Development |
|--------------------------------------|---|

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve the First Amendment to the Amended and Restated Loan Agreement with San Cristina L.P. to increase the loan amount by \$1,993,694 for a total loan amount not to exceed \$12,781,730 to finance increased rehabilitation costs for the San Cristina affordable housing project.

Key Points

- The San Cristina is an existing affordable housing development, located at 1000 Market Street. The building includes 58 single room occupancy (SRO) units for formerly homeless adults and three commercial spaces. All residential units have Project Based Vouchers.
- In 2022, MOHCD provided a consolidated loan of \$10,788,036 to San Cristina, L.P., (a limited partnership controlled by HomeRise) under an Amended and Restated Loan Agreement, including \$8,671,530 to rehabilitate the project. Construction began in September 2022 and is expected to be completed by April 2024. The scope of work includes façade improvements, plumbing and HVAC system replacement, seismic strengthening, electrical upgrades, fire protection upgrades, and reflooring.
- The increased loan amount would fund: (a) greater than anticipated repair costs to the building’s cornice; (b) increased costs for electrical equipment, including new electrical switchgear, which was impacted by supply chain issues; and (c) greater than anticipated insurance costs and construction loan interest due to market conditions and project delays.

Fiscal Impact

- The increased loan amount of \$1,993,694 would be funded by Community Development Block Grant Funding. Existing Preservation and Seismic Safety (PASS) funding of \$8,024,000 is from 2016 General Obligation Bonds for the PASS program. The remaining existing MOHCD gap loan is funded by Community Development Block Grant funding and 1996 General Obligation Bonds for affordable housing.

Policy Consideration

- Due to the City’s historic preservation requirements, the building’s cornice could not be removed, and the project scope includes \$1,261,331 for new fiberglass decorative elements to replace deteriorated portions. The Board of Supervisors could consider exemptions from local historic preservation requirements for affordable housing projects as part of the City’s overall strategy to deliver affordable units within a constrained revenue environment.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

Acquisition and Rehabilitation of San Cristina

The San Cristina is an existing affordable housing development, located at 1000 Market Street, that is currently being rehabilitated. The building includes 58 single room occupancy (SRO) units for formerly homeless adults and three commercial spaces.

In 1991, HomeRise purchased and rehabilitated the building with City and State funding. In 1999 and 2011, additional rehabilitation was completed with City and other funding. In 2016, HomeRise responded to a MOHCD Notice of Funding availability for Existing Non-Profit Owned Rental Housing Capital Repairs, but was only provided \$197,530 for reserves due to the project’s financial condition. In 2017, HomeRise converted the building’s Section 8 Moderate Rehabilitation operating subsidies to Section 8 Project Based Vouchers with a 20-year contract under the U.S. Department of Housing and Urban Development’s (HUD) Rental Assistance Demonstration (RAD) program. This conversion increased the per unit operating subsidy for the project and also allowed the project to be competitive for additional State funding and MOHCD Preservation and Seismic Safety (PASS) program¹ funding to further rehabilitate the building. PASS funding is provided to projects that meet certain criteria and is awarded on a rolling, first-come, first-served basis.

Project Status

Construction for the current rehabilitation project began in September 2022 and is expected to be completed by April 2024, pending approval of additional financing. The scope of work includes façade improvements, plumbing and HVAC system replacement, seismic strengthening, electrical upgrades, fire protection upgrades, and reflooring. According to the December 2023 MOHCD loan evaluation for the Affordable Housing Loan Committee for the proposed additional loan (MOHCD loan evaluation), improvements to building systems and major interior work have been completed. Tenants were relocated for up to 11 months, and all tenants returned to the building

¹ The PASS program was authorized by voters in 2016 and provides low-cost financing to fund the acquisition and preservation of affordable housing and seismic retrofits to existing buildings. The program is funded by \$260.7 million in general obligation bonds, including \$156.0 million for market rate loans and \$104.7 million for below market rate interest or deferred interest loans. Unlike other MOHCD permanent loans for affordable housing which are structured as soft debt and repaid through residual receipts, PASS program loans are structured as hard debt, which means they must be repaid every year for the duration of the lending period.

in September 2023. However, the building's cornice, which is decorative molding along the top of the building, requires more repair work than previously anticipated, resulting in increased costs and project delays.

Existing MOHCD Loan

In 2022, MOHCD provided a consolidated loan of \$10,788,036 to San Cristina, L.P., (a limited partnership controlled by HomeRise) to finance the rehabilitation of the project under an Amended and Restated Loan Agreement. The Amended and Restated Loan Agreement: (a) consolidated three previous loans under separate loan agreements, including a \$2,116,506 loan for the initial rehabilitation projects in the 1990s, a \$197,530 loan to replenish the project's operating reserves in 2017 since the project operated at a deficit prior to conversion to Project Based Vouchers, and a \$450,000 predevelopment loan in 2018 for the current rehabilitation project; and (b) provided \$8,024,000 in new PASS funding, which was included in the loan documents but was not disbursed at construction loan closing. According to MOHCD staff, MOHCD did not seek Board of Supervisors' approval for the 2022 consolidated loan because excluding the \$2,116,506 loan for the initial rehabilitation projects in the 1990s, the loan amount for the current rehabilitation project was \$8,671,530, which is less than the \$10 million threshold requiring Board of Supervisors approval. The proposed loan increase of \$1,993,694 increases the recent loans from \$8,671,530 to \$10,665,224 (excluding the \$2,116,506 loans from the 1990s) and therefore requires Board of Supervisors approval.

MOHCD is proposing to increase the existing loan to address increased costs as discussed below.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the First Amendment to the Amended and Restated Loan Agreement with San Cristina L.P. to increase the loan amount by \$1,993,694 for a total loan amount not to exceed \$12,781,730 to finance increased rehabilitation costs for the San Cristina affordable housing project.

Increased Construction Costs

The increased loan amount would fund increased construction costs due to: (a) greater than anticipated repair costs to the building's cornice for the project; (b) increased costs for electrical equipment, including new electrical switchgear, which was impacted by supply chain issues; and (c) greater than anticipated insurance costs and construction loan interest due to market conditions and project delays.

Cornice Repairs

According to the MOHCD loan evaluation, the initial project scope included \$174,534 for minor repairs to the building's cornice. However, when the General Contractor began to remove the paint from the cornice to complete minor repairs, the General Contractor discovered that portions of the cornice were totally deteriorated and needed to be replaced. Because the project is located in the City's Market Street Theatre and Loft Historic District, the cornice could not be removed, and decorative elements had to be replaced. The current project scope includes

\$1,261,331 for new fiberglass decorative elements to replace deteriorated portions and to repair a larger portion of the cornice than previously anticipated. According to MOHCD staff, repair work is continuing on the building's cornice although additional financing has not yet been approved to prevent further delays that would increase project costs and to prevent water damage to the building.

Loan Agreement and Repayment

The proposed Amended and Restated Loan Agreement would increase the loan amount by \$1,993,694 in Community Development Block Grant funding for a total loan amount not to exceed \$12,781,730. Existing PASS loan amounts totaling \$8,024,000 are unchanged.

The PASS loan includes three components: (1) a market rate loan; (2) below market rate loan; and (3) a deferred loan. MOHCD combines PASS market rate loans with PASS affordable loans (below market rate and deferred) to create a blended interest rate and maximize total bond proceeds available for affordable housing preservation projects. According to the MOHCD loan evaluation, the Project is requesting a waiver to MOHCD's PASS guidelines to allow the PASS below market rate loan and PASS deferred loan proceeds to be made available during construction instead of at permanent loan conversion. The PASS market rate loan, which has a higher interest rate than the other two PASS loans, would still be disbursed at permanent loan conversion under the proposed amended agreement.

The interest rates and repayment terms for the loans are provided in Exhibit 1 below based on the terms in four separate promissory notes (one for each type of PASS loan and one for the remaining MOHCD loan amount). Repayment terms for the PASS below market rate loan are changing to provide for interest-only payments through permanent loan conversion, reflecting disbursement of loan proceeds during construction. After permanent loan conversion, the project sponsor must make monthly principal and interest payments.

The PASS loans mature either 40 years after permanent financing conversion or 44 years after the recordings of the deeds of trust, whichever is earlier. This reflects a change from the existing loan agreement which states that the PASS loans mature 40 years after the recordings of the deeds of trust, resulting in an estimated six additional months before loan maturity. The remaining MOHCD loan amount matures on August 1, 2077.

Exhibit 1: Loan Summary for San Cristina

| Loan | Amount | Annual Interest Rate | Interest Type | Repayment |
|---|---------------------|-----------------------------|----------------------|---|
| PASS Market Rate | \$4,886,616 | 3.87% | Compound | Monthly payments, equal to \$240,461 |
| PASS Below Market Rate | 2,696,064 | 0.96% | Compound | Interest-only payments through permanent loan conversion; After conversion: monthly payments, equal to \$81,159 |
| PASS Deferred | 441,320 | 0.96% | Compound | Repayment at Maturity Date, no monthly or annual payments |
| CDBG Program & Affordable Housing Bond Program Loan | 4,757,730 | 3.00% | Simple | Annual Payments, equal to 32.47% of Residual Receipts |
| Total | \$12,781,730 | | | |

Source: Master Promissory Notes, MOHCD Proforma

Required Rents and Option to Purchase

An existing Declaration of Restrictions, which covers all loan products, outlines required rents for all units for existing tenants. Rents for all units are restricted at 50 percent AMI, and all units have Project Based Vouchers.

The loan agreement does not include a City Option to Purchase Provision. However, according to Article 19 of the 2022 loan agreement, if the borrower does not make loan payments to the City or other lenders, transfers ownership of the loan without the City’s permission, goes bankrupt, or is unable to fund the project’s operating costs, the City may take possession of the project.

Deeds of Trust

Two deeds of trust (one for the PASS funding and one for the remaining MOHCD loan amount) secure the loans. According to the current loan agreement, the Declaration of Restrictions and the PASS Deed of Trust are subordinate to HCD’s deeds of trust and regulatory agreements, as permitted under the City’s Administrative Code.

FISCAL IMPACT

The proposed resolution would increase the City’s loan amount by \$1,993,694 for a total loan amount not to exceed \$12,781,730 to finance increased rehabilitation costs for the San Cristina affordable housing project. Other project sources include loans from the California Department of Housing and Community Development (HCD), Affordable Housing Program (AHP) funding, deferred interest, and other project and developer sources, as shown in Exhibit 2 below.

The increased loan amount would be funded by Community Development Block Grant Funding. Existing PASS funding is from 2016 General Obligation Bonds for the PASS program. The

remaining existing MOHCD gap loan is funded by Community Development Block Grant funding and 1996 General Obligation Bonds for affordable housing.

Exhibit 2: Proposed Sources and Uses Compared to Existing

| Sources and Uses | Existing (Jun 2022) | Proposed (Dec 2023) | Change | Percent Change |
|------------------------------------|------------------------|------------------------|--------------------|-------------------|
| <u>Permanent Sources</u> | | | | |
| MOHCD Loans | \$10,788,036 | \$12,781,730 | \$1,993,694 | 18% |
| <i>MOHCD Gap Loan</i> | 2,764,036 | 4,757,730 | 1,993,694 | 72% |
| <i>PASS Loans</i> | 8,024,000 | 8,024,000 | 0 | 0% |
| State Loans from HCD | 35,485,692 | 35,517,941 | 32,249 | 0% |
| <i>Restructured Existing Loan</i> | 3,099,739 | 3,131,988 | 32,249 | 1% |
| <i>Housing Accelerator Program</i> | 24,242,000 | 24,242,000 | 0 | 0% |
| <i>Multifamily Housing Program</i> | 8,143,953 | 8,143,953 | 0 | 0% |
| AHP | 750,000 | 750,000 | 0 | 0% |
| Income from Operations | 0 | 407,394 | 407,394 | |
| Deferred Interest | 168,921 | 319,567 | 150,646 | 89% |
| Existing Reserves | 271,297 | 263,406 | (7,891) | -3% |
| Deferred Developer Fee | 200,000 | 200,000 | 0 | 0% |
| Total | \$47,663,946 | \$50,240,038 | \$2,576,092 | 5% |
| <u>Permanent Uses</u> | | | | |
| Acquisition | 6,905,184 | 5,956,931 | (948,253) | -14% |
| Hard Costs | 26,615,134 | 27,891,237 | 1,276,103 | 5% |
| Soft Costs | 7,355,423 | 11,960,614 | 4,605,191 | 63% |
| Reserves | 4,560,705 | 2,231,256 | (2,329,449) | -51% |
| Developer Costs | 2,227,500 | 2,200,000 | (27,500) | -1% |
| Total | \$47,663,946 | \$50,240,038 | \$2,576,092 | 5% |

Source: MOHCD Loan Evaluation

Expenditure Changes

Total expenditures for the project are increasing by \$2.6 million (five percent) compared to the June 2022 project budget. Changes are driven by increases in hard costs and soft costs and partially offset by reductions in reserves and acquisition costs, as described below.

Acquisition

Acquisition costs declined by \$948,253 (14 percent) due to changes in interest calculations for an existing loan from HCD and changes in assumptions regarding transfer taxes. Previous budgets assumed the project would receive Low-Income Housing Tax Credits (LIHTC) and would pay transfer taxes when the property was transferred to a new limited partnership that included the tax credit investor. However, because the project did not receive tax credits, the ownership structure will not need to be changed and transfer taxes will not be due to the City.

Hard Costs

Hard costs are increasing by \$1.3 million (five percent) due to increased costs associated with repairing the cornice as described above as well as increased costs for the electrical switchgear.

Soft Costs

Soft costs are increasing by \$4.6 million (63 percent) due to increases in:

- construction loan interest due to increases in interest rates and the project delay (\$1.5 million);
- relocation costs due to payment of insurance, taxes, storage, and clean-up at the relocation site which were greater than anticipated (\$1.0 million);
- soft cost contingency due to cost overruns being allocated to the contingency line (\$795,466);
- interest costs from a third-party predevelopment loan (\$449,633);
- developer consultant fees for contracted development staff (\$303,464);
- legal costs; and
- construction management costs due to the project delay.

The soft cost contingency of \$1,650,000 is equal to 16 percent of soft costs and exceeds MOHCD's underwriting guidelines of five to 10 percent of soft costs. According to MOHCD staff, the contingency exceeds guidelines because cost overruns have been allocated to the contingency line.

HomeRise has contracted out all development staff for the project. The revised budget includes \$448,525 for developer consultant fees, up from \$145,061 in the prior budget in addition to the \$2.2 million developer fee for HomeRise. According to MOHCD staff, the developer consultant fees are increasing because of delays to the project resulting in additional project management costs.

Reserves

Reserves are declining by \$2.3 million (51 percent) due to changes in HCD program rules that resulted in a reduction in the Transition Reserve, which is required by HCD for projects with Project Based Voucher contracts to cover operating expenses in the event that the 20-year contract with HUD is not renewed, which is unlikely according to MOHCD staff.

Developer Costs

Developer costs are declining by \$27,500 due to a reduction in the budget for community outreach. The developer fee of \$2.2 million is unchanged.

City Subsidy

The total City loan amount of \$12,781,730 is equal to \$220,375 per unit, including PASS funding of \$138,345 per unit and other City funding of \$82,030 per unit. Total development costs of \$50.2 million are equal to \$866,208 per unit.

Operating Revenues and Expenses

According to the 20-year cash flow analysis for the project, the project’s revenues together with commercial revenues are sufficient to cover operating expenses, replacement reserves, and management fees. Project revenues consist of rental subsidies from Project Based Vouchers.

PASS loans must be repaid according to the terms discussed above. A portion of net income after operating expenses (residual receipts) will be used to repay the non-PASS MOHCD loan and California Department of Housing and Community Development loans.

Vacancy Levels and Assumptions

The operating budget assumes annual rental income loss of five percent for residential units and 20 percent for commercial space. According to MOHCD staff, the residential vacancy assumption of five percent is lower than the current standard of 10 percent for SRO buildings without Project Based Vouchers. MOHCD anticipates greater demand for Project Based Voucher supported units compared to units that are not supported by vouchers because tenants pay lower rent for units supported by vouchers.

According to the MOHCD loan evaluation, 23 out of 58 residential units (40 percent) were vacant as of December 1, 2023, up from 17 percent of residential units vacant in June 2022. MOHCD staff report that the project sponsor did not fill vacant units while tenants were being relocated during construction to reduce relocation costs. The loan evaluation report states that the project sponsor must provide monthly updates on efforts to lease vacant units and show progress of at least five units per month before MOHCD releases the proposed funds, however that provision is not included in the proposed loan amendment.

Commercial revenues are assumed over the 20-year period for the three commercial spaces, which include HomeRise office space, restaurant space, and a cell-phone tower with assumed increases of 3.0 percent, 3.0 percent, and 2.5 percent respectively. The restaurant space, which is currently vacant, is anticipated to generate annual rental revenue of \$101,760 starting in Year 1. In addition, the project sponsor is searching for a new tenant for the cell phone tower. According to MOHCD staff, the project sponsor has a commercial leasing plan and is working with a broker to identify a tenant for the restaurant space. The loan evaluation report states that the project sponsor must provide signed leases for all three commercial spaces prior to permanent loan conversion and market analysis supporting the rent for the restaurant space. In addition to an assumed annual commercial rental income loss of 20 percent, the permanent budget includes a two-year commercial rent reserve to ensure sufficient cash in the event of leasing challenges.

POLICY CONSIDERATION

As noted above, the City’s historic preservation requirements have resulted in greater costs for the project. Because the project is located in the City’s Market Street Theatre and Loft Historic District, the cornice could not be removed, and the current project scope includes \$1,261,331 for new fiberglass decorative elements to replace deteriorated portions. The Board of Supervisors could consider exemptions from local historic preservation requirements for affordable housing

projects to reduce costs as part of the City's overall strategy to deliver affordable units within a constrained revenue environment.

RECOMMENDATION

Approve the proposed resolution.



San Cristina

BUDGET AND FINANCE
COMMITTEE

January 24, 2024

William Wilcox, Tax-Exempt Bond Program Manager
Mayor's Office Of Housing And Community Development

File #240024: Loan Amendment

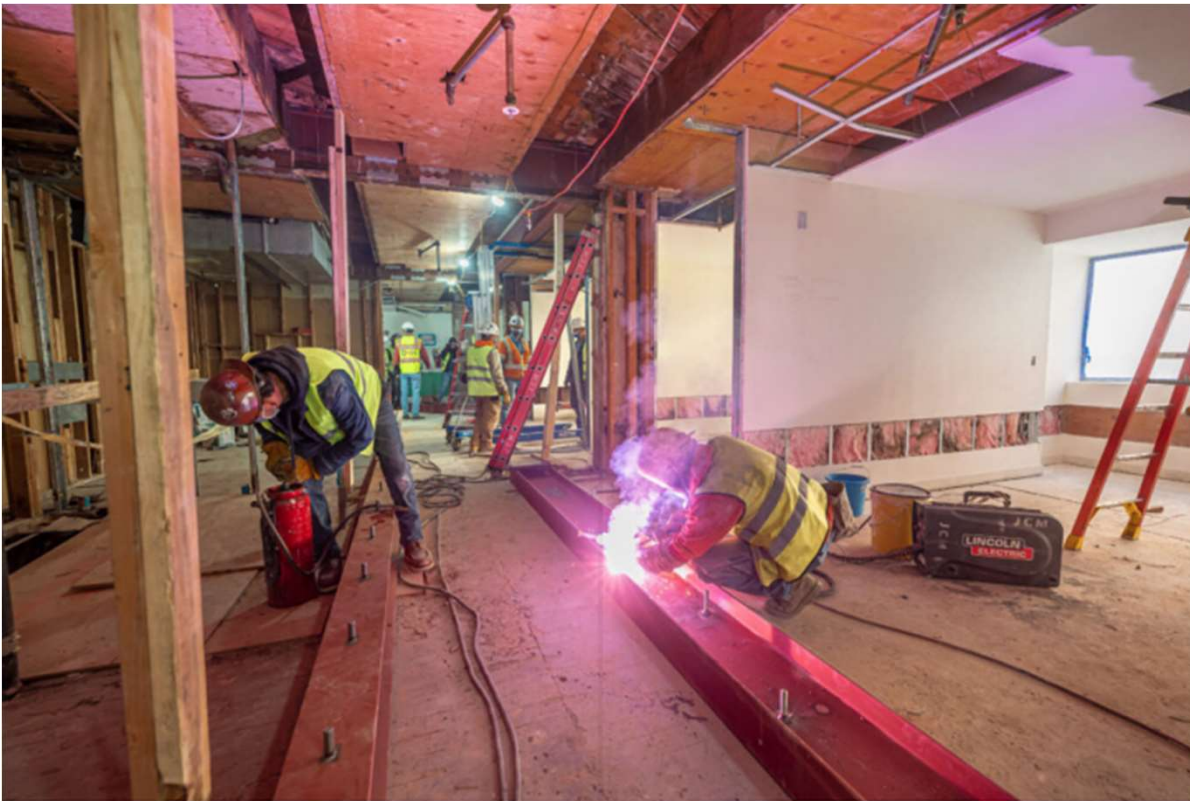
Authorization to amend an existing loan agreement to increase the loan amount by **\$1,993,694** for a new aggregate loan amount not to exceed **\$12,781,730** to finance additional rehabilitation costs related to a 100% affordable, 58-unit multifamily rental housing development for very-low income formerly homeless households located at 1000 Market Street

SAN CRISTINA - BUDGET AND FINANCE COMMITTEE AGENDA ITEMS

PROJECT HISTORY – San Cristina

- Built in 1913 and used as a commercial building. Scenes from the Tom Cruise film Interview with a Vampire were filmed here!
- 1991 bought by HomeRise using CDBG funds and converted to housing
- 2017 predevelopment for a large full scale rehabilitation
- 2019 to 2022 – Financing commitments obtained from California State Department of Housing & Community Development from Multifamily Housing Program (MHP) and Accelerator program
- 2022 – Rehab construction begins, with major work completed in 2023 and all tenants returned to building
- 2023 – additional funds needed to finish project due to cornice





PROJECT

- 58 Single Room Occupancy Units for formerly homeless adults
- On-site services provided by HomeRise
- All UNITS at 50% AMI MOHCD with Project Based Section 8 Vouchers
- Commercial Space
 - 2 commercial spaces, one for HomeRise services office and one to be leased privately
- Scope included:
 - Replacement of plumbing and electrical systems
 - Major work and replacement in heating and air systems (HVAC)
 - Upgrades to units including adding sinks to all units
 - Upgrades to shared bathrooms
 - Improvements to common areas, services and office space

PERMANENT FINANCING

| | |
|--|-------------|
| Total Development Costs | \$43.8M |
| ▪ MOHCD PASS | \$8,024,000 |
| ▪ MOHCD CDBG | \$1.9M |
| ▪ Federal Home Loan Bank Affordable Housing Program | \$750,000 |
| ▪ HCD Supportive Housing Multifamily Housing Program | \$8.1M |
| ▪ HCD Accelerator | \$24.2M |
| ▪ Income from operations and reserves | \$670,000 |

TIMELINE

- Work is ongoing including on cornice
- Close on additional funds in March 2024
- Final Construction Completion in May 2024
- Loan close out in July 2024





William Wilcox, Tax-
Exempt Bond Program
Manager, MOHCD

Janea Jackson, Executive
Director, Homerise

FIRST AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT
(CDBG PROGRAM, AFFORDABLE HOUSING BOND PROGRAM, 2016 G.O. Bond (PASS-
Series-2020C))
(1000-1024 Market Street)

THIS FIRST AMENDMENT TO THE AMENDED AND RESTATED LOAN AGREEMENT ("First Amendment") is entered into as of _____, 2023, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the "City"), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"), and **SAN CRISTINA, L.P.**, a California limited partnership ("Borrower").

RECITALS

A. The City provided a consolidated loan to Borrower of Two Million Seven Hundred Sixty Four Thousand Thirty Six and No/100 Dollars (\$2,764,036.00) in CDBG Funds and Affordable Housing Bond Program Funds and Eight Million Twenty Four Thousand and No/100 Dollars (\$8,024,000.00) in 2016 G.O. Bond Funds (PASS-Series 2020C), for a total loan of Funds (the "Original Loan") in the amount of Ten Million Seven Hundred Eighty Eight Thousand Thirty Six and No/100 Dollars (\$10,788,036.00) to finance the moderate rehabilitation of a multifamily apartment building (the "Site") totaling 58 multifamily residential units affordable to low-income households and two commercial spaces, which includes construction, design, and engineering costs (the "Project"). The Loan is evidenced by the following documents: (1) an Amended and Restated Loan Agreement (CDBG, Affordable Housing Bond, 2016 G.O. Bond (PASS-Series-2020C)) dated August 10, 2022; (1) a Promissory Note made by Borrower in an amount of the CDBG and Affordable Housing Bond Loan to the order of the City dated August 10, 2022; (3) Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing recorded August 31, 2022, as Instrument No. 2022-083490; and (1) a Declaration of Restrictions recorded on August 31, 2022, as Instrument No. 2022-083489. All initially capitalized terms used by not defined in this First Amendment have the meaning given to those terms in the Agreement.

B. The Borrower has requested an additional loan of Funds from the City in the principal amount not to exceed One Million Nine Hundred Ninety Three Thousand Six Hundred Ninety Four and No/100 Dollars (\$1,993,694) ("Additional Loan Amount") because of increased costs to the Project due to unforeseen deterioration of the historic cornice of the building, increased insurance costs and higher interest rates. In addition, the Borrower has requested to modify the PASS Loan to reallocate PASS Funds among the Market-Rate Note, the BMR Note, and the Deferred Note, allow for earlier disbursement of the PASS Loan, and adjust the amortization schedule and maturity dates.

C. The Citywide Affordable Housing Loan Committee has reviewed Borrower's application for an Additional Loan and, in reliance on the accuracy of the statements in that application, has recommended to the Mayor that the City make an additional loan of CDBG Funds (the "Additional Loan") to Borrower in the amount of the Additional Loan Amount, for a new total loan of CDBG Funds and Affordable Housing Bonds in the amount of Four Million Seven Hundred Fifty Seven Thousand Seven Hundred Thirty and No/100 Dollars (\$4,757,730.00), and new aggregate loan of Funds in the amount of Twelve Million Seven Hundred Eighty One Seven Hundred Thirty and No/00 Dollars (\$12,781,730.00) (the "Funding Amount") under this Agreement.

C. The Borrower and the City now desire to amend the Agreement in accordance with this First Amendment to increase the Original Loan by the Additional Loan Amount and modify the terms of the PASS Loan.

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

CDBG: ~~\$2,566,506~~ \$4,560,200
Affordable Housing Bond Program: \$197,530
~~\$2,764,036~~ \$4,757,730

PASS Market Rate Loan: \$4,886,616
PASS Below Market Rate Loan: \$2,696,064
PASS Deferred Loan: \$441,320
2016 G.O. Bond (PASS-Series 2020C): \$8,024,000

(b) Recital G is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

G. Original Borrower intends to assign to Borrower, and Borrower intends to assume, all of Original Borrower's rights and duties with respect to the Original City Loans (the "Assignment and Assumption"). The consent of the City is required for the Assignment and Assumption. The City has reviewed Borrower's request for the Assignment and Assumption and, in reliance on the accuracy of the information provided by Borrower, has consented to this request. In connection with such Assignment and Assumption, the City and Borrower have agreed to consolidate the principal associated with the Original City Loans into a single modified loan to the Borrower (~~the "Consolidated Loan"~~) in an amount equal to Two Million Seven Hundred Sixty Four Thousand Thirty Six and No/100 Dollars (\$2,764,036), plus an additional loan of CDBG Funds ("Additional CDBG Loan") in the principal amount not to exceed One Million Nine Hundred Ninety Three Thousand Six Hundred Ninety Four and No/100 Dollars (\$1,993,694.00) ("Additional CDBG Loan Amount"), for an aggregate consolidated loan of CDBG Funds and Affordable Housing Bond Funds ("Consolidated Loan") in the principal amount not to exceed Four Million Seven Hundred Fifty Seven Thousand Seven Hundred Thirty and No/100 Dollars (\$4,757,730.00) (the "Consolidated Loan Amount") to be governed by the terms of this Agreement. As of the date of this Agreement, the outstanding interest is \$60,907.

(c) Section 1.1 of the Agreement is hereby amended to add the following definition:

"Additional CDBG Loan" has the meaning set forth in **Recital G**.

(d) Section 3.1(b) (Maturity Date – PASS Loans) is amended as follows (additions in double underline; deletions in ~~strikethrough~~):

b) PASS Loans. For the PASS Loans, (i) Borrower must repay all amounts owing under the Market Rate Note on the date that is the earlier of the fortieth (40th) anniversary of the Conversion Date, or the forty-fourth (44th) anniversary of the date that is the first day of the first full month following the date the PASS Deed of Trust is recorded in the Official Records (the “Market Rate Loan Maturity Date”); (ii) Borrower must repay all amounts owing under the BMR Note on the date that is the earlier of the fortieth (40th) anniversary of the Conversion Date, or the forty-fourth (44th) anniversary of the date that is the first day of the first full month following the date the PASS Deed of Trust is recorded in the Official Records (the “BMR Loan Maturity Date”); and (iii) Borrower must repay all amounts owing under the Deferred Note on the date that is the earlier of the fortieth (40th) anniversary of the Conversion Date, or the forty-fourth (44th) anniversary of the date that is the first day of the first full month following the date the PASS Deed of Trust is recorded in the Official Records (the “Deferred Loan Maturity Date” and together with the Market Rate Loan Maturity Date and the BMR Loan Maturity Date, the “PASS Loan Maturity Date”).

(e) Section 4.4 (Disbursement of Funds) is amended as follows (additions in double underline; deletions in ~~striketrough~~):

4.4 Disbursement of Funds. Following satisfaction of the conditions in Section 4.3, the City will authorize the Escrow Agent to disburse Funds as provided in the City's escrow instructions. The City's obligation to approve any expenditure of (i) the Market Rate Loan ~~PASS Funds~~ after Loan closing is subject to Borrower's satisfaction of the following conditions precedent (a) through (n), and (ii) the BMR Loan and the Deferred Loan after Loan closing is subject to Borrower's satisfaction of the following conditions precedent (a) through (e), and (m):

(a) Borrower must have delivered to the City an Expenditure Request in form and substance satisfactory to the City, together with: (i) copies of invoices, contracts or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. The City may grant or withhold its approval of any line item contained in the Expenditure Request that, if funded, would cause it to exceed the budgeted line item as previously approved by the City. Additionally, the City must approve all requested reallocations of Funds for line items previously approved by the City.

(b) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, may have occurred that remains uncured as of the date of the Expenditure Request.

(c) With respect to any Expenditure Request that covers rehabilitation or construction costs, Borrower must have certified to the City that the Project complies with the labor standards set forth in **Exhibit E**, if applicable.

(d) With respect to any Expenditure Request that covers travel expenses, Borrower's travel expenses must be reasonable and must comply with the following:

(i) Lodging, meals and incidental expenses shall not exceed the then-current per diem rates set forth by the United States General Services Administration for the County of San Francisco found at: <https://www.gsa.gov/portal/category/104711>.

(ii) Air transportation expenses must use fares for coach-class accommodations, provided that purchases for air travel must occur no less than one week before the travel day.

(iii) If ground transportation is required, the City urges the use of public transit or courtesy shuttles if provided by a lodging. If courtesy transportation is not provided by a lodging, ground transportation expenses for travel to or from regional airports must not exceed Fifty Dollars (\$50) each way. Other ground transportation expenses must not exceed then-current San Francisco taxi rates found at: <https://www.sfmta.com/getting-around/taxi/taxi-rates>. Ground transportation must not include any expenses for luxury transportation services, such as a limousine, or any expenses related to travel to or from Project site meetings by Borrower's employees.

(iv) Miscellaneous travel expenses must not exceed Fifty Dollars (\$50) without prior written approval of the City.

(v) Any Expenditure Request for travel expenses must include supporting documentation, including, without limitation, original itemized receipts showing rates and cost, air travel itinerary, proof of payment, and any written justification requested by the City. For the purpose of this Section, the terms "lodging," "meals" and "incidental expenses" shall have the same meanings defined in 41 CFR Part 300-3; the term "coach-class" shall have the same meaning defined in 41 CFR Part 301-10.121(a); and the term "miscellaneous" means copying services, printing services, communication services, or other services reasonably related to travel for the Project and approved by the City.

(e) ~~Intentionally omitted.~~ The Loan will be In Balance.

(f) The Project has achieved substantial completion pursuant to the Plans and Specifications, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection.

(g) A certificate, satisfactory to MOHCD, from either the Borrower's architect or engineer, stating that (i) the Project has been rehabilitated substantially in accordance with the Plans and Specifications and is free from defects in materials and workmanship, and (ii) the rehabilitation of the Project and the intended operation of the Project are in substantial compliance with the applicable zoning, environmental, preservation and all other applicable laws, ordinances, rules, regulations, restrictions and governmental requirements.

(h) Merchants Bank shall have delivered to MOHCD an estoppel certificate that states that no Event of Default of which it has given written notice remains uncured (or has not otherwise been waived by Merchants Bank) under their construction loan mortgage.

(i) The Borrower shall provide MOHCD with a certificate, substantially in the form attached hereto as **Exhibit R** and satisfactory to MOHCD stating that the Project meets the requirements of the PASS Program Regulations underwriting guidelines including, but not limited to, the following:

(i) Loan-to-value ratio ("LTV") that does not exceed the lesser of (a) 90% of appraised value or (b) 80% of total development costs based upon a numerator equal to the principal balance of the PASS Loan and a denominator equal to the "as complete-restricted" value set forth in that certain appraisal for the Project prepared by James G. Palmer Appraisals Inc. dated June 6, 2022

(ii) Debt service coverage ratio ("DSC") of at least 1.15x, or such lower ratio as otherwise determined by MOHCD (but in no event lower than 1.10x), based upon a 30 day operating statement for the Project prepared on an accrual basis

(iii) Budgets must assume no more than 2.0% annual growth in operating income and no less than 3.0% annual growth in operating expenses.

(iv) Residential Vacancy Loss assumption of 5%

(v) Tenant Assistance Vacancy Loss assumption of 5%

(j) All escrows, reserves and accounts for the Project required as of such date to be funded shall be fully funded in their required amounts, as evidenced by bank statements.

(k) Borrower must have delivered to the City sufficient evidence that all additional permanent sources of financing have been secured, including but not limited to:

(i) a permanent loan from the HCD Housing Accelerator Fund in the approximate principal amount of Twenty Four Million Two Hundred Forty Two Thousand and No/100 Dollars (\$24,242,000); and

(ii) a permanent loan from the HCD Supportive Housing Multifamily Housing Program in the approximate principal amount of Eight Million One

Hundred Forty Three Thousand Nine Hundred Fifty Three and No/100 Dollars (\$8,143,953).

(l) Borrower delivered the PASS Deed of Trust to the City, duly executed and acknowledged by Borrower. The PASS Deed of Trust must have been recorded as a valid lien in the Official Records, subject only to the Permitted Exceptions. A title company shall have committed to issue the Title Policy to City, and Borrower shall have delivered all documents reasonably required by such title company to issue the Title Policy, including, but not limited to, subordination agreements with HCD and Borrower. Borrower shall pay all amounts charged by the title company for the issuance of the Title Policy; provided that such amounts may be included in the Expenditure Request.

(m) Borrower delivered to City the Market Rate Note, the BMR Note, and the Deferred Note, as applicable, each duly executed and acknowledged by Borrower.

(n) The Borrower has delivered to the City a current certificate of insurance acceptable to the City evidencing satisfaction of the insurance requirements under **Exhibit L**.

(f) 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. Amended Promissory Notes. Concurrently with the execution of this First Amendment, Borrower will execute a Second Amended and Restated Promissory Note (Consolidated Loan), a revised Deferred Note, and a revised BMR Note, each in favor of the City and in the forms 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 the form attached to this First Amendment as **Attachment 3**.

4. 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.

5. 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 Agreement 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

BORROWER:

SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public
benefit corporation (d/b/a, HomeRise), its
sole member/manager

By:

Name: Janea Jackson
Its: Chief Executive Officer

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____

Keith Nagayama
Deputy City Attorney

Attachment 1

Exhibit B-1: Sources & Uses of Funds

See Attached.

Exhibit A

Attachment 2

Second Amended and Restated Secured Promissory Note (Consolidated Loan)

Secured Promissory Note (BMR Loan)

Secured Promissory Note (Deferred Loan)

See Attached.

Attachment 3

First Amendment to Deed of Trust

See Attached.

AMENDED AND RESTATED SECURED PROMISSORY NOTE
(Consolidated Loan – CDBG Program, Affordable Housing Bond Program)
(1000-1024 Market Street, San Francisco, CA)

Principal Amount: \$4,757,730

San Francisco, CA

Date: _____, 2024

FOR VALUE RECEIVED, the undersigned, **SAN CRISTINA, 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 Four Million Seven Hundred Fifty Seven Thousand Seven Hundred Thirty and No/100 Dollars (\$4,757,730) (the “Funding Amount”), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. The City previously made the following loans to Original Borrower with respect to the Site:
 - a) A loan in the total principal amount of Two Million One Hundred Sixteen Thousand Five Hundred Six and No/100 Dollars (\$2,116,506) (the “CDBG Loan”) under that certain loan agreement dated as of July 2, 1991, as amended by that certain First Amendment dated as of December 11, 1991, as amended by that certain Second Amendment dated as of January 25, 1994, as amended by that certain Third Amendment dated as of March 9, 1994, as amended by that certain Fourth Amendment dated as of October 20, 1998, as amended by that certain Fifth Amendment dated as of May 14, 1999, as amended by that Sixth Amendment dated as of November 10, 2014 (together, the “CDBG Loan Agreement”);
 - b) A loan in the principal amount of One Hundred Ninety Seven Thousand Five Hundred Thirty and No/100 Dollars (\$197,530) (the “Affordable Housing Bond Program Loan”) under that certain loan agreement dated as of July 17, 2017 (the “Affordable Housing Bond Program Loan Agreement”); and
 - c) A predevelopment loan in the principal amount of Four Hundred Fifty Thousand and No/100 Dollars (\$450,000) (the “Predevelopment Loan”) under that certain loan agreement dated as of January 10, 2018 (the “Predevelopment Loan Agreement”).

The CDBG Loan, Affordable Housing Bond Program Loan, and Predevelopment Loan are hereinafter collectively referred to as the “Original City Loans.” The CDBG Loan Agreement, Affordable Housing Bond Program Loan Agreement, and Predevelopment Loan Agreement are hereinafter collectively referred to as the “Original City Loan Agreements.” The promissory notes associated with the Original City Loan Agreements are hereinafter collectively referred to as the “Original City Notes.”

2. Agreement. This Amended and Restated Secured Promissory Note (“Note”) amends, restates, and replaces in its entirety the Original City Notes. This Note is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder dated as of August 10, 2022, as amended by that certain First Amendment to the Amended and Restated Loan Agreement dated as of the date set forth above (collectively, the “Agreement”), which Agreement is incorporated herein by reference. Pursuant to the Agreement, as amended, City agreed to increase the loan of CDBG funds in the total principle amount of One Million Nine Hundred Ninety Three Thousand Six Hundred Ninety Four and No/100 Dollars

(\$1,993,694.00), for a total of loan of CDBG Funds in the principal amount of Four Million Five Hundred Sixty Thousand Two Hundred and No/100 Dollars (\$4,560,200.00). The CDBG Loan Amount together with the previous Affordable Housing Bond Program Loan Amount equals the Funding Amount. 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 as of _____, 2022, made by Maker for the benefit of Holder, and recorded in the Official Records on August 31, 2022, as Instrument No. 2022083490, as amended by that certain Amendment to Deed of Trust, Assignment Of Rents, Security Agreement And Fixture Filing dated concurrently herewith (the "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. Upon execution of this Note, the Original City Notes will be cancelled and returned to Maker.

3. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of three percent (3%) per annum, simple interest, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. 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. As of the date of this Note, the outstanding interest is \$60,907.

4. 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 date of 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.

5. Repayment of Funding Amount.

5.1 Subject to Section 13.4 of the Agreement, Maker will make annual payments of principal and interest (each, a "Payment") in an amount equal to 32.47% of the Residual Receipts, if any, attributable to the prior calendar year, beginning on the first June 30th after the end of the calendar year of the Completion Date, and continuing each June 30th 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 August 1, 2077 (the "Maturity Date"). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

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

7. Terms of Payment.

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

7.2 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.

7.3 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.

7.4 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.

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

8. Default.

8.1 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.

8.2 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.

9. Waivers.

9.1 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.

9.2 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.

9.3 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.

10. Miscellaneous Provisions.

10.1 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.

10.2 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.

10.3 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.

10.4 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.

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

[signature follows]

“MAKER”

SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit
corporation (d/b/a, HomeRise), its sole member/manager

By: _____
Name: Janea Jackson
Its: Chief Executive Officer

SECURED PROMISSORY NOTE

PASS – Market Rate Loan
(1000-1024 Market Street, San Francisco, CA)

Principal Amount: \$4,886,616

San Francisco, CA

Date: _____, 2024

FOR VALUE RECEIVED, the undersigned, **SAN CRISTINA, 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 Four Million Eight Hundred Eighty Six Thousand Six Hundred Sixteen and No/100 Dollars (\$4,886,616.00) (the “Market Rate Loan Amount”), or so much of the Market Rate Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“**Note**”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder dated as of August 10, 2022, as amended by that certain First Amendment of the Amended and Restated Loan Agreement dated as of the date set forth above, and as it may be amended from time to time (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) (the “Pass Deed of Trust”) dated as of the date of this Note, made by Maker for the benefit of Holder. 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. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 3.87289% per annum, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each.

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 Market Rate Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America for the month immediately preceding the month in which the Event of Default has occurred, plus four percent (4%), which rate will automatically be reduced if it is higher than the maximum rate allowed by law, commencing on the date of 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 Market Rate Loan Amount. Maker must make payments of principal and interest in monthly installments (each, a "Payment") equal to the amount specified by the amortization schedule attached as Exhibit A. 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 Market Rate Loan. The unpaid principal balance of the Market Rate Loan, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the fortieth (40th) anniversary of the First Payment Date as defined in Section 6.5 (the "Maturity Date"). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the PASS 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 as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County (the "First Payment Date"). On or after the tenth anniversary of the First Payment Date, this Note may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if this Note is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if this Note is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if this Note is prepaid on or after the twelfth anniversary of the First Payment Date. This Note may not be prepaid unless the BMR Loan, and in Holder's sole discretion, the Deferred Loan and Consolidated Loan are also all paid in full. Maker shall provide Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from a prepayment of this Note including,

but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

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, including without limitation, the BMR Note the Deferred Note, and the Consolidated Note.

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 Market Rate Loan (along with the BMR Loan, Deferred Loan, and Consolidated 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 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 PASS Deed of Trust), waste or negligent or intentional damage to the collateral for the Market Rate Loan.

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.

[SIGNATURE ON THE NEXT PAGE]

“MAKER”
SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit
corporation (d/b/a, HomeRise), its sole member/manager

By: _____
Name: Janea Jackson
Its: Chief Executive Officer

Exhibit A
Amortization Schedule

SECURED PROMISSORY NOTE
PASS – Deferred Loan
(1000-1024 Market Street, San Francisco, CA)

Principal Amount: \$441,320.00

San Francisco, CA

Date: _____, 2024

FOR VALUE RECEIVED, the undersigned **SAN CRISTINA, 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 Four Hundred Forty One Thousand Three Hundred Twenty and No/100 Dollars (\$441,320.00) (the “Deferred Loan Amount”), or so much of the Deferred Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“**Note**”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder dated as of August 10, 2022, as amended by that certain First Amendment of the Amended and Restated Loan Agreement dated as of the date set forth above, and as it may be amended from time to time (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 (the “Pass Deed of Trust”) dated as of the date of this Note, made by Maker for the benefit of Holder. 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. Simple interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 0.95763% per annum, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each.

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 Deferred Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America, for the month immediately preceding the month in which the Event of Default is occurred, plus four percent (4%), which rate will automatically be reduced if it is higher than the maximum rate allowed by law, commencing on the date the Deferred Loan Amount is disbursed 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 Deferred Loan Amount. Provided that no uncured Event of Default exists under any City Document, the entire principal balance of the Deferred Loan, together with all interest and unpaid fees and costs incurred (all together, the "Payment"), will be due and payable on the date that is the earlier of (a) the forty-fourth (44th) anniversary of the First Month Date as defined in Section 6.5, or (b) the fortieth (40th) anniversary of the Conversion Date (the "Maturity Date"). If the Maturity Date falls on a weekend or holiday, it will be deemed to fall on the next succeeding business day. Any 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 Deferred Loan.

5. Security. Maker's obligations under this Note are secured by the PASS 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 as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County (the "First Month Date"). On or after the tenth anniversary of the First Month Date, this Note may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if this Note is prepaid prior to the eleventh anniversary of the First Month Date; (ii) 1% of the total amount being prepaid if this Note is prepaid on or after the eleventh anniversary of the First Month Date and prior to the twelfth anniversary of the First Month Date; or (iii) no prepayment premium if this Note is prepaid on or after the twelfth anniversary of the First Month Date. This Note may not be prepaid unless the BMR Loan, Market Rate Loan, and the Consolidated Loan are also all paid in full. Maker shall provide Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from prepayment of this Note including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

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, including without limitation, the BMR Note, Market Rate Note, and the Consolidated Note.

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 Deferred Loan (along with the BMR Loan, Market Rate Loan, and the Consolidated 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 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 PASS Deed of Trust), waste or negligent or intentional damage to the collateral for the Deferred Loan.

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.

[SIGNATURE ON THE NEXT PAGE]

“MAKER”

SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit
corporation (d/b/a, HomeRise), its sole member/manager

By: _____

Name: Janea Jackson

Its: Chief Executive Officer

SECURED PROMISSORY NOTE
PASS – BMR Loan
(1000-1024 Market Street, San Francisco, CA)

Principal Amount: \$2,696,064.00

San Francisco, CA

Date: _____, 2024

FOR VALUE RECEIVED, the undersigned, **SAN CRISTINA, 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”), Two Million Six Hundred Ninety Six Thousand Sixty Four and No/100 Dollars (\$2,696,064.00) (the “BMR Loan Amount”), or so much of the BMR Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“**Note**”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder dated as of August 10, 2022 as amended by that certain First Amendment of the Amended and Restated Loan Agreement dated as of the date set forth above, and as it may be amended from time to time (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 (the “Pass Deed of Trust”) as of the date of this Note, made by Maker for the benefit of Holder. 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. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 0.95763% per annum from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each.

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 BMR Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America, for the month immediately preceding the month in which the Event of Default has occurred plus four percent (4%), which rate will automatically be reduced if it is higher than the maximum the rate allowed by law, commencing on the date the BMR Loan Amount is disbursed 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 BMR Loan Amount.

4.1 Payment of Interest. Commencing on the First Payment Date and continuing until the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first full month following the Conversion Date, Maker must make payments of accrued and unpaid interest under this Note in monthly installments of Two Thousand One Hundred Fifty One and 53/100 Dollars (\$2,151.53) (each, an "Interest Payment"). All Interest Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; and (b) accrued and unpaid interest.

4.2 Payment of Principal and Interest. Commencing on the earlier of (i) the fourth (4th) anniversary of the First Payment Date or (ii) the first full month following the Conversion Date, Maker must make payments of principal and interest in monthly installments (each, a "Full Payment," and together with Interest Payment, collectively "Payments") equal to the amount specified by the amortization schedule attached as Exhibit A. All Full 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 BMR Loan. The unpaid principal balance of the BMR Loan, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the earlier of the fortieth (40th) anniversary of the Conversion Date or the forty-fourth (44th) anniversary of the First Payment Date as defined in Section 6.5 (the "Maturity Date"). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the PASS 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 as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County (the "First Payment Date"). On or after the tenth anniversary of the First Payment Date, this Note may be prepaid, in whole but not in part, and the Maker shall be required to pay a premium of: (i) 2% of the total amount being

prepaid if this Note is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if this Note is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if this Note is prepaid on or after the twelfth anniversary of the First Payment Date. This Note may not be prepaid unless the Market Rate Loan, and in Holder's sole discretion, Deferred Loan and Consolidated Loan are also all paid in full. Maker shall provide the Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from a prepayment of this Note including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

6.6 To compensate Holder for continued monitoring of compliance with the Amended and Restated Declaration of Restrictions and/or the Agreement after a prepayment in full of this Note, Maker shall pay to the Holder \$2,500 per year for each remaining year of the Compliance Term. In connection with a prepayment of this Note, in its sole discretion Holder may require Maker to prepay such annual monitoring fees through the end of the Compliance Term. In such event, the prepayment amount will be calculated as the present value of the stream of annual monitoring fee payments through the end of the Compliance Term discounted at a rate not to exceed 2%.

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, including without limitation, the Market Rate Note Deferred Note, and Consolidated Note.

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 BMR Loan (along with the Market Rate Loan, Deferred Loan, and Consolidated 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 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 PASS Deed of Trust), waste or negligent or intentional damage to the collateral for the BMR Loan.

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.

[SIGNATURE ON THE NEXT PAGE]

“MAKER”
SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit
corporation (d/b/a, HomeRise), its sole member/manager

By: _____
Name: Janea Jackson
Its: Chief Executive Officer

Exhibit A
Amortization Schedule

Free Recording Requested Pursuant to
Government Code Section 27383

When recorded, mail to:
Mayor's Office of Housing and Community Development
of the City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Director
APN: Lot 001, Block 0350
Address: 1000-1024 Market Street, San Francisco, CA

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

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**
(Property Address: 1000-1024 Market Street, San Francisco, CA)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (“Deed of Trust”) is made as of _____, 2022, by SAN CRISTINA, L.P., a California limited partnership (“Trustor”), whose address is P.O. Box 237, San Francisco, CA 94104, to **OLD REPUBLIC TITLE COMPANY**, a California corporation (“Trustee”), whose address is 275 Battery Street, Suite 1500, San Francisco, California, 94111 for the benefit of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development (“Beneficiary”). This Deed of Trust is executed pursuant to an Amended and Restated Loan Agreement by and between Trustor and Beneficiary dated as of the date of this Deed of Trust, as it may be amended from time to time (the “Agreement”), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the “Property”):

(a) that real property situated in the City and County of San Francisco, State of California, described in **Exhibit A** attached hereto and incorporated herein by reference (the “Land”), on which Trustor intends to rehabilitate a 58-unit single room occupancy residential hotel, affordable to low-income households, on the Land, including two ground floor commercial spaces (the “Commercial Space”), which is collectively known as the San Cristina (together, the “Project”); and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the “Improvements”); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions, and any guarantees thereof (“Leases”) relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(e) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(f) all Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(g) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(h) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

(i) all rents, revenues, issues, royalties, proceeds, profits, income, reimbursements, royalties, receipts and similar items, including prepaid rent and security deposits, in whatever form (including, but not limited to, cash, checks, money orders, credit card receipts or other instruments for the payment of money) paid or payable in connection

with the Property (“Rents”), from the Land and the Improvements, subject to: (i) Trustor's right to collect and retain the same as they become due and payable; and (ii) Beneficiary's rights under **Section 3 below**; and

(j) all intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(k) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

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 Amended and Restated 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, the Secured Promissory Note (PASS – BMR Loan) in the original principal amount of \$2,696,064, the Secured Promissory Note (PASS – Market Rate Loan) in the original principal amount of \$4,886,616, and the Secured Promissory Note (PASS – Deferred Loan) in the original principal amount of \$441,320 , each dated as of the date of this Deed of Trust, made by Trustor to the order of Beneficiary (as such notes may be amended from time to time, collectively, the “Notes”) and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the Notes in the original principal amount of up to approximately Eight Million Twenty Four Thousand and No/100 Dollars (\$8,024,000), with interest, according to the terms and of the Agreement and the Notes; 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.

3. Assignment of Rents.

(a) Assignment as Additional Security. Trustor hereby irrevocably grants, transfers, and assigns to Beneficiary all of its right, title, and interest in and to the Rents as additional security for the Secured Obligations. Subject to the provisions of subsection 3(d) below, Beneficiary hereby confers upon Trustor a license (“License”) to collect and retain the

Rents as they become due and payable, so long as no Event of Default exists and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

(b) Collection and Application of Rents. Subject to the License granted to Trustor under subsection 3(a) above, Beneficiary has the right, power, and authority to collect any and all Rents. Subject to the License granted to Trustor under subsection 3(a) above, Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

1. Demand, receive, and enforce payment of any and all Rents; or
2. Give receipts, releases, and satisfactions for any and all Rents; or
3. Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property. In Beneficiary's sole discretion, it may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under this Deed of Trust. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder.

(c) Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Real Property and Improvements, Beneficiary is not and shall not be deemed to be:

1. A "mortgagee in possession" for any purpose; or
2. Responsible for performing any of the obligations of the lessor under any lease; or
3. Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property; or
4. Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

(d) Election by Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, at its option, may exercise its rights under this Section or otherwise provided under applicable law (including, but not limited to, under Section 2938 of the California Civil Code).

4. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law, including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided, then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

5. Security Agreement and Fixture Filing.

(a) Grant of Security Interest. Without limiting any of the other provisions of this Deed of Trust, to secure the payment, performance and observance of the Secured Obligations, Trustor, as debtor (referred to in this Section 5 as “Debtor”), expressly grants to Beneficiary, as secured party (referred to in this Section 5 as “Secured Party”), a continuing security interest in all the Property (including now and hereafter existing) to the full extent that any portion of the Property may be subject to the Uniform Commercial Code. For purposes of this Section 5, “Collateral” means the personal property (tangible or intangible) and fixtures included in the Property.

(b) Debtor’s Covenants, Representations, and Warranties.

(i) Debtor covenants and agrees with Secured Party that:

(1) In addition to any other remedies granted in this Deed of Trust to Secured Party or Trustee (including specifically, but not limited to, the right to proceed against the Property in accordance with the rights and remedies in respect of the Property that is real property under the Uniform Commercial Code), Secured Party may, if an Event of Defaults occurs and is continuing, proceed under the Uniform Commercial Code as to all or any part of the Collateral, and shall have and may exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code.

(2) Without limiting the foregoing, Secured Party shall have the right upon any public sale or sales, and, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor. Debtor further agrees to allow Secured Party to use or occupy the Property, without charge, for the purpose of effecting any of Secured Party's remedies in respect of the Collateral.

(3) To the extent permitted by applicable law, Debtor waives all claims, damages, and demands against Secured Party arising out of the repossession, retention, or sale of the Collateral, except for claims, damages, and demands due to the active gross negligence or willful misconduct of Secured Party in dealing with such Collateral. Trustor agrees that Secured Party need not give more than five (5) days' notice of the time and place of any public sale or of the time at which a private sale will take place and that such notice is reasonable notification of such matters. Secured Party may disclaim any warranties that might arise in connection with the sale, lease, license, or other disposition of the Collateral and have no obligation to provide any warranties at such time. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(4) To the extent permitted by law, Debtor hereby specifically waives all rights of redemption, stay, or appraisal which it has or may have under any law now existing or hereafter enacted.

(ii) Debtor hereby authorizes Secured Party to file financing and continuation statements with respect to the Collateral as Secured Party may reasonably require.

(iii) Debtor hereby represents and warrants that no financing statement is on file in any public office except as authorized by Secured Party. Debtor will at its own cost and expense, upon demand, furnish to Secured Party such further information and will execute and deliver to Secured Party financing statements and other documents in form reasonably satisfactory to Secured Party and will do all such acts that Secured Party may at any time or from time to time reasonably require to establish and maintain a perfected security interest in the Collateral as security for the Secured Obligations, subject only to liens or encumbrances approved by or benefiting Secured Party. Debtor will pay the actual expense of filing or recording such financing statements or other documents, and this instrument, as and where reasonably required by Secured Party.

(iv) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all rents, royalties, issues and profits, and all inventory accounts, accounts receivable and other revenues of the Property.

(c) Fixture Filing. Certain of the Collateral is or will become “fixtures” (as that term is defined in the Uniform Commercial Code). This Deed of Trust, upon being filed for record in the real estate records of San Francisco County, shall operate also as a financing statement and fixture filing upon such of the Collateral that is or may become fixtures under the Uniform Commercial Code. Debtor's name and type and jurisdiction of entity are set forth in the introductory paragraph hereof. Debtor's address is set forth above. Debtor's EIN Number is 27-6279832. Secured Party's name and mailing address are set above.

6. Insurance and Condemnation Proceeds.

(a) Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds

will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Notes and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

7. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Notes for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Notes to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(e) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers, and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(f) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Notes, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(g) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

8. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods ("Event of Default"):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor. Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("Notice of Default"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Notes and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("Notice of Sale") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at

time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

9. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

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“TRUSTOR:”

SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit
corporation (d/b/a, HomeRise), its sole member/manager

By: _____
Name: Janea Jackson
Its: Chief Executive Officer

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A
Legal Description of the Land

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

BEGINNING at the point formed by the intersection of the Southerly line of Golden Gate Avenue with the Westerly line of Taylor street; running thence Westerly along said line of Golden Gate Avenue 152 feet and 6 inches; thence at a right angle Southerly 53 feet and 9-1/2 inches; thence Southeasterly 46 feet and 5-3/4 inches to the Northwesterly line of Market Street, at a point distant thereon 154 feet and 5-1/2 inches Southwesterly from the Westerly line of Taylor Street; thence Northeasterly along said line of Market Street 154 feet and 5-1/2 inches to the Westerly line of Taylor Street; thence Northerly along said line of Taylor Street 1 foot and 6-3/4 inches to the point of beginning.

Being a portion of 50 Vara Block No. 229.

Assessor's Lot 001; Block 0350

Street Address:

1000-1024 Market Street, San Francisco, CA

EXHIBIT A

**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

APN: Lot 001, Block 0350
Address: 1000-1024 Market Street, San Francisco, CA

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

**FIRST AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(RESIDENTIAL)**

(Property Address: 1000 Market Street)

This First Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("First Amendment to Residential Deed of Trust") dated as of _____, 2023, is attached to and made a part of that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Residential) dated August 31, 2022, and recorded August 31, 2022, as Document Number DOC-2022083490 (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 SAN CRISTINA L.P., a California limited partnership ("Borrower" or "Trustor"), whose address is P.O. Box 237, San Francisco, CA 94104, for rehabilitation 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 August 10, 2022, by and between Trustor and Beneficiary (the "Loan Agreement") and Secured Promissory Note dated August 10, 2022 (the "Consolidated Note"), a Declaration of Restrictions and Affordable Housing Covenant dated as of August 31, 2022 (the "Declaration") and the Deed of Trust.

Pursuant to that certain First Amendment to the Loan Agreement, Beneficiary agreed to increase the Consolidated Loan ("Additional Loan") by One Million Nine Hundred Ninety Three Thousand Six Hundred Ninety Four and No/100 Dollars (\$1,993,694) (the "Additional Loan Amount"), as evidenced by that certain Amended and Restated Secured Promissory Note ("Residential Note") executed by Borrower to the order of Beneficiary, each dated as of the date set forth above. The new amount of the Consolidated Loan is Four Million Seven Hundred Fifty Seven Thousand Seven Hundred Thirty and No/100 Dollars (\$4,757,730).

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 Amended and Restated Secured Promissory Note dated _____, 2023, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "Residential 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 the Loan Agreement and the Consolidated Note in the original principal amount of Four Million Seven Hundred Fifty Seven Thousand Seven Hundred Thirty and No/100 Dollars (\$4,757,730), with interest, if any, according to the terms of the Agreement and the Residential Note;
- (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.

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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:"

SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit corporation (d/b/a, HomeRise), its sole
member/manager

By: _____
Name: Janea Jackson
Its: Chief Executive Officer

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:
4840 Mission Street, San Francisco, CA 94112

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)

**AMENDED AND RESTATED LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO)
(CDBG PROGRAM, AFFORDABLE HOUSING BOND PROGRAM, PASS LOAN
PROGRAM)**

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,

and

SAN CRISTINA, L.P.,
a California limited partnership

for

SAN CRISTINA
1000-1024 Market Street, San Francisco, California

CDBG: \$2,566,506
Affordable Housing Bond Program: \$197,530
\$2,764,036

PASS Market Rate Loan: \$4,886,616
PASS Below Market Rate Loan: \$2,696,064
PASS Deferred Loan: \$441,320
2016 G.O. Bond (PASS-Series 2020C): \$8,024,000

Dated as of August 10, 2022

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AMENDED AND RESTATED LOAN AGREEMENT

(City and County of San Francisco)

(CDBG Program, Affordable Housing Bond Program, PASS Loan Program)

(1000-1024 Market Street, San Francisco, California)

THIS AMENDED AND RESTATED LOAN AGREEMENT (“Agreement”) is entered into as of August 10, 2022 by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the “City”), represented by the Mayor, acting by and through the Mayor’s Office of Housing and Community Development (“MOHCD”), and **SAN CRISTINA, L.P.**, a California limited partnership (“Borrower”).

RECITALS

A. The City is authorized under a contract with the United States Department of Housing and Urban Development (“HUD”) pursuant to Title I of the Housing and Community Development Act of 1974 (42 U.S.C. §§ 5301 *et seq.*), to distribute Community Development Block Grant (“CDBG”) funds under this Agreement (the “CDBG Funds”) for the specific and special purpose of increasing the housing stock in the City for low- and very low-income persons.

B. In November 1996, the voters of the City approved Proposition A which provided for the issuance of general obligation bonds to fund, among other things, the development of housing in the City affordable to low-income households. Under Chapter 43, Article III of the San Francisco Administrative Code and the regulations approved by the City’s Board of Supervisors, the City is authorized to provide funds (the “Affordable Housing Bond Funds”) under this Agreement to Borrower for the development of affordable housing.

C. On November 3, 1992, the voters of the City and County of San Francisco approved Proposition A, which provided for the issuance of up to \$350 million in general obligation bonds to establish and fund a Seismic Safety Loan Program. On November 8, 2016, the voters of the City and County of San Francisco approved Proposition C expanding the permitted use of the bonds to finance the costs to acquire, improve, rehabilitate and convert at-risk multi-unit residential buildings to permanent affordable housing. Under Chapter 66 of the San Francisco Administrative Code and the Preservation and Seismic Safety (“PASS”) Program Regulations adopted by MOHCD, the City is authorized to provide a portion of proceeds of the bonds (the “2016 G.O. Bond (Series 2020C)” or the “PASS Bonds”) under this Agreement to Borrower for the preservation of affordable housing. The proceeds of the PASS Bonds and the Fees are collectively referred to as the “PASS Funds.”

D. The CDBG Funds, the Affordable Housing Bond Funds, and the PASS Funds, are collectively referred to as the “Funds.”

E. Community Housing Partnership, a California nonprofit public benefit corporation (“Original Borrower”), owns a fee interest in the real property located at 1000-1024 Market Street, San Francisco, California (the “Site”). Pursuant to that certain Purchase and Sale Agreement with the Original Borrower dated July 18, 2022, Borrower intends to acquire the fee

interest in the Site. Borrower desires to use the Funds to rehabilitate the 58-unit single room occupancy residential hotel serving formerly homeless individuals, affordable to low-income households, on the Site, including to rehabilitate the commercial shell of two ground floor commercial spaces (the “Commercial Space”), which is collectively known as the San Cristina (together, the “Project”).

F. The City previously made the following loans to Original Borrower with respect to the Site:

1. A loan in the total principal amount of Two Million One Hundred Sixteen Thousand Five Hundred Six and No/100 Dollars (\$2,116,506) (the “CDBG Loan”) under that certain loan agreement dated as of July 2, 1991, as amended by that certain First Amendment dated as of December 11, 1991, as amended by that certain Second Amendment dated as of January 25, 1994, as amended by that certain Third Amendment dated as of March 9, 1994, as amended by that certain Fourth Amendment dated as of October 20, 1998, as amended by that certain Fifth Amendment dated as of May 14, 1999, as amended by that Sixth Amendment dated as of November 10, 2014 (together, the “CDBG Loan Agreement”);

2. A loan in the principal amount of One Hundred Ninety Seven Thousand Five Hundred Thirty and No/100 Dollars (\$197,530) (the “Affordable Housing Bond Program Loan”) under that certain loan agreement dated as of July 17, 2017 (the “Affordable Housing Bond Program Loan Agreement”); and

3. A predevelopment loan in the principal amount of Four Hundred Fifty Thousand and No/100 Dollars (\$450,000) (the “Predevelopment Loan”) under that certain loan agreement dated as of January 10, 2018 (the “Predevelopment Loan Agreement”).

The CDBG Loan, Affordable Housing Bond Program Loan, and Predevelopment Loan are hereinafter collectively referred to as the “Original City Loans.” The CDBG Loan Agreement, Affordable Housing Bond Program Loan Agreement, and Predevelopment Loan Agreement are hereinafter collectively referred to as the “Original City Loan Agreements.”

G. Original Borrower intends to assign to Borrower, and Borrower intends to assume, all of Original Borrower’s rights and duties with respect to the Original City Loans (the “Assignment and Assumption”). The consent of the City is required for the Assignment and Assumption. The City has reviewed Borrower's request for the Assignment and Assumption and, in reliance on the accuracy of the information provided by Borrower, has consented to this request. In connection with such Assignment and Assumption, the City and Borrower have agreed to consolidate the principal associated with the Original City Loans into a single modified loan to the Borrower (the “Consolidated Loan”) in an amount equal to Two Million Seven Hundred Sixty Four Thousand Thirty Six and No/100 Dollars (\$2,764,036) (the “Consolidated Loan Amount”) to be governed by the terms of this Agreement. As of the date of this Agreement, the outstanding interest is \$60,907.

H. In addition, the City has reviewed Borrower's application for PASS Funds under the PASS Program, and in reliance on the accuracy of the statements in that application, has agreed to make a new aggregate total loan of PASS Funds (the "PASS Loan," and together with the Consolidated Loan, the "Loan") to Borrower in an amount up to approximately Eight Million Twenty Four Thousand and No/100 Dollars (\$8,024,000) (the "PASS Loan Amount," and together with the Consolidated Loan Amount, the "Funding Amount") for permanent financing of the Project under this Agreement and is comprised of the following:

(1) a market rate loan of PASS Funds to Borrower (the "Market Rate Loan") in the principal amount of Four Million Eight Hundred Eighty Six Thousand Six Hundred Sixteen and No/100 Dollars (\$4,886,616) (the "Market Rate Loan Amount");

(2) a below market rate loan of PASS Funds to Borrower (the "BMR Loan") in the principal amount of Two Million Six Hundred Ninety Six Thousand Sixty Four and No/100 Dollars (\$2,696,064) (the "BMR Loan Amount"); and

(3) a deferred loan of PASS Funds to Borrower (the "Deferred Loan") in the principal amount of Four Hundred Forty One Thousand Three Hundred Twenty and No/100 Dollars (\$441,320) (the "Deferred Loan Amount").

The Market Rate Loan, the BMR Loan, and the Deferred Loan are hereinafter collectively referred to as the "PASS Loan." Pursuant to HCD UMR Section 8315, the City has agreed to subordinate the Declaration of Restrictions and the PASS Deed of Trust to HCD's deeds of trust and regulatory agreements, as permitted under San Francisco Administrative Code Section 120.3(c). The Director of MOHCD has agreed to waive the requirements of the PASS Program Regulations that require the Declaration of Restrictions and PASS Deed of Trust to be in first position on title and senior to all deeds of trust.

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

1. a construction rehabilitation loan from Merchants Bank in the approximate principal amount of Thirty Five Million Six Hundred Fifty Seven Thousand Five Hundred Seventy and No/100 Dollars (\$35,657,570);

2. a construction and permanent loan from the State of California Housing and Community Development ("HCD") Loan Portfolio Restructuring Program in the approximate principal amount of Three Million One Hundred Thirty One Thousand Nine Hundred Eighty Eight and 20/100 Dollars (\$3,131,988.20);

3. a permanent loan from the HCD Housing Accelerator Fund in the approximate principal amount of Twenty Four Million Two Hundred Forty Two Thousand and No/100 Dollars (\$24,242,000);

4. a permanent loan from the HCD Supportive Housing Multifamily Housing Program in the approximate principal amount of Eight Million One Hundred Forty Three Thousand Nine Hundred Fifty Three and No/100 Dollars (\$8,143,953);

5. a construction and permanent loan from the Federal Home Loan Bank of San Francisco Affordable Housing Program in the approximate principal amount of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000); and

6. rental assistance payments under a Housing Assistance Payment (“HAP”) contract and budget authority for 58 SRO units.

J. On the Agreement Date, this Agreement will amend, restate, supersede and replace the Original City Loan Agreements. Concurrently herewith, Borrower will also (i) execute an amended and restated promissory note in favor of the City to supersede and replace the promissory notes evidencing the Original City Loans, (ii) execute and record a deed of trust to secure such amended and restated note, and (iii) execute and record an amended and restated declaration of restrictions. In addition, Community Housing Partnership (d/b/a HomeRise) will execute a developer fee agreement with the City. As of the Agreement Date, City will cancel and return the promissory notes evidencing the Original City Loans and reconvey the deed of trust securing the promissory notes evidencing the Original City Loans.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

ARTICLE 1 DEFINITIONS.

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings:

“Accounts” means all depository accounts, including reserve and trust accounts, required or authorized under this Agreement or otherwise by the City in writing. All Accounts must be maintained in accordance with **Section 2.3.**

“Agreement” means this Loan Agreement.

“Agreement Date” means the date first written above.

“Annual Monitoring Report” has the meaning set forth in **Section 10.3.**

“Annual Operating Budget” means an annual operating budget for the Project attached hereto as **Exhibit B-2**, which may not be adjusted without the City's prior written approval.

“Approved Plans” has the meaning set forth in **Section 5.2.**

“Approved Specifications” has the meaning set forth in **Section 5.2**.

“Authorizing Resolutions” means: (a) in the case of a corporation, a certified copy of resolutions adopted by its board of directors; (b) in the case of a partnership (whether general or limited), a certificate signed by all of its general partners; and (c) in the case of a limited liability company, a certified copy of resolutions adopted by its board of directors or members, satisfactory to the City and evidencing Borrower's authority to execute, deliver and perform the obligations under the City Documents to which Borrower is a party or by which it is bound.

“BMR Loan” has the meaning set forth in **Recital H**.

“BMR Loan Amount” has the same meaning set forth in **Recital H**.

“BMR Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the BMR Loan Amount in the form attached hereto as **Exhibit M**.

“Borrower” means San Cristina, L.P., a California limited partnership whose general partner is CHP San Cristina LLC, a California limited liability company (“General Partner”), whose sole member/manager is Community Housing Partnership, a California nonprofit public benefit corporation (d/b/a HomeRise), and its authorized successors and assigns.

“CDBG” has the meaning set forth in **Recital A**.

“CFR” means the Code of Federal Regulations.

“Charter Documents” means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement. The Charter Documents must be delivered to the City in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date.

“City” means the City and County of San Francisco, a municipal corporation, represented by the Mayor, acting by and through MOHCD. Whenever this Agreement provides for a submission to the City or an approval or action by the City, this Agreement refers to submission to or approval or action by MOHCD unless otherwise indicated.

“City Documents” means this Agreement, the Notes, the Deeds of Trust, the Declaration of Restrictions and any other documents executed or, delivered in connection with this Agreement.

“City Project” has the meaning set forth in **Exhibit E**.

“CNA” means a 20-year capital needs assessment or analysis of replacement reserve requirements, as further described under the CNA Policy.

“CNA Policy” means MOHCD’s Policy For Capital Needs Assessments dated November 5, 2013, as it may be amended from time to time.

“Commercial Income” means all receipts received by Borrower from the operation of the Commercial Space and any commercial leases, including rents, fees, deposits (other than security deposits), any accrued interest disbursed from any reserve account authorized under this Agreement for a purpose other than that for which the reserve account was established, reimbursements and other charges paid to Borrower in connection with the Commercial Space.

“Commercial Space” has the meaning set forth in **Recital E** and further defined in MOHCD’s commercial space policy as it may be amended from time to time. As used in this Agreement, the term excludes non-residential space in the Project to be used primarily for the benefit of the Tenants.

“Completion Date” has the meaning set forth in **Section 5.6**.

“Compliance Term” has the meaning set forth in **Section 3.2**.

“Consolidated 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 Declaration of Restrictions, the Consolidated Note, in form and substance acceptable to the City.

“Consolidated Loan” has the meaning set forth in **Recital G**.

“Consolidated Loan Amount” has the meaning set forth in **Recital G**.

“Consolidated Loan Maturity Date” has the meaning set forth in **Section 3.1(a)**.

“Consolidated Note” means an amended and restated promissory note executed by Borrower in favor of the City in the original principal amount of the Consolidated Loan Amount, in form and substance acceptable to the City.

“Construction Contract” has the meaning set forth in **Section 5.2**.

“Conversion Date” means the date on which construction financing for the Project is converted into permanent financing, if applicable.

“Declaration of Restrictions” means a recorded amended and restated declaration of restrictions in form and substance acceptable to the City that requires Borrower and the Project to comply with the use restrictions in this Agreement for the Compliance Term, even if the Loan is repaid or otherwise satisfied, this Agreement terminates or the Deeds of Trust are reconveyed.

“Deeds of Trust” means, collectively, the Consolidated Deed of Trust and the PASS Deed of Trust.

“Deferred Loan” has the same meaning set forth in **Recital H**.

“Deferred Loan Amount” has the meaning set forth in **Recital H**.

“Deferred Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the Deferred Loan Amount in the form attached hereto as **Exhibit N**.

“Department of Building Inspection” has the meaning set forth in **Section 5.2**.

“Developer Fees” has the meaning set forth in **Section 15.1**.

“Developer Fee Policy” means the MOHCD Policy on Development Fees for Tax Credit Projects dated July 29, 2016, as amended from time to time, attached hereto as **Exhibit J**.

“Development Expenses” means all costs incurred by Borrower and approved by the City in connection with the development of the Project, including: (a) hard and soft development costs; (b) deposits into required capitalized reserve accounts; (c) costs of converting Project financing, including bonds, into permanent financing; (d) the expense of a cost audit; and (e) allowed Developer Fees.

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

“Disbursement” means the disbursement of all or a portion of the Funding Amount by the City as described in **Article 4**.

“Distributions” has the meaning set forth in **Section 13.1**.

“Early Retention Release Contractors” means contractors who will receive retention payments upon satisfaction of requirements set forth in **Section 4.7**.

“Environmental Activity” means any actual, proposed or threatened spill, leak, pumping, discharge, leaching, storage, existence, release, generation, abatement, removal, disposal, handling or transportation of any Hazardous Substance from, under, into or on the Site.

“Environmental Laws” means all present and future federal, state, local and administrative laws, ordinances, statutes, rules and regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements relating to health and safety, industrial hygiene or the environment or to any Hazardous Substance or Environmental Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (commonly known as the “Superfund” law)

(42 U.S.C. §§ 9601 *et seq.*), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (42 U.S.C. §§ 6901 *et seq.*); the National Environmental Policy Act of 1969 (“NEPA”) (24 CFR §§ 92 and 24 CFR §§ 58); the California Hazardous Substance Account Act (also known as the Carpenter-Presley-Tanner Hazardous Substance Account Law and commonly known as the “California Superfund” law) (Cal. Health & Safety Code §§ 25300 *et seq.*); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as “Proposition 65”) (Cal. Health & Safety Code §§ 25249.2 *et seq.*); and Sections 25117 and 25140 of the California Health & Safety Code.

“Escrow Agent” has the meaning set forth in **Section 4.2**.

“Event of Default” has the meaning set forth in **Section 19.1**.

“Expenditure Request” means a written request by Borrower for a Disbursement from the Funding Amount, which must certify that the Project costs covered by the Expenditure Request have been paid or incurred by Borrower.

“Federal Funding” means funding provided by the federal government for capital improvements, operations or other direct financial assistance of the Project.

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

“Funds” has the meaning set forth in **Recital D**.

“GAAP” means generally accepted accounting principles in effect on the date of this Agreement and at the time of any required performance.

“General Partner” means CHP San Cristina LLC, a California limited liability company.

“Governmental Agency” means: (a) any government or municipality or political subdivision of any government or municipality; (b) any assessment, improvement, community facility or other special taxing district; (c) any governmental or quasi-governmental agency, authority, board, bureau, commission, corporation, department, instrumentality or public body; or (d) any court, administrative tribunal, arbitrator, public utility or regulatory body.

“HAP” has the meaning set forth in **Recital I**.

“Hazardous Substance” means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any Governmental Agency to pose a present or potential hazard to human health or safety or to the environment. Hazardous Substance includes any material or substance listed, defined or otherwise identified as a “hazardous substance,” “hazardous waste,” “hazardous material,” “pollutant,” “contaminant,” “pesticide” or is listed as a chemical known to cause cancer or reproductive toxicity or is otherwise identified as “hazardous” or “toxic” under any Environmental Law, as well as any asbestos, radioactive materials, polychlorinated biphenyls and any materials containing any of them, and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. Materials of a type and

quantity normally used in the rehabilitation, operation or maintenance of developments similar to the Project will not be deemed “Hazardous Substances” for the purposes of this Agreement if used in compliance with applicable Environmental Laws.

“Homeless” means an individual or a family who lacks a fixed, regular, and adequate nighttime residence and who has a primary nighttime residence in one or more of the following categories: (a) Anyone staying in a mission or homeless or domestic violence shelter, i.e., a supervised public or private facility that provides temporary living accommodations; (b) Anyone displaced from housing due to a disaster situation; (c) Anyone staying outdoors; for example, street, sidewalk, doorway, park, freeway underpass; (d) Anyone staying in a car, van, bus, truck, RV, or similar vehicle; (e) Anyone staying in an enclosure or structure that is not authorized or fit for human habitation by building or housing codes, including abandoned buildings (“squats”) or sub-standard apartments and dwellings; (f) Anyone staying with friends and/or extended family members (excluding parents and children) because they are otherwise unable to obtain housing; (g) Any family with children staying in a Single Room Occupancy (SRO) hotel room (whether or not they have tenancy rights); (h) Anyone staying in temporary housing for less than 6 months where the accommodations provided to the person are substandard or inadequate (for example, in a garage a very small room, or an overly crowded space); (i) Anyone staying in a Single Room Occupancy (SRO) hotel room without tenancy rights; (j) Anyone formerly homeless (formerly in one of the above categories (a) through (i)) who is now incarcerated, hospitalized, or living in a treatment program, half-way house, transitional housing; or (k) Anyone formerly homeless (formerly in one of the above categories (a) through (i)) who has obtained and resided in supportive housing or permanent housing for less than 30 days.

“Homeless Household” means a household that meets the referring agency’s definition of Homeless Household for initial occupancy and upon available vacancies thereafter.

“Hold Harmless Policy” means the Hold Harmless Policy for MOHCD’s Income Limits & Maximum Rents dated May 3, 2019, as amended from time to time, attached hereto as **Exhibit K**.

“HUD” means the United States Department of Housing and Urban Development acting by and through the Secretary of Housing and Urban Development and any authorized agents.

“In Balance” means that the sum of the disbursed and undisbursed sources of funds (including Funds if applicable) that Borrower has closed or for which Borrower has firm commitments will be sufficient to complete rehabilitation of the Project (collectively, the “Construction Funds”), as determined by the City in its sole discretion.

“Income Restrictions” means the maximum household income limits for Qualified Tenants, as set forth in **Exhibit A**.

“Indemnitee” means, individually or collectively, (i) City, including MOHCD and all commissions, departments, agencies and other subdivisions of City; (ii) City's elected officials, directors, officers, employees, agents, successors and assigns; and (iii) all persons or entities acting on behalf of any of the foregoing.

“Laws” means all statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or Governmental Agency.

“Life of the Project” means the period of time in which the Project continues to operate as a multi-family apartment project substantially similar to its current condition in terms of square footage and number of units, and in the event the Project is substantially damaged or destroyed by fire, the elements, an act of any public authority or other casualty, and is subsequently replaced by a multi-family residential project substantially similar to its current condition in terms of square footage and number of units, the life of such replacement project will be deemed to be a continuation of the life of the Project.

“Loan” has the meaning set forth in **Recital H**.

“Loss” or “Losses” includes any and all loss, liability, damage, obligation, penalty, claim, action, suits, judgment, fee, cost, expense or charge and reasonable attorneys' fees and costs, including those incurred in an investigation or a proceeding in court or by mediation or arbitration, on appeal or in the enforcement of the City's rights or in defense of any action in a bankruptcy proceeding.

“Market Rate Loan” has the same meaning set forth in **Recital H**.

“Market Rate Loan Amount” has the meaning set forth in **Recital H**.

“Market Rate Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the Market Rate Loan Amount in the form attached hereto as **Exhibit M**.

“Marketing and Tenant Selection Plan” has the meaning set forth in **Section 6.1**.

“Maturity Date” means the Consolidated Loan Maturity Date and/or the PASS Loan Maturity Date, as applicable.

“Median Income” means median income as published annually by MOHCD for the City and County of San Francisco, derived in part from the income limits and area median income determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as “Unadjusted Median Income.”

“MOHCD” means the Mayor’s Office of Housing and Community Development or its successor.

“MOHCD Monthly Project Update” has the meaning set forth in **Section 10.2**.

“Notes” means, collectively, the Consolidated Note, the Deferred Note, the BMR note, and the Market Rate Note.

“Official Records” means the official records of San Francisco County.

“Operating Reserve Account” has the meaning set forth in **Section 12.2**.

“Opinion” means an opinion of Borrower's California legal counsel, satisfactory to the City and its legal counsel, that Borrower is a duly formed, validly existing California limited partnership in good standing under the laws of the State of California, has the power and authority to enter into the City Documents and will be bound by their terms when executed and delivered, and that addresses any other matters the City reasonably requests.

“Original City Loans” has the meaning set forth in **Recital F**.

“Original City Loan Agreements” has the meaning set forth in **Recital F**.

“Out of Balance” means that the sum of undisbursed sources of funds (including Funds if applicable) that Borrower has closed or for which Borrower has firm commitments will not be sufficient to complete rehabilitation of the Project, as determined by the City in its sole discretion.

“PASS Loan” has the meaning set forth in **Recital H**.

“PASS Loan Amount” has the meaning set forth in **Recital H**.

“PASS Loan Maturity Date” has the meaning set forth in **Section 3.1(b)**.

“PASS 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 Market Rate Note, the BMR Note, and the Deferred Note, in form attached hereto as **Exhibit N**.

“PASS Program Regulations” means the Preservation and Seismic Safety Program (PASS) Regulations attached hereto as **Exhibit O**.

“Payment Date” means the first June 30 following the Completion Date and each succeeding June 30 until the Maturity Date.

“Permitted Exceptions” means liens in favor of the City, real property taxes and assessments that are not delinquent, and any other liens and encumbrances the City expressly approves in writing in its escrow instructions.

“Preferences and Lottery Manual” means MOHCD’s Housing Preferences and Lottery Procedures Manual dated March 31, 2017, as amended from time to time.

“Preferences Ordinance” means Chapter 47 of the San Francisco Administrative Code, as amended from time to time.

“Project” means the development described in **Recital E**. If indicated by the context, “Project” means the Site and the improvements developed on the Site.

“Project Expenses” means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement or by other lenders providing secured financing for the Project; (b) salaries, wages and any other compensation due and payable to the employees or agents of Borrower employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) required payments of interest and principal, if any, on any junior or senior financing secured by the Site and used to finance the Project that has been approved by the City; (d) all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget; (e) required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account required under this Agreement; (f) the approved annual asset management fees indicated in the Annual Operating Budget and approved by the City; and (g) any extraordinary expenses approved in advance by the City (other than expenses paid from any reserve account); and (h) Supportive Services.

“Project Income” means all income and receipts in any form received by Borrower from the operation of the Project, including rents, fees, deposits (other than tenant security deposits), any accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established, reimbursements and other charges paid to Borrower in connection with the Project. Interest accruing on any portion of the Funding Amount is not Project Income or Commercial Income.

“Project Operating Account” has the meaning set forth in **Section 11.1**.

“Public Benefit Purposes” means activities or programs that primarily benefit low-income persons, are implemented by one or more nonprofit 501(c)(3) public benefit organizations, or have been identified by a City agency or a community planning process as a priority need in the neighborhood in which the Project is located.

“Qualified Tenant” means a Tenant household earning no more than the maximum permissible annual income level allowed under this Agreement as set forth in **Exhibit A**. The term “Qualified Tenant” includes each category of Tenant designated in **Exhibit A**.

“Rent” means the aggregate annual sum charged to Tenants for rent and utilities in compliance with **Article 7**, with utility charges to Qualified Tenants limited to an allowance determined by the SFHA.

“Replacement Reserve Account” has the meaning set forth in **Section 12.1**.

“Residual Receipts” means Project Income remaining after payment of Project Expenses. The amount of Residual Receipts must be based on figures contained in audited financial statements.

“Residual Receipts Policy” means the Mayor’s Office of Housing and Community Development Residual Receipts Policy effective April 1, 2016, as amended from time to time, attached hereto as **Exhibit P**.

“Retention” has the meaning set forth in **Section 4.7**.

“SBE Manual” means that certain Small Business Enterprise Program manual dated July 1, 2015, as the same may be amended from time to time.

“Section 8” means rental assistance provided under Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. § 1437f) or any successor or similar rent subsidy programs.

“Senior Lien” has the meaning set forth in **Section 22.1**.

“SFHA” means the San Francisco Housing Authority.

“Site” means the real property described in **Recital E** of this Agreement.

“Supportive Services” means Tenant intake, outreach/engagement, assessment, individualized care planning, crisis intervention, mental health and substance use counseling, budgeting, food/clothing, educational classes, social events, and IHSS and other resource referrals for Tenants. See also **Section 3.9**.

“Surplus Cash” means Commercial Income remaining after payment of the sum of commercial debt service, operating expenses for the Commercial Space and reserve deposits for the Commercial Space but excludes depreciation, amortization, depletion, other non-cash expenses or expenditures from reserve accounts.

“Table” means: (a) the Table of Sources and Uses, (b) the Annual Operating Budget, and (c) the 20-Year Cash Flow Proforma.

“Table of Sources and Uses” means a table of sources and uses of funds attached hereto as **Exhibit B-1**, including a line item budget for the use of the Funding Amount, which table may not be adjusted without the City’s prior written approval.

“Tenant” means any residential household in the Project, whether or not a Qualified Tenant.

“Tenant Screening Criteria Policy” has the meaning set forth in **Section 6.3**.

“Title Policy” means an ALTA extended coverage lender's policy of title insurance in form and substance satisfactory to the City, issued by an insurer selected by Borrower and satisfactory to the City, together with any endorsements and policies of coinsurance and/or reinsurance required by the City, in a policy amount equal to the Funding Amount, insuring the Deeds of Trust and indicating the Declaration of Restrictions as valid liens on the Site, each subject only to the Permitted Exceptions.

“20-Year Cash Flow Proforma” means the 20-year cash flow proforma for the Project attached as **Exhibit B-3**.

“Unit” means a residential rental unit within the Project.

“Waiting List” has the meaning set forth in **Section 6.5**.

1.2 Interpretation. The following rules of construction will apply to this Agreement and the other City Documents.

(a) The masculine, feminine or neutral gender and the singular and plural forms include the others whenever the context requires. The word “include(s)” means “include(s) without limitation” and “include(s) but not limited to,” and the word “including” means “including without limitation” and “including but not limited to” as the case may be. No listing of specific instances, items or examples in any way limits the scope or generality of any language in this Agreement. References to days, months and years mean calendar days, months and years unless otherwise specified. References to a party mean the named party and its successors and assigns.

(b) Headings are for convenience only and do not define or limit any terms. References to a specific City Document or other document or exhibit mean the document, together with all exhibits and schedules, as supplemented, modified, amended or extended from time to time in accordance with this Agreement. References to Articles, Sections and Exhibits refer to this Agreement unless otherwise stated.

(c) Accounting terms and financial covenants will be determined, and financial information must be prepared, in compliance with GAAP as in effect on the date of performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

(d) The terms and conditions of this Agreement and the other City Documents are the result of arms'-length negotiations between and among sophisticated parties who were represented by counsel, and the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not apply to the construction and interpretation of the City Documents. The language of this Agreement must be construed as a whole according to its fair meaning.

1.3 Contracting Manual. Borrower shall use the Contracting Manual as a guide to Borrower’s responsibilities under Laws and regulations regarding soliciting, awarding and

administering contracts associated with projects assisted by Federal Funds and some City funds. In the event of a conflict between the terms of the Contracting Manual and this Agreement, the terms of the Agreement shall prevail.

ARTICLE 2 FUNDING.

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to refinance and consolidate the Original City Loans, and permanently finance the acquisition and rehabilitation of the Project. The PASS Loan Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower acknowledges that the City's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in **Section 2.1** and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Notwithstanding anything to the contrary contained herein, City will not approve expenditure of Funds for expenses incurred by Borrower prior to the Agreement Date.

2.3 Accounts; Interest. Each Account to be maintained by Borrower under this Agreement must be held in a bank or savings and loan institution acceptable to the City as a segregated account that is insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program. With the exception of tenant security deposit trust accounts, any interest earned on funds in any Account must be used for the benefit of the Project.

2.4 Records. Borrower must maintain and provide to the City upon request records that accurately and fully show the date, amount, purpose and payee of all expenditures from each Account authorized under this Agreement or by the City in writing and keep all estimates, invoices, receipts and other documents related to expenditures from each Account. In addition Borrower must provide to the City promptly following Borrower's receipt, complete copies of all monthly bank statements, together with a reconciliation, for each Account until all funds (including accrued interest) in each Account have been disbursed for eligible uses.

2.5 Conditions to Additional Financing. The City may grant or deny any application by Borrower for additional financing for the Project in its sole discretion.

ARTICLE 3 TERMS. Borrower's repayment obligations with respect to the Funding Amount will be evidenced and governed by the Notes, which will govern in the event of any conflicting provision in this Agreement.

3.1 Maturity Date.

- a) Consolidated Loan. For the Consolidated Loan, Borrower must repay all amounts owing under the Consolidated Note on August 1, 2077 (the "Consolidated Loan Maturity Date").

- b) PASS Loans. For the PASS Loans, (i) Borrower must repay all amounts owing under the Market Rate Note on the date that is the fortieth (40th) anniversary of the date that is the first day of the first full month following the date the PASS Deed of Trust is recorded in the Official Records (the “Market Rate Loan Maturity Date”); (ii) Borrower must repay all amounts owing under the BMR Note on the date that is the fortieth (40th) anniversary of the date that is the first day of the first full month following the date the PASS Deed of Trust is recorded in the Official Records (the “BMR Loan Maturity Date”); and (iii) Borrower must repay all amounts owing under the Deferred Note on the date that is the fortieth (40th) anniversary of the date that is the first day of the first full month following the date the PASS Deed of Trust is recorded in the Official Records (the “Deferred Loan Maturity Date” and together with the Market Rate Loan Maturity Date and the BMR Loan Maturity Date, the “PASS Loan Maturity Date”).

3.2 Compliance Term; Declaration of Restrictions. Borrower must comply with all provisions of the City Documents relating to the use of the Site and the Project as set forth in the Declaration of Restrictions to be recorded in the Official Records, for the period commencing on the date the Deeds of Trust are recorded in the Official Records and continue for the Life of the Project (the “Compliance Term”), even if the Loan is repaid or otherwise satisfied or the Deeds of Trust are reconveyed before the end of the Compliance Term.

3.3 Interest.

- a) Consolidated Loan. The outstanding principal balance of the Consolidated Loan will bear simple interest at a rate of three percent (3%) per annum, as provided in the Consolidated Note.

- (b) PASS Loans. The PASS Loans will bear interest rates as follows:

(i) The outstanding principal balance of the Market Rate Loan will bear interest at a rate of 3.87289% per annum, compounding monthly, as provided in the Market Rate Note;

(ii) The outstanding principal balance of the BMR Loan will bear interest at a rate of 0.95763% per annum, compounding monthly, as provided in the BMR Note; and

(iii) The outstanding principal balance of the Deferred Loan will bear interest at a rate of 0.95763% per annum compounding monthly, as provided in the Deferred Note.

3.4 Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, the principal balance of the Loan will bear interest at the default interest rate set forth in the Notes, with such default interest rate commencing as of the date an Event of Default occurs and continuing until such Event of Default is fully cured. In addition, the default interest

rate will apply to any amounts to be reimbursed to the City under any City Document if not paid when due or as otherwise provided in any City Document.

3.5 Repayment of Principal and Interest. 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 Notes. Except as set forth in the Notes, no prepayment of the Loan will be permitted without the prior written consent of the City in its sole and absolute discretion.

3.6 Changes In Funding Streams. The City's agreement to make the Loan on the terms set forth in this Agreement and the Notes is based in part on Borrower's projected sources and uses of all funds for the Project, as set forth in the Table of Sources and Uses. Borrower covenants to give written notice to the City within thirty (30) days of any significant changes in budgeted funding or income set forth in documents previously provided to the City. Examples of significant changes include loss or adjustments (other than regular annual adjustments) in funding under Shelter + Care, Section 8 or similar programs.

3.7 Intentionally Omitted.

3.8 Intentionally Omitted.

3.9 Failure to Provide Budgeted Supportive Services.

If Borrower fails to provide Supportive Services in the amount shown in the approved 20-Year Cash Flow Proforma, Borrower shall provide notice to the City within 10 business days of the date the Supportive Services were terminated, which notice shall include, at a minimum, a proposed plan to restore the Supportive Services within a reasonable period of time. If at the time such notice is provided, Borrower is unable to propose a feasible plan for restoring the Supportive Service, Borrower shall include in the notice a detailed explanation as to the cause of the termination of Supportive Services and the reasons why it would not be feasible to restore the Supportive Services within a reasonable period of time.

3.10 Additional City Approvals. Borrower understands and agrees that City is entering into this Agreement in its proprietary capacity and not as a regulatory agency with certain police powers. Borrower understands and agrees that neither entry by City into this Agreement nor any approvals given by City under this Agreement shall be deemed to imply that Borrower will obtain any required approvals from City departments, boards or commissions which have jurisdiction over the Property. By entering into this Agreement, City is in no way modifying or limiting the obligations of Borrower to develop the Property in accordance with all local laws. Borrower understands that any development of the Property shall require approvals, authorizations and permits from governmental agencies with jurisdiction over the Property, which may include, without limitation, the San Francisco City Planning Commission and the San Francisco Board of Supervisors. Notwithstanding anything to the contrary in this Agreement, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Project, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect

thereto, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, including the “No Project” alternative; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed Project.

ARTICLE 4 CLOSING; DISBURSEMENTS.

4.1 Generally. Subject to the terms of this Agreement, the City will make Disbursements in an aggregate sum not to exceed the Funding Amount to or for the account of Borrower in accordance with this Agreement and the approved line item budget contained in the Table of Sources and Uses.

4.2 Closing. Unless otherwise agreed by the City and Borrower in writing, Borrower will establish an escrow account with the title company issuing the Title Policy, or any other escrow agent Borrower chooses, subject to the City's approval (the “Escrow Agent”). The parties will execute and deliver to the Escrow Agent written instructions consistent with the terms of this Agreement. In the event the escrow does not close on or before the expiration date of escrow instructions signed by the City, or any other mutually agreed date, the City may declare this Agreement to be null and void.

4.3 Conditions Precedent to Closing. The City will authorize the close of the Consolidated Loan upon satisfaction of the conditions in this Section.

(a) Borrower must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) the Consolidated Note; (ii) this Agreement (in triplicate); (iii) the Consolidated Deed of Trust; (iv) the Declaration of Restrictions; (v) the Opinion; (vi) the Authorizing Resolutions; (vii) the Developer Fee Agreement (with Community Housing Partnership (d/b/a HomeRise)); (viii) subordination, nondisturbance and attornment agreements from each commercial tenant in possession, or holding any right of possession, of any portion of the Site; and (ix) any other City Documents reasonably requested by the City.

(b) Borrower must have delivered to the City: (i) Borrower's Charter Documents; (ii) a comprehensive maintenance and operating plan for the Project duly approved by Borrower's governing body that includes, but is not limited to, plans for emergencies and emergency maintenance, vacant unit turnover, preventive maintenance and inspection schedule, and marketing and resident selection; and (iii) a CNA that has been duly approved by Borrower's governing body.

(c) Borrower must have delivered to the City insurance endorsements and, if requested by the City, copies of policies for all insurance required under **Exhibit L** of this Agreement.

(d) Borrower must have delivered to the City satisfactory evidence that Borrower has obtained commitments for any additional financing that may be required for the Project, in amounts and from lenders or investors satisfactory to the City in its sole discretion.

(e) Borrower must have delivered to the City a preliminary report on title for the Site dated no earlier than thirty (30) days before the Agreement Date.

(f) Borrower must have submitted a “Phase I” environmental report for the Site, or any other report reasonably requested by the City, prepared by a professional hazardous materials consultant acceptable to the City.

(g) The Declaration of Restrictions and Consolidated Deed of Trust must have been recorded as valid liens in the Official Records, subject only to the Permitted Exceptions, at the close of construction financing.

(h) The Escrow Agent must have committed to provide to the City the Title Policy in form and substance satisfactory to the City.

(i) Borrower must have submitted into escrow for disbursement to the City the following PASS Program costs and fees associated with the PASS Loan:

(i) Borrower will pay the City an origination fee equal to the greater \$15,000 or 1.25% of the total PASS Loan funds disbursed (“Origination Fee”).

(ii) Borrower will pay MOHCD a fee equal to \$15,000 for the City Attorney expenses.

(iii) Borrower will pay the initial installment of the compliance monitoring fee of \$2,500 (“Compliance Fee”), to cover the first year of monitoring under this Agreement. Thereafter, the compliance monitoring fee for the coming year, which is due on the anniversary of the Agreement Date, is \$2,500. For Projects subject to City-imposed affordability restrictions, the fee is payable annually in advance for the duration of the Compliance Term. For Projects not subject to such restrictions, the fee is payable annually in advance through Loan maturity or prepayment.

(iv) Borrower will pay the first installment of the loan servicing fee of \$2,500 annually for the loans in advance, which covers the first year of servicing. Thereafter, the loan servicing fee for the coming year is due on the anniversary of the Agreement Date through Loan maturity or prepayment.

The Origination Fee and Compliance Fee will be increased proportionately in the event of an increase in the PASS Loan, but shall not be decreased in the event of a reduction in the PASS Loan.

(j) Borrower must have delivered to the City sufficient evidence that all additional construction sources of financing have been secured, including but not limited to:

(i) a construction rehabilitation loan from Merchants Bank in the approximate principal amount of Thirty Five Million Six Hundred Fifty Seven Thousand Five Hundred Seventy and No/100 Dollars (\$35,657,570);

(ii) a construction and permanent loan from the State of California Housing and Community Development (“HCD”) Loan Portfolio Restructuring Program in the approximate principal amount of Three Million One Hundred Thirty One Thousand Nine Hundred Eighty Eight and 20/100 Dollars (\$3,131,988.20);

(iii) a construction and permanent loan from the Federal Home Loan Bank of San Francisco Affordable Housing Program in the approximate principal amount of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000).

4.4 Disbursement of Funds. Following satisfaction of the conditions in **Section 4.3**, the City will authorize the Escrow Agent to disburse Funds as provided in the City's escrow instructions. The City's obligation to approve any expenditure of PASS Funds after Loan closing is subject to Borrower's satisfaction of the following conditions precedent:

(a) Borrower must have delivered to the City an Expenditure Request in form and substance satisfactory to the City, together with: (i) copies of invoices, contracts or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. The City may grant or withhold its approval of any line item contained in the Expenditure Request that, if funded, would cause it to exceed the budgeted line item as previously approved by the City. Additionally, the City must approve all requested reallocations of Funds for line items previously approved by the City.

(b) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, may have occurred that remains uncured as of the date of the Expenditure Request.

(c) With respect to any Expenditure Request that covers rehabilitation or construction costs, Borrower must have certified to the City that the Project complies with the labor standards set forth in **Exhibit E**, if applicable.

(d) With respect to any Expenditure Request that covers travel expenses, Borrower's travel expenses must be reasonable and must comply with the following:

(i) Lodging, meals and incidental expenses shall not exceed the then-current per diem rates set forth by the United States General Services Administration for the County of San Francisco found at: <https://www.gsa.gov/portal/category/104711>.

(ii) Air transportation expenses must use fares for coach-class accommodations, provided that purchases for air travel must occur no less than one week before the travel day.

(iii) If ground transportation is required, the City urges the use of public transit or courtesy shuttles if provided by a lodging. If courtesy transportation is not provided by a lodging, ground transportation expenses for travel to or from regional airports must not exceed Fifty Dollars (\$50) each way. Other ground transportation expenses must not exceed then-current San Francisco taxi rates found at: <https://www.sfmta.com/getting-around/taxi/taxi-rates>. Ground transportation must not include any expenses for luxury transportation services, such as a limousine, or any expenses related to travel to or from Project site meetings by Borrower's employees.

(iv) Miscellaneous travel expenses must not exceed Fifty Dollars (\$50) without prior written approval of the City.

(v) Any Expenditure Request for travel expenses must include supporting documentation, including, without limitation, original itemized receipts showing rates and cost, air travel itinerary, proof of payment, and any written justification requested by the City. For the purpose of this Section, the terms "lodging," "meals" and "incidental expenses" shall have the same meanings defined in 41 CFR Part 300-3; the term "coach-class" shall have the same meaning defined in 41 CFR Part 301-10.121(a); and the term "miscellaneous" means copying services, printing services, communication services, or other services reasonably related to travel for the Project and approved by the City.

(e) Intentionally omitted.

(f) The Project has achieved substantial completion pursuant to the Plans and Specifications, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection.

(g) A certificate, satisfactory to MOHCD, from either the Borrower's architect or engineer, stating that (i) the Project has been rehabilitated substantially in accordance with the Plans and Specifications and is free from defects in materials and workmanship, and (ii) the rehabilitation of the Project and the intended operation of the Project are in substantial compliance with the applicable zoning, environmental, preservation and all other applicable laws, ordinances, rules, regulations, restrictions and governmental requirements.

(h) Merchants Bank shall have delivered to MOHCD an estoppel certificate that states that no Event of Default of which it has given written notice remains uncured (or has not otherwise been waived by Merchants Bank) under their construction loan mortgage.

(i) The Borrower shall provide MOHCD with a certificate, substantially in the form attached hereto as **Exhibit R** and satisfactory to MOHCD stating that the Project meets the requirements of the PASS Program Regulations underwriting guidelines including, but not limited to, the following:

(i) Loan-to-value ratio ("LTV") that does not exceed the lesser of (a) 90% of appraised value or (b) 80% of total development costs based upon a numerator equal to the principal balance of the PASS Loan and a denominator equal to the "as complete-

restricted” value set forth in that certain appraisal for the Project prepared by James G. Palmer Appraisals Inc. dated June 6, 2022

(ii) Debt service coverage ratio (“DSC”) of at least 1.15x, or such lower ratio as otherwise determined by MOHCD (but in no event lower than 1.10x), based upon a 30 day operating statement for the Project prepared on an accrual basis

(iii) Budgets must assume no more than 2.0% annual growth in operating income and no less than 3.0% annual growth in operating expenses.

(iv) Residential Vacancy Loss assumption of 5%

(v) Tenant Assistance Vacancy Loss assumption of 5%

(j) All escrows, reserves and accounts for the Project required as of such date to be funded shall be fully funded in their required amounts, as evidenced by bank statements.

(k) Borrower must have delivered to the City sufficient evidence that all additional permanent sources of financing have been secured, including but not limited to:

(i) a permanent loan from the HCD Housing Accelerator Fund in the approximate principal amount of Twenty Four Million Two Hundred Forty Two Thousand and No/100 Dollars (\$24,242,000); and

(ii) a permanent loan from the HCD Supportive Housing Multifamily Housing Program in the approximate principal amount of Eight Million One Hundred Forty Three Thousand Nine Hundred Fifty Three and No/100 Dollars (\$8,143,953).

(l) Borrower delivered the PASS Deed of Trust to the City, duly executed and acknowledged by Borrower. The PASS Deed of Trust must have been recorded as a valid lien in the Official Records, subject only to the Permitted Exceptions. A title company shall have committed to issue the Title Policy to City, and Borrower shall have delivered all documents reasonably required by such title company to issue the Title Policy, including, but not limited to, subordination agreements with HCD and Borrower. Borrower shall pay all amounts charged by the title company for the issuance of the Title Policy; provided that such amounts may be included in the Expenditure Request.

(m) Borrower delivered to City the Market Rate Note, the BMR Note, and the Deferred Note, each duly executed and acknowledged by Borrower.

(n) The Borrower has delivered to the City a current certificate of insurance acceptable to the City evidencing satisfaction of the insurance requirements under **Exhibit L**.

4.5 Limitations on Approved Expenditures. The City may refuse to approve any expenditure: (a) during any period in which an event that, with notice or the passage of time or both, would constitute an Event of Default remains uncured, or during the pendency of an uncured Event of Default; or (b) for disapproved, unauthorized or improperly documented expenses. The City is not obligated to approve expenditure of the full Funding Amount unless approved Expenditure Requests support disbursement of the full Funding Amount, and in no event may the aggregate amount of all Funds disbursed to Borrower under this Agreement exceed the Funding Amount.

ARTICLE 5 DEMOLITION, REHABILITATION OR CONSTRUCTION.

5.1 Selection Requirements. In the selection of all contractors and professional consultants for the Project, Borrower must comply with the City's procurement requirements and procedures as described in the Contracting Manual and with the requirements of the Small Business Enterprise Program ("SBE Program") as set forth in the SBE Manual according to the procedures established by the City's Contract Monitoring Division.

5.2 Plans and Specifications. Before starting any demolition, rehabilitation or construction on the Site, Borrower must have delivered to the City, and the City must have reviewed and approved, plans and specifications and the construction contract for the Project entered into between Borrower and Borrower's general contractor and approved by the City (the "Construction Contract"). The plans approved by the City must also be approved by the City and County of San Francisco's Department of Building Inspection (the "Department of Building Inspection") (collectively, the "Approved Plans") prior to the start of any demolition, rehabilitation or construction on the Site. The Approved Plans must be explicitly identified in the Construction Contract. The specifications approved by the City, including the funder requirements and the technical specifications (the "Approved Specifications") must also be explicitly identified in the Construction Contract. The Construction Contract may include funder requirements not otherwise addressed in the Approved Specifications. The Contracting Manual provides further guidance to Borrower regarding the City's policies for the review and approval of plans, specifications and construction contracts. After completion of the Project, Borrower must retain the Approved Plans as well as "as-built" plans for the Project, the Approved Specifications and the Construction Contract, all of which Borrower must make available to the City upon request.

5.3 Change Orders. Borrower may not approve or permit any change orders to the plans and specifications approved by the City without the City's prior written consent. Borrower must provide adequate and complete justification for analysis of any change order request to the City. The City will provide any questions, comments or requests for additional information to Borrower within five (5) business days of receipt of a change order request. City will review and approve or disapprove of a change order request within ten (10) business days of a complete submission by Borrower. In the event the City fails to approve or disapprove the change order request within such ten (10) business day period, the change order shall be deemed approved. Borrower acknowledges that the City's approval of any change order will not constitute an agreement to amend the Table of Sources and Uses or to provide additional Funds for the Project, unless the City agrees in its sole discretion to amend the Table of Sources and Uses or provide additional Funds for that purpose.

5.4 Insurance, Bonds and Security. Before starting any demolition, rehabilitation or construction on the Site, Borrower must deliver to the City insurance endorsements and bonds as described in **Exhibit L**. At all times, Borrower must take prudent measures to ensure the security of the Site.

5.5 Notice to Proceed. No demolition, rehabilitation or construction may commence until Borrower has issued a written notice to proceed with the City's approval.

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower must: (a) commence rehabilitation by a date no later than September 15, 2022; (b) complete rehabilitation by a date no later than December 15, 2023, in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve occupancy of Ninety Five percent (95%) of the Units by a date no later than November 30, 2023.

5.7 Rehabilitation Standards. All rehabilitation must be performed in a first class manner, substantially in accordance with final plans and specifications approved by the City and in accordance with all applicable codes.

5.8 Construction Monitoring. During the rehabilitation work on the Site, and in addition to the monitoring and reporting requirements described in Article 10 of this Agreement, Borrower must include the City's construction representative in any meetings between Borrower and Borrower's general contractor.

ARTICLE 6 MARKETING.

6.1 Marketing and Tenant Selection Plan. No later than sixty (60) days before the completion of the rehabilitation, Borrower must deliver to the City for the City's review and approval an affirmative plan for ongoing marketing of the Units and a written Tenant selection procedure for ongoing renting of the Units based on MOHCD's then-current form (the "Marketing and Tenant Selection Plan") all in compliance with the restrictions set forth in **Exhibit A** and in form and substance acceptable to the City. Borrower must obtain the City's approval of reasonable alterations to the Marketing and Tenant Selection Plan. Borrower must market and rent the Units in the manner set forth in the Marketing and Tenant Selection Plan, as approved by the City.

6.2 Affirmative Marketing and Tenant Selection Plan Requirements. Borrower's Marketing and Tenant Selection Plan must address how Borrower intends to market vacant Units and any opportunity for placement on the Waiting List, as defined in Section 6.5. The Marketing and Tenant Selection Plan shall include as many of the following elements as are appropriate to the Project, as determined by the City:

(a) A reasonable accommodations policy that indicates how Borrower intends to market Units to disabled individuals, including an indication of the types of accessible Units in the Project, the procedure for applying, and a policy giving disabled individuals a priority in the occupancy of accessible Units.

(b) A plan that satisfies the requirement to give preference in occupying units in accordance with the Preferences and Lottery Manual and the Preferences Ordinance. These requirements will not apply to the extent they are superseded by the HAP contract.

(c) Advertising in local neighborhood newspapers, community-oriented radio stations, on the internet and in other media that are likely to reach low-income households. All advertising must display the Equal Housing Opportunity logo.

(d) Notices to neighborhood-based, nonprofit housing corporations and other low-income housing advocacy organizations that maintain waiting lists or make referrals for below-market-rate housing.

(e) Notices to SFHA.

(f) Notices to MOHCD

(g) To the extent practicable, without holding Units off the market, the community outreach efforts listed above must take place before advertising vacant Units or open spots on the Waiting List to the general public.

(h) An acknowledgement that, with respect to vacant Units, the marketing elements listed above shall only be implemented if there are no qualified applicants interested or available from the Waiting List.

(i) An acknowledgement that, with respect to vacant Units, the marketing elements listed above shall only be implemented if there are no qualified applicants interested or available from the Waiting List.

6.3 Marketing and Tenant Selection Plan & Tenant Screening Criteria Requirements:

(a) Borrower's Marketing and Tenant Selection Plan shall comply with the requirements of the Tenant Selection Plan Policy as set forth in the attached **Exhibit H**. The Marketing and Tenant Selection Plan must be kept on file at the Project at all times.

(b) Borrower's tenant screening criteria must comply with the Tenant Screening Criteria Policy set forth in the attached **Exhibit I**.

6.4 Marketing Records. Borrower must keep records of: (a) activities implementing the Marketing and Tenant Selection Plan; (b) advertisements; and (c) other community outreach efforts.

6.5 Waiting List. Borrower's Marketing and Tenant Selection Plan must contain, at a minimum, policies and criteria that provide for the selection of tenants from a written waiting list that complies with the Marketing and Tenant Selection Plan (the "Waiting List"). The Marketing and Tenant Selection Plan may allow an applicant to refuse an available Unit for good cause without losing standing on the Waiting List but shall limit the number of refusals without cause

as approved by the City. Borrower shall at all times maintain the Waiting List. Upon the vacancy of any Unit, Borrower shall first attempt to select the new Tenant for such Unit from the Waiting List, and shall only market the Unit to the general public after determining that no applicants from the Waiting List qualify for such Unit. The Waiting List must be kept on file at the Project at all times.

ARTICLE 7 AFFORDABILITY AND OTHER LEASING RESTRICTIONS.

7.1 Term of Leasing Restrictions. Borrower acknowledges and agrees that the covenants and other leasing restrictions set forth in this Article 7 will remain in full force and effect: (a) for the Compliance Term and survive the prior repayment or other satisfaction of the Loan, termination of this Agreement or reconveyance of the Deeds of Trust; and (b) following the expiration of the Compliance Term with respect to any Unit then occupied by a Qualified Tenant, until the Qualified Tenant voluntarily vacates his/her Unit or is evicted lawfully for just cause.

7.2 Borrower's Covenant.

(a) Borrower covenants to rent all Units at all times to households certified as Qualified Tenants at initial occupancy, as set forth in **Exhibit A**, and are chronically homeless.

(b) A Tenant who is a Qualified Tenant at initial occupancy may not be required to vacate the Unit due to subsequent rises in household income, except as provided in **Section 7.3**. After the over-income Tenant vacates the Unit, the vacant Unit must be rented only to Qualified Tenants as provided in this **Article 7**.

7.3 Rent Restrictions.

(a) Rent charged to each Qualified Tenant may not exceed the amounts set forth in **Exhibit A**, *provided that* Rents may be adjusted annually, subject to the limitations below.

(b) Subject to the Hold Harmless Policy, rents for all Units may be increased once annually up to the maximum monthly rent by unit type as published by MOHCD.

(c) With the City's prior written approval, Rent increases for Units exceeding the amounts permitted under **Section 7.3(b)** may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may single or aggregate increases exceed ten percent (10%) per year unless such an increase is contemplated in a City-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other rental subsidies; and (ii) Rents for each Unit may in no event exceed the maximum Rent permitted under **Section 7.3(a)**. City approval for such Rent increases that are necessary to meet all approved Project Expenses shall not be unreasonably withheld.

(d) For any Qualified Tenant participating in a Rent or operating subsidy program where the Rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program. There is no limit on the increase/decrease in Rent charged under this provision, as long as it does not exceed the maximum Rent permitted under **Section 7.3(a)**. There is no limit on the number of Rent adjustments that can be made in a year under this provision.

(e) For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, there is no limit on the increase in Rent charged as long as it does not exceed the maximum Rent permitted under **Section 7.3(a)**.

(f) Unless prohibited under any applicable Laws, including without limitation Section 42 of the Internal Revenue Code of 1986, as amended, if the household income of a Qualified Tenant exceeds the maximum permissible income during occupancy of a Unit, then, upon no less than thirty (30) days' prior written notice to the Tenant or as otherwise required under the Tenant's lease or occupancy agreement, Borrower may adjust the charges for Rent for the previously Qualified Tenant to be equal to thirty percent (30%) of the Tenant's adjusted household income. Rents charged under this provision may exceed the Maximum Rent permitted under **Section 7.3(a)**.

7.4 Certification.

(a) As a condition to initial occupancy, each person who desires to be a Qualified Tenant in the Project must be required to sign and deliver to Borrower a certification in the form shown in **Exhibit C** in which the prospective Qualified Tenant certifies that he/she or his/her household qualifies as a Qualified Tenant. In addition, each person must be required to provide any other information, documents or certifications deemed necessary by the City to substantiate the prospective Tenant's income. Certifications provided to and accepted by the SFHA will satisfy this requirement.

(b) Each Qualified Tenant in the Project must recertify their household income to Borrower on an annual basis.

(c) Income certifications with respect to each Qualified Tenant who resides in a Unit or resided therein during the immediately preceding calendar year must be maintained on file at Borrower's principal office, and Borrower must file or cause to be filed copies thereof with the City promptly upon request by the City.

7.5 Form of Lease. The form of lease for Tenants must provide for termination of the lease and consent to immediate eviction for failure to qualify as a Qualified Tenant if the Tenant has made any material misrepresentation in the initial income certification.

7.6 Nondiscrimination. Borrower agrees not to discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in

the operation and use of the Project except to the extent permitted by law or required by any other funding source for the Project. Borrower agrees not to discriminate against or permit discrimination against Tenants using Section 8 certificates or vouchers or assistance through other rental subsidy programs.

7.7 Security Deposits. Security deposits may be required of Tenants only in accordance with applicable state law and this Agreement. Any security deposits collected must be segregated from all other funds of the Project in an Account held in trust for the benefit of the Tenants and disbursed in accordance with California law. The balance in the trust Account must at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits returned to Tenants.

7.8 Commercial Space. At least sixty (60) days prior to the date that rehabilitation of the Commercial Space begins, MOHCD must have reviewed and approved proposed leases and development plans for the Commercial Space. Except for the lease with Community Housing Partnership (d/b/a HomeRise), if approved by MOHCD, all leases of Commercial Space must be to bona fide third party tenants capable of performing their financial obligations under their leases, which must reflect arms'-length transactions at the then-current market rental rate for comparable space, *provided that*, leases for Public Benefit Purposes may be at below-market rates so long as the sum of Project Income and Commercial Income meets approved cash flow requirements for the Project. Allowed uses of Commercial Space must be consistent with all applicable redevelopment plans and local planning and building codes and be reasonably compatible with the design and purpose of the Project. Each lease of Commercial Space must restrict its use to Public Benefit Purposes or all Surplus Cash generated as a result of a market-rate lease of the Commercial Space must be directed toward repayment of the Loan or used for a Public Benefit Purpose. All surplus cash shall be subject to the MOHCD Policy on the Use of Residual Receipts. Each lease of Commercial Space must comply with the MOHCD Commercial Underwriting Guidelines as set forth in **Exhibit Q** herein.

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT.

8.1 Borrower's Responsibilities.

(a) Subject to the rights set forth in **Section 8.2**, Borrower will be specifically and solely responsible for causing all maintenance, repair and management functions performed in connection with the Project, including selection of tenants, recertification of income and household size, evictions, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower must maintain or cause to be maintained the Project, including the Units and common areas, in a safe and sanitary manner in accordance with local health, building and housing codes, California Health and Safety Code 17920.10 and the applicable provisions of 24 CFR Part 35 and all applicable federal requirements.

8.2 Contracting With Management Agent.

(a) Borrower may contract or permit contracting with a management agent for the performance of the services or duties required in **Section 8.1(a)**, subject to the City's prior written approval of both the management agent and, at the City's discretion, the management contract between Borrower and the management agent, *provided, however*, that the arrangement will not relieve Borrower of responsibility for performance of those duties. Any management contract must contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty (30) days' notice. As of the Agreement Date, the City has approved Community Housing Partnership (d/b/a HomeRise), a California nonprofit public benefit corporation, as Borrower's management agent, subject to approval of the management contract.

(b) The City will provide written notice to Borrower of any determination that the contractor performing the functions required in **Section 8.1(a)** has failed to operate and manage the Project in accordance with this Agreement. If the contractor has not cured the failure within a reasonable time period, as determined by the City, Borrower must exercise its right of termination immediately and make immediate arrangements for continuous and continuing performance of the functions required in **Section 8.1(a)**, subject to the City's approval.

8.3 Borrower Management. Borrower may manage the Project itself only with the City's prior written approval. The City will provide written notice to Borrower of any determination that Borrower has failed to operate and manage the Project in accordance with this Agreement, in which case, the City may require Borrower to contract or cause contracting with a management agent to operate the Project, or to make other arrangements the City deems necessary to ensure performance of the functions required in **Section 8.1(a)**.

ARTICLE 9 GOVERNMENTAL APPROVALS AND REQUIREMENTS.

9.1 Approvals. Borrower covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

9.2 Borrower Compliance. Borrower must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the construction, rehabilitation and/or operation of the Project, including those set forth in **Exhibit E** and **Exhibit L**. Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

9.3 Additional Federal Requirements. The following provisions shall apply as long as Federal Funds are used to finance the Project:

(a) Compliance With Laws Borrower agrees to abide by all applicable Laws, including HUD regulations, pertaining to this Agreement and to any contracts pertaining to the Project. In the event HUD formally amends, waives or repeals any HUD administrative regulation previously applicable to Borrower's performance under this Agreement, MOHCD expressly reserves the right, upon giving notice to HUD and Borrower, to require Borrower's performance as though the regulation were not amended, waived or repealed, subject only to written and binding objection by HUD. Borrower further acknowledges that the City may impose more stringent requirements with regard to affordability restrictions than those required by HUD and agrees to comply with the City's requirements as set forth in this Agreement.

(b) Drug-Free Workplace Borrower acknowledges that under the Federal Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701 *et seq.*), the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited on its premises. Borrower agrees that any violation of this prohibition by Borrower, its employees, agents or assigns will be deemed an Event of Default under this Agreement.

(c) Restrictions on Lobbying Activities

(i) This Agreement is subject to 31 U.S.C. Section 1352, which provides in part that, with specified exceptions, no appropriated funds may be expended by the recipient of a federal contract, grant, loan or cooperative agreement to pay any person for influencing, or attempting to influence, an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any

cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

(ii) If the Funding Amount exceeds \$100,000, Borrower must file with MOHCD at the beginning of the Compliance Term and promptly after the occurrence of any change in the facts certified or disclosed:

(A) a certification substantially the same as that attached hereto as **Exhibit F**, and otherwise, in form and content satisfactory to the City and to HUD, that Borrower, its employees, officers and agents have not made, and will not make, any payment prohibited by **Subsection (i)** above; and

(B) a disclosure form, Federal Standard Form-LLL, “Disclosure of Lobbying Activities,” if Borrower, its employees, officers or agents have made or agreed to make any payment using funds from a source other than the Funds that would be prohibited under **Subsection (i)** above if payment were made with Funds. The City will file the disclosure form with HUD and retain the certification for the City's records as required by Law.

(d) Debarment or Suspension. Borrower must certify in form and content substantially the same as that attached hereto as **Exhibit F** that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

(e) Single Audit. If Borrower cumulatively expends \$750,000 or more in Federal Funds during Borrower’s fiscal year, Borrower must conduct a single audit or program-specific audit by an independent auditor in accordance with OMB Uniform Guidance requirements in 2 CFR part 200 subpart F (§200.500 *et seq.*), as it may be amended from time to time (“Single Audit”). Borrower must submit a copy of the Single Audit report to MOHCD within nine (9) months after the end of Borrower’s fiscal year or thirty (30) days after receiving the Single Audit report from the auditor.

(f) Other HUD Requirements The following federal requirements are applicable to all activities funded under this Agreement:

(i) the requirements of the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards,” 2 CFR part 200, relating to allowable costs chargeable to the Funds and contractual requirements for nonprofit organizations, as applicable; and

(ii) the provisions of 2 CFR part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards,” and 24 CFR part 570, “Community Development Block Grants.”

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

(a) Borrower understands and agrees that it will be monitored by the City from time to time to assure compliance with all terms and conditions in this Agreement and all Laws. Borrower acknowledges that the City may also conduct periodic on-site inspections of the Project. Borrower must cooperate with the monitoring by the City and ensure full access to the Project and all information related to the Project as reasonably required by the City.

(b) Borrower must keep and maintain books, records and other documents relating to the receipt and use of all Funds, including all documents evidencing any Project Income and Project Expenses. Borrower must maintain records of all income, expenditures, assets, liabilities, contracts, operations, tenant eligibility and condition of the Project. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

(c) Borrower must provide written notice of the replacement of its executive director, director of housing development, director of property management and/or any equivalent position within thirty (30) days after the effective date of such replacement.

10.2 Monthly Reporting. Borrower must submit monthly reports (the “MOHCD Monthly Project Update”) describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments, procuring architects, consultants and contractors, changes in scope, cost or schedule and significant milestones achieved in the past month and expected to be achieved in the coming month. The MOHCD Monthly Project Update must be submitted by email in substantially the form to be found in the Contracting Manual until such time as the Project Completion Report is submitted to the City pursuant to **Section 10.5** below.

10.3 Annual Reporting.

(a) From and after the Completion Date, Borrower must file with the City annual report forms (the “Annual Monitoring Report”) that include audited financial statements with an income and expense statement for the Project covering the applicable reporting period, a statement of balances, deposits and withdrawals from all Accounts, line item statements of Project Expenses, Project Income, Residual Receipts and any Distributions made, evidence of required insurance, a description of marketing activities and a rent roll, no later than one hundred fifty (150) days after the end of Borrower's fiscal year. The Annual Monitoring Report must be in substantially the form attached as **Exhibit G** or as later modified during the Compliance Term.

(b) If the source of Funds is Federal Funding, Borrower must also provide an annual accounting of program income, as defined in applicable federal regulations.

10.4 Capital Needs Assessment. In accordance with the CNA Policy, Borrower must deliver to MOHCD an updated CNA every five (5) years after the Completion Date for approval.

10.5 Project Completion Report. Within the specific time periods set forth below after the completion of rehabilitation or construction, the lease-up and/or permanent financing of the Project, as applicable, Borrower must provide to the City the reports listed below certified by Borrower to be complete and accurate. Subsequent to the required submission of the reports listed below, Borrower must provide to the City information or documents reasonably requested by the City to assist in the City's review and analysis of the submitted reports:

(a) within ninety (90) days after the Completion Date, a draft cost certification (or other similar project audit performed by an independent certified public accountant identifying the sources and uses of all Project funds including the Funds;

(b) within one hundred-eighty (180) days after the Completion Date, a report on use of Small Disadvantaged Business Enterprises as defined in the SBE Manual, including the type of work and the dollar value of such work;

(c) within ninety (90) days after seventy-five percent (75%) occupancy, and one hundred percent (100%) occupancy, respectively, a report on the lease-up of the Units including number of leases by race, ethnicity and single-headed household by gender, to the extent available, location of previous residence, and also indicating the Units by income category; and

(d) within ninety (90) days after the Completion Date, a report demonstrating compliance with all requirements regarding relocation, including the names of all individuals or businesses occupying the Site on the date of the submission of the application for Funds, those moving in after that date, and those occupying the Site upon completion of the Project.

(e) within one hundred-eighty (180) days after the Completion Date, and if the Project has used Federal Funds, a report demonstrating compliance with all requirements regarding HUD Section 3, including documentation of total labor hours worked on the Project, total Section 3 hours worked, total wages paid, total Section 3 wages paid, and the names of all individuals employed to comply with the Section 3 and Section 3 goals, including the total hours worked for each individual and total wages paid to each individual.

10.6 Response to Inquiries. At the request of the City, its agents, employees or attorneys, Borrower must respond promptly and specifically to questions relating to the income, expenditures, assets, liabilities, contracts, operations and condition of the Project, the status of any mortgage encumbering the Project and any other requested information with respect to Borrower or the Project.

10.7 Delivery of Records. At the request of the City, made through its agents, employees, officers or attorneys, Borrower must provide the City with copies of each of the following documents, certified in writing by Borrower to be complete and accurate:

(a) all tax returns filed with the United States Internal Revenue Service, the California Franchise Tax Board and/or the California State Board of Equalization on behalf of Borrower and any general partner or manager of Borrower;

(b) all certified financial statements of Borrower and, if applicable, its general partner or manager, the accuracy of which must be certified by an auditor satisfactory to the City; and

(c) any other records related to Borrower's ownership structure and the use and occupancy of the Site.

10.8 Access to the Project and Other Project Books and Records. In addition to Borrower's obligations under **Sections 2.4, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6** and **10.7** and any other obligations to provide reports or maintain records in any City Document, Borrower agrees that duly authorized representatives of the City will have: (a) access to the Project throughout the Compliance Term to monitor the progress of work on the Project and compliance by Borrower with the terms of this Agreement; and (b) access to and the right to inspect, copy, audit and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required under **Section 10.9.**

10.9 Records Retention. Borrower must retain all records required for the periods required under applicable Laws.

ARTICLE 11 USE OF INCOME FROM OPERATIONS.

11.1 Project Operating Account.

(a) Borrower must deposit all Project Income promptly after receipt into a segregated depository account (the "Project Operating Account") established exclusively for the Project. Withdrawals from the Project Operating Account may be made only in accordance with the provisions of this Agreement and the approved Annual Operating Budget, as it may be revised from time to time with the City's approval. Borrower may make withdrawals from the Project Operating Account solely for the payment of Project Expenses. Withdrawals from the Project Operating Account (including accrued interest) for other purposes may be made only with the City's express prior written approval.

(b) Borrower must keep accurate records indicating the amount of Project Income deposited into and withdrawn from the Project Operating Account and the use of Project Income. Borrower must provide copies of the records to the City upon request.

ARTICLE 12 REQUIRED RESERVES.

12.1 Replacement Reserve Account.

(a) Borrower will assume from Original Borrower or establish or cause to be established a segregated interest-bearing replacement reserve depository account (the "Replacement Reserve Account"). On or before the 15th day of each month following the Conversion Date, Borrower must make monthly deposits from Project Income into the Replacement Reserve Account in the amount necessary to meet the requirements of this Section. The City may review the adequacy of deposits to the Replacement Reserve Account periodically and require adjustments as it deems necessary.

(b) Borrower must make an initial deposit into the Replacement Reserve Account in an amount equal to \$2,000 per Unit. Thereafter, monthly deposits must equal the higher of (i) the amount needed under Borrower's approved CNA, or (ii) 1/12th of the following amount: \$29,000.

Borrower may request adjustments every five (5) years based on its most recently approved CNA. If the Project is unable to make a required replacement reserve deposit due to unavailable cash flow, the Borrower must submit a plan for review and approval to MOHCD that addresses the cash flow shortfall.

(c) Borrower may withdraw funds from the Replacement Reserve Account solely to fund capital improvements for the Project, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Project that are reasonably required to preserve the Project. Borrower may not withdraw funds (including any accrued interest) from the Replacement Reserve Account for any other purpose without the City's prior written approval.

12.2 Operating Reserve Account.

(a) Borrower will assume from Original Borrower or establish or cause to be established a segregated interest-bearing operating reserve depository account (the "Operating Reserve Account") by depositing funds in an amount equal to twenty-five percent (25%) of the approved budget for Project Expenses for the first full year of operation of the Project. The City may review the adequacy of deposits to the Operating Reserve Account periodically and require adjustments as it deems necessary.

(b) No less than annually after the Conversion Date and continuing until the Compliance Term has expired, Borrower must make additional deposits, if necessary, to bring the balance in the Operating Reserve Account to an amount equal to twenty-five percent (25%) of the prior year's actual Project Expenses.

(c) Borrower may withdraw funds from the Operating Reserve Account solely to alleviate cash shortages resulting from unanticipated and unusually high maintenance expenses, seasonal fluctuations in utility costs, abnormally high vacancies and other expenses

that vary seasonally or from month to month in the Project. Borrower may not withdraw funds (including any accrued interest) from the Operating Reserve Account for any other purpose without the City's prior written approval.

12.3 Commercial Space Reserve Account. In addition to the reserve requirements set forth above, Borrower will establish a commercial rent reserve account in the amount of \$285,000 ("Commercial Space Reserve Account") on the Conversion Date. Borrower may withdraw funds from the Commercial Space Reserve Account solely to alleviate cash shortages resulting from vacancies in the commercial spaces in the Project. Borrower may not withdraw funds (including any accrued interest) from the Commercial Space Reserve Account for any other purpose without the City's prior written approval.

ARTICLE 13 DISTRIBUTIONS.

13.1 Definition. "Distributions" refers to cash or other benefits received as Project Income from the operation of the Project and available to be distributed to Borrower or any party having a beneficial interest in the Project, but does not include reasonable payments for property management, asset management or other services performed in connection with the Project. Distributions must be used for activities in San Francisco that would be eligible uses of Project Income under program regulations for the CDBG Program. Distributions may also be used for new construction if the activity is otherwise allowable under CDBG regulations.

13.2 Conditions to Distributions. The 20-Year Cash Flow Proforma attached hereto as Exhibit B-2 includes projections of annual Distributions. Exhibit B-2 is not intended to impose limits on the amounts to be annually distributed. Distributions for a particular fiscal year may be made only following: (a) City approval of the Annual Monitoring Report submitted for that year; (b) the City's determination that Borrower is not in default under this Agreement or any other agreement entered into with the City and County of San Francisco or the City for the Project; and (c) the City's determination that the amount of the proposed Distribution satisfies the conditions of this Agreement. The City will be deemed to have approved Borrower's written request for approval of a proposed Distribution unless the City delivers its disapproval or request for more information to Borrower within thirty (30) business days after the City's receipt of the request for approval.

13.3 Prohibited Distributions. No Distribution may be made in the following circumstances:

(a) when a written notice of default has been issued by any entity with an equitable or beneficial interest in the Project and the default is not cured within the applicable cure periods; or

(b) when the City determines that Borrower or Borrower's management agent has failed to comply with this Agreement; or

(c) if required debt service on all loans secured by the Project and all operating expenses have not been paid current; or

(d) if the Replacement Reserve Account, Operating Reserve Account or any other reserve account required for the Project is not fully funded under this Agreement; or

(e) if the Loan is to be repaid from Residual Receipts, Borrower failed to make a payment when due on a Payment Date and the sum remains unpaid; or

(f) during the pendency of an uncured Event of Default (including Borrower's failure to provide its own funds at any time the City determines the Construction Funds are Out of Balance) under any City Document.

13.4 Borrower's Use of Residual Receipts for Development. To the extent that making a Distribution is not inconsistent with any other financing agreement for the Project, and subject to the limitations in this Article, with the City's prior written approval Borrower may retain a portion of Residual Receipts in lieu of using them to repay the Loan in an amount consistent with the Residual Receipts Policy attached hereto as **Exhibit P**. Borrower acknowledges that the City may withhold its consent to a Distribution in any year in which Residual Receipts are insufficient to meet Borrower's payment obligations under the Notes.

ARTICLE 14 SYNDICATION PROCEEDS.

14.1 Distribution and Use. If Borrower is a limited partnership or limited liability company, and unless otherwise approved by the City in writing, Borrower must allocate, distribute and pay or cause to be allocated, distributed and paid all net syndication proceeds and all loan and grant funds as specified in the Table. Borrower must notify the City of the receipt and disposition of any net syndication proceeds received by Borrower during the term of this Agreement.

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. The City has approved the payment of development fees to Community Housing Partnership (d/b/a HomeRise) in an amount not to exceed Two Million Two Hundred Thousand and No/100 Dollars (\$2,200,000) for developing the Project ("Developer Fees"), subject to the Developer Fee Policy and the terms and conditions set forth in full in the Developer Fee Agreement between the City and Community Housing Partnership (d/b/a HomeRise).

15.2 Fee Payment Schedule. Community Housing Partnership (d/b/a HomeRise) will receive payment of the Developer Fees pursuant to Section 2(b) of the Developer Fee Agreement.

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower may not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) leases, subleases or occupancy agreements to occupants of Units and/or Commercial Space in the Project; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS; INDEMNITY.

17.1 Borrower's Insurance. Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or cause to be obtained and maintained, insurance and bonds as set forth in **Exhibit L** from the date the Deeds of Trust are recorded in the Official Records until the expiration of the Compliance Term at no expense to the City.

17.2 Borrower's Indemnity Obligations. Borrower must indemnify, protect, defend and hold harmless each of the Indemnitees from and against any and all Losses arising out of: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the City Documents (including those covenants set forth in **Article 18** below); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the Project, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise; (d) any claim of any surety in connection with any bond relating to the construction or rehabilitation of any improvements or offsite improvements; (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the City Documents, the Loan, the Site or the Project or any transaction contemplated by, or the relationship between Borrower and the City or any action or inaction by the City under, the City Documents; (f) the occurrence, until the expiration of the Compliance Term, of any Environmental Activity or any failure of Borrower or any other person to comply with all applicable Environmental Laws relating to the Project or the Site; (g) the occurrence, after the Compliance Term, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring before the expiration of the Compliance Term; (h) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any contest permitted under **Sections 9.1, 9.2 and 18.2**; or (i) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in

clauses (a) through (h) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for matters caused solely by its own gross negligence or willful misconduct.

17.3 Duty to Defend. Borrower acknowledges and agrees that its obligation to defend the Indemnitees under **Section 17.2**: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of **Section 17.2**, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Borrower by the Indemnitee and continues at all times thereafter. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, upon written notice, Borrower must answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Borrower's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The Indemnitee must give Borrower prompt notice of any Loss and Borrower has the right to defend, settle and compromise any such Loss; provided, however, that the Indemnitee has the right to retain its own counsel at the expense of Borrower if representation of such Indemnitee by the counsel retained by Borrower would be inappropriate due to conflicts of interest between such Indemnitee and Borrower. An Indemnitee's failure to notify Borrower promptly of any Loss does not relieve Borrower of any liability to such Indemnity under **Section 17.2**, unless such failure materially impairs Borrower's ability to defend such Loss. Borrower must seek the Indemnified Party's prior written consent to settle or compromise any Loss if Borrower contends that such Indemnitee shares in liability with respect thereto.

17.4 No Limitation. Borrower's obligations under **Section 17.2** are not limited by the insurance requirements under this Agreement.

17.5 Survival. The provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement.

ARTICLE 18 HAZARDOUS SUBSTANCES.

18.1 Borrower's Representations. Borrower represents and warrants to the City that, to the best of Borrower's actual knowledge, without independent investigation or inquiry as of the Agreement Date, the following statements are true and correct except as disclosed in the Environmental Review Record dated August 29, 2017 for the 1000 Market Street RAD Conversion and Rehabilitation Project or otherwise in writing: (a) the Site is not in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on the Site has occurred or in, on, under or about

the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

18.2 Covenant. Unless the City otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower must: (a) comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws; and (b) deliver to the City notice of the discovery by Borrower of any event rendering any representation contained in this Section incorrect in any respect promptly following Borrower's discovery.

18.3 Survival. Borrower and City agree that this Article 18 is intended as City's written request for information (and Borrower's response) concerning the environmental condition of the Site as security as required by California Code of Civil Procedure § 726.5; and each provision in this Article (together with any indemnity applicable to a breach of any such provision) with respect to the environmental condition of the Site as security is intended by City and Borrower to be an "environmental provision" for purposes of California Code of Civil Procedure § 736, and as such it is expressly understood that Borrower's duty to indemnify City hereunder shall survive: (a) any judicial or non-judicial foreclosure under the Deeds of Trust, or transfer of the Property in lieu thereof, (b) the release and reconveyance or cancellation of the Deeds of Trust; and (c) the satisfaction of all of Borrower's obligation under the City Documents.

ARTICLE 19 DEFAULT.

19.1 Event of Default. Any material breach by Borrower of any covenant, agreement, provision or warranty contained in this Agreement or in any of the City Documents that remains uncured upon the expiration of any applicable notice and cure periods contained in any City Document will constitute an "Event of Default," including the following:

(a) Borrower fails to make any payment required under this Agreement within ten (10) days after the date when due; or

(b) Any lien is recorded against all or any part of the Site or the Project without the City's prior written consent, whether prior or subordinate to the lien of the Deeds of Trust or Declaration of Restrictions, and the lien is not removed from title or otherwise remedied to the City's satisfaction within thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by

the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(c) Borrower fails to perform or observe any other term, covenant or agreement contained in any City Document, and the failure continues for thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(d) Any representation or warranty made by Borrower in any City Document proves to have been incorrect in any material respect when made; or

(e) All or a substantial or material portion of the improvements on the Site is damaged or destroyed by fire or other casualty, and the City has determined upon restoration or repair that the security of the Deeds of Trust has been impaired or that the repair, restoration or replacement of the improvements in accordance with the requirements of the Deeds of Trust is not economically practicable or is not completed within two (2) years of the receipt of insurance proceeds; or all or a substantial or material portion of the improvements is condemned, seized or appropriated by any non-City Governmental Agency or subject to any action or other proceeding instituted by any non-City Governmental Agency for any purpose with the result that the improvements cannot be operated for their intended purpose; or

(f) Borrower is dissolved or liquidated or merged with or into any other entity; or, if Borrower is a corporation, partnership, limited liability company or trust, Borrower ceases to exist in its present form and (where applicable) in good standing and duly qualified under the laws of the jurisdiction of formation and California for any period of more than ten (10) days; or, if Borrower is an individual, Borrower dies or becomes incapacitated; or all or substantially all of the assets of Borrower are sold or otherwise transferred except as permitted under **Section 16.1**; or

(g) Without the City's prior written consent, Borrower assigns or attempts to assign any rights or interest under any City Document, whether voluntarily or involuntarily, except as permitted under **Section 16.1**; or

(h) Without the City's prior written consent, Borrower voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Borrower or of its right, title or interest in the Project or the Site except as permitted under **Article 16**; or

(i) Without the City's prior written consent, Borrower transfers, or authorizes the transfer of, funds in any Account required or authorized under this Agreement; or

(j) Either the Deeds of Trust or the Declaration of Restrictions ceases to constitute a valid and indefeasible perfected lien on the Site and improvements, subject only to Permitted Exceptions; or

(k) Borrower is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar official for Borrower or for all or any part of its property (or an appointment is made without its consent and the appointment continues undischarged and unstayed for sixty (60) days); or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Borrower or to all or any part of its property under the laws of any jurisdiction (or a proceeding is instituted without its consent and continues undismissed and unstayed for more than sixty (60) days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against the Site, the improvements or any other property of Borrower and is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or

(l) Any material adverse change occurs in the financial condition or operations of Borrower, such as a loss of services funding or rental subsidies, that has a material adverse impact on the Project; or

(m) Borrower fails to make any payments or disbursements required to bring the Construction Funds In Balance after the City determines that the Construction Funds are Out of Balance; or

(n) Before a certificate of occupancy or equivalent certification is issued for the Project, Borrower ceases rehabilitation or construction of the Project for a period of twenty five (25) consecutive calendar days, and the cessation is not excused under **Section 19.3**; or

(o) Borrower is in default of its obligations with respect to any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periods; or

(p) Borrower is in default of its obligations under any other agreement entered into with the City and County of San Francisco, and the default remains uncured following the expiration of any applicable cure periods.

19.2 Remedies. During the pendency of an uncured Event of Default, the City may exercise any right or remedy available under this Agreement or any other City Document or at law or in equity. All of the City's rights and remedies following an Event of Default are cumulative, including:

(a) The City at its option may declare the unpaid principal balance of the Notes, together with default interest as provided in the Notes and any other charges due under the Notes and the other City Documents, immediately due and payable without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which Borrower expressly waives.

(b) The City at its option may terminate all commitments to make Disbursements or to release the Site from the Deeds of Trust or Declaration of Restrictions, or, without waiving the Event of Default, the City may determine to make further Disbursements or to release all or any part of the Site from the Deeds of Trust or Declaration of Restrictions upon terms and conditions satisfactory to the City in its sole discretion.

(c) The City may perform any of Borrower's obligations in any manner, in the City's reasonable discretion.

(d) The City, either directly or through an agent or court-appointed receiver, may take possession of the Project and enter into contracts and take any other action the City deems appropriate to complete or construct all or any part of the improvements, subject to modifications and changes in the Project the City deems appropriate.

(e) The City may apply to any court of competent jurisdiction for specific performance, or an injunction against any violation, of this Agreement or for any other remedies or actions necessary or desirable to correct Borrower's noncompliance with this Agreement.

(f) Upon the occurrence of an Event of Default described in **Section 19.1(k)**, the unpaid principal balance of the Notes, together with default interest as provided in the Notes and any other charges due under the Notes and the other City Documents, will become due and payable automatically.

(g) All costs, expenses, charges and advances of the City in exercising its remedies or to protect the Project will be deemed to constitute a portion of the principal balance of the Notes, even if it causes the principal balance to exceed the face amount of the Notes, unless Borrower reimburses the City within ten (10) days of the City's demand for reimbursement.

19.3 Force Majeure. The occurrence of any of the following events will excuse performance of any obligations of the City or Borrower rendered impossible to perform while the event continues: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes for either; governmental restrictions, regulations or controls, including, but not limited to, government health orders related to a pandemic or epidemic; judicial orders; enemy or hostile governmental actions; civil commotion; fire or other casualty and other causes beyond the control of the party obligated to perform. The occurrence of a force majeure event will excuse Borrower's performance only in the event that Borrower has provided notice to the City within thirty (30) days after the occurrence or commencement of the event or events, and Borrower's performance will be excused for a period ending thirty (30) days after the termination of the event giving rise to the delay.

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

20.1 Borrower Representations and Warranties. As a further inducement for the City to enter into this Agreement, Borrower represents and warrants as follows:

(a) The execution, delivery and performance of the City Documents will not contravene or constitute a default under or result in a lien upon assets of Borrower under any applicable Law, any Charter Document of Borrower or any instrument binding upon or affecting Borrower, or any contract, agreement, judgment, order, decree or other instrument binding upon or affecting Borrower.

(b) When duly executed, the City Documents will constitute the legal, valid and binding obligations of Borrower. Borrower hereby waives any defense to the enforcement of the City Documents related to alleged invalidity of the City Documents.

(c) No action, suit or proceeding is pending or threatened that might affect Borrower or the Project adversely in any material respect.

(d) Borrower is not in default under any agreement to which it is a party, including any lease of real property.

(e) None of Borrower, Borrower's principals or Borrower's general contractor has been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Borrower, any of its principals or its general contractor been suspended, disciplined or prohibited from contracting with any Governmental Agency. Further, Borrower certifies that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

(f) The Consolidated Loan Amount, together with all other committed sources of financing for the Project, are sufficient to complete the Project in accordance with this Agreement.

(g) All statements and representations made by Borrower in connection with the Loan remain true and correct as of the date of this Agreement.

(h) The Borrower is duly organized and in good standing under applicable laws of the State of California and is qualified to do business in the City and County of San Francisco.

ARTICLE 21 NOTICES.

21.1 Written Notice. All notices required by this Agreement must be made in writing and may be communicated by personal delivery, by a nationally recognized courier that obtains receipts, facsimile (if followed within one (1) business day by first class mail) or by United States certified mail, postage prepaid, return receipt requested. Delivery will be deemed complete as of the earlier of actual receipt (or refusal to accept proper delivery) or five (5) days after mailing, *provided that* any notice that is received after 5 p.m. on any day or on any weekend or holiday will be deemed to have been received on the next succeeding business day. Notices must be addressed as follows:

To the City: Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Director

To Borrower: SAN CRISTINA, L.P.,
a California limited partnership
c/o Community Housing Partnership (d/b/a
HomeRise)
P.O. Box 237
San Francisco, CA 94104
Attn: Chief Executive Officer

or any other address a party designates from time to time by written notice sent to the other party in manner set forth in this Section.

21.2 Required Notices. Borrower agrees to provide notice to the City in accordance with **Section 21.1** of the occurrence of any change or circumstance that: (a) will have an adverse effect on the physical condition or intended use of the Project; (b) causes the Construction Funds to be Out of Balance; or (c) will have a material adverse effect on Borrower's operation of the Property or ability to repay the Loan.

ARTICLE 22 GENERAL PROVISIONS.

22.1 Subordination. The Deeds of Trust may be subordinated to other financing secured by and used for development of the Project (in each case, a "Senior Lien"), but only if MOHCD determines in its sole discretion that subordination is necessary to secure adequate acquisition, construction, rehabilitation and/or permanent financing to ensure the viability of the Project. Following review and approval by MOHCD and approval as to form by the City Attorney's Office, the Director of MOHCD or his/her successor or designee will be authorized to execute any approved subordination agreement without the necessity of any further action or approval.

22.2 No Third Party Beneficiaries. Nothing contained in this Agreement, 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.

22.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any claim against the City by any person or entity with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Project. Borrower must include this requirement as a provision in any contracts for the development of the Project.

22.4 Entire Agreement. This Agreement and its Exhibits incorporate the terms of all agreements made by the City and Borrower with regard to the subject matter of this Agreement. No alteration or variation of the terms of this Agreement will be valid unless made in writing and signed by the parties hereto. No oral understandings or agreements not incorporated herein will be binding on the City or Borrower.

22.5 City Obligations. The City's sole obligation under this Agreement is limited to providing the Funds as described in this Agreement, up to the Funding Amount. Under no circumstances, including breach of this Agreement, will the City be liable to Borrower for any special or consequential damages arising out of actions or failure to act by the City in connection with any of the City Documents.

22.6 Borrower Solely Responsible. Borrower is an independent contractor with the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance contemplated under this Agreement. Borrower is solely responsible for: (a) its own acts and those of its agents, employees and contractors and all matters relating to their performance, including compliance with Social Security, withholding and all other Laws governing these matters and requiring that contractors include in each contract that they will be solely responsible for similar matters relating to their employees; (b) any losses or damages incurred by Borrower, any of its contractors or subcontractors and the City and its officers, representatives, agents and employees on account of any act, error or omission of Borrower in the performance of this Agreement or any other City Document and the development and operation of the Project; and (c) all costs and expenses relating to Borrower's performance of obligations under the City Documents, the delivery to the City of documents, information or items under or in connection with any of the City Documents and taxes, fees, costs or other charges payable in connection with the execution, delivery, filing and/or recording of any City Document or document required under any City Document.

22.7 No Inconsistent Agreements. Borrower warrants that it has not executed and will not execute any other agreement(s) with provisions materially contradictory or in opposition to the provisions of this Agreement.

22.8 Inconsistencies in City Documents. In the event of any conflict between the terms of this Agreement and any other City Document, the terms of this Agreement control unless

otherwise stated; *provided, however*, that any provision in this Agreement in conflict with any Law will be interpreted subject to that Law.

22.9 Governing Law. This Agreement is governed by California law without regard to its choice of law rules.

22.10 Joint and Several Liability. If Borrower consists of more than one person or entity, each is jointly and severally liable to the City for the faithful performance of this Agreement.

22.11 Successors. Except as otherwise limited herein, the provisions of this Agreement bind and inure to the benefit of the undersigned parties and their heirs, executors, administrators, legal representatives, successors and assigns. This provision does not relieve Borrower of its obligation under the City Documents to obtain the City's prior written consent to any assignment or other transfer of Borrower's interests in the Loan, the Site or the ownership interests in Borrower.

22.12 Attorneys' Fees. If any legal action is commenced to enforce any of the terms of this Agreement or rights arising from any party's actions in connection with this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees (including allocated fees of the City Attorney's Office) and costs of suit from the other party, whether incurred in a judicial, arbitration, mediation or bankruptcy proceeding or on appeal. For the purposes of this Agreement, reasonable fees of attorneys in the City Attorney's office will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter of law for which the City Attorney's services were rendered, who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office. An award of attorneys' fees and costs will bear interest at the default rate under the Notes from the date of the award until paid.

22.13 Severability. The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

22.14 Time. Time is of the essence in this Agreement. Whenever the date on which an action must be performed falls on a Saturday, Sunday or federal holiday, the date for performance will be deemed to be the next succeeding business day.

22.15 Further Assurances. Borrower agrees to: (a) pursue in an effective and continuous manner; (b) use best efforts to achieve; and (c) take all actions reasonably required by the City from time to time to confirm or otherwise carry out the purpose of this Agreement.

22.16 Binding Covenants. The provisions of the City Documents constitute covenants running with the land and will be binding upon Borrower and Borrower's successors and assigns, and all parties having or acquiring any right, title or interest in whatever form, including leasehold interests (other than Tenants and approved commercial tenants), in or to any part of the Property, except that the same will terminate and become void automatically at the expiration of

the Compliance Term of this Agreement. Any attempt to transfer any right, title or interest in the Property in violation of these covenants will be void.

22.17 Consent. Except as expressly provided otherwise, whenever consent or approval of a party is required in any City Document, that party agrees not to withhold or delay its consent or approval unreasonably.

22.18 Counterparts. This Agreement may be executed in any number of counterparts, all of which will constitute but one agreement.

22.19 Borrower's Personnel. The Project shall be implemented only by competent personnel under the direction and supervision of Borrower.

22.20 Borrower's Board of Directors. Borrower, or Borrower's manager or general partner, as applicable, shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet regularly and maintain appropriate membership, as established in the bylaws and other governing documents of Borrower, Borrower's manager or Borrower's general partner, as applicable, and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Such board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Borrower of its obligations under this Agreement.

22.21 Exhibits. The following exhibits are attached to this Agreement and incorporated by reference:

EXHIBITS

- A Schedules of Income and Rent Restrictions
- B-1 Table of Sources and Uses of Funds
- B-2 Annual Operating Budget
- B-3 20-Year Cash Flow Proforma
- C Form of Tenant Income Certification
- D First Source Hiring Requirements and Numerical Goals
- E Governmental Requirements
- F Lobbying/Debarment Certification Form
- G Form of Annual Monitoring Report
- H Tenant Selection Plan Policy
- I MOHCD Tenant Screening Criteria Policy
- J Developer Fee Policy
- K Hold Harmless Policy
- L Insurance Requirements
- O MOHCD Commercial Underwriting Guidelines
- P MOHCD Residual Receipts Policy

IN WITNESS WHEREOF, the parties hereto have executed this Agreement 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:  for Eric D. Shaw
Eric D. Shaw
Director, Mayor's Office of Housing and Community Development

BORROWER:

SAN CRISTINA, L.P.,
a California limited partnership


By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public
benefit corporation (d/b/a, HomeRise), its
sole member/manager

By: _____
Name: Rick Aubry
Its: Chief Executive Officer

APPROVED AS TO FORM:

DAVID CHIU,
City Attorney

By: 
C2A819107182428
Jessie Alfaro-Cassella
Deputy City Attorney

IN WITNESS WHEREOF, the parties hereto have executed this Agreement 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

BORROWER:

SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public
benefit corporation (d/b/a, HomeRise), its
sole member/manager

By: _____
Name: Rick Aubry
Its: Chief Executive Officer

APPROVED AS TO FORM:

DAVID CHIU,
City Attorney

By: _____
Jessie Alfaro-Cassella
Deputy City Attorney

EXHIBIT A
Schedules of Income and Rent Restrictions

1. **Income and Rent Restrictions.** Maximum rent is 30% of maximum income level. As used in this Agreement, the term “Qualified Tenant” includes each category of Tenant included below:

| Unit Size | No. of Units | Maximum Income Level |
|------------------|---------------------|-----------------------------|
| SRO | 58 | 50% of Median Income |

All Units must be leased at all times to Homeless Households.

2. **Rent and Utilities.** The total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant may not exceed the greater of:

(i) thirty percent (30%) of the applicable maximum income level, adjusted for household size; or

(ii) the tenant paid portion of the contract rent as determined by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

Rents may be increased as permitted pursuant to Section 7.3 of the Agreement.

EXHIBIT B-1

Table of Sources and Uses of Funds

EXHIBIT B-2
Annual Operating Budget

Application Date: **6/7/2022** Project Name: **San Cristina**
 Total # Units: **58** Project Address: **1000 Market Street**
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): **2024** Project Sponsor: **HomeRise**

| INCOME | Total | Comments |
|--|------------------|--|
| Residential - Tenant Rents | 0 | Links from 'Existing Proj - Rent Info' Worksheet |
| Residential - Tenant Assistance Payments (Non-LOSP) | 1,541,640 | Links from 'Existing Proj - Rent Info' Worksheet |
| Commercial Space | 149,244 | from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100% |
| Residential Parking | 0 | Links from 'Utilities & Other Income' Worksheet |
| Miscellaneous Rent Income | 0 | Links from 'Utilities & Other Income' Worksheet |
| Supportive Services Income | 0 | Links from 'Utilities & Other Income' Worksheet |
| Interest Income - Project Operations | 0 | Links from 'Utilities & Other Income' Worksheet |
| Laundry and Vending | 0 | Links from 'Utilities & Other Income' Worksheet |
| Tenant Charges | 0 | Links from 'Utilities & Other Income' Worksheet |
| Miscellaneous Residential Income | 0 | Links from 'Utilities & Other Income' Worksheet |
| Other Commercial Income | 0 | from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100% |
| Withdrawal from Capitalized Reserve (deposit to operating account) | 0 | |
| Gross Potential Income | 1,690,884 | |
| Vacancy Loss - Residential - Tenant Rents | 0 | |
| Vacancy Loss - Residential - Tenant Assistance Payments | (77,082) | |
| Vacancy Loss - Commercial | (29,849) | from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100% |
| EFFECTIVE GROSS INCOME | 1,583,953 | PUPA: 27,310 |

OPERATING EXPENSES

| Management | | |
|---|------------------|--|
| Management Fee | 56,376 | 1st Year to be set according to HUD schedule. |
| Asset Management Fee | 23,460 | |
| Sub-total Management Expenses | 79,836 | PUPA: 1,376 |
| Salaries/Benefits | | |
| Office Salaries | 395,297 | |
| Manager's Salary | | |
| Health Insurance and Other Benefits | | |
| Other Salaries/Benefits | | |
| Administrative Rent-Free Unit | | |
| Sub-total Salaries/Benefits | 395,297 | PUPA: 6,815 |
| Administration | | |
| Advertising and Marketing | | |
| Office Expenses | | |
| Office Rent | | |
| Legal Expense - Property | 5,000 | |
| Audit Expense | | |
| Bookkeeping/Accounting Services | 7,812 | |
| Bad Debts | | |
| Miscellaneous | 23,400 | |
| Sub-total Administration Expenses | 36,212 | PUPA: 624 |
| Utilities | | |
| Electricity | 38,315 | |
| Water | 28,212 | |
| Gas | 18,046 | |
| Sewer | 28,212 | |
| Sub-total Utilities | 112,785 | PUPA: 1,945 |
| Taxes and Licenses | | |
| Real Estate Taxes | | |
| Payroll Taxes | | |
| Miscellaneous Taxes, Licenses and Permits | 1,085 | |
| Sub-total Taxes and Licenses | 1,085 | PUPA: 19 |
| Insurance | | |
| Property and Liability Insurance | 59,712 | |
| Fidelity Bond Insurance | | |
| Worker's Compensation | | |
| Director's & Officers' Liability Insurance | | |
| Sub-total Insurance | 59,712 | PUPA: 1,030 |
| Maintenance & Repair | | |
| Payroll | | |
| Supplies | | |
| Contracts | 76,005 | |
| Garbage and Trash Removal | | |
| Security Payroll/Contract | 214,470 | |
| HVAC Repairs and Maintenance | | |
| Vehicle and Maintenance Equipment Operation and Repairs | | |
| Miscellaneous Operating and Maintenance Expenses | | |
| Sub-total Maintenance & Repair Expenses | 290,475 | PUPA: 5,008 |
| Supportive Services | 105,000 | |
| Commercial Expenses | 20,500 | from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100% |
| TOTAL OPERATING EXPENSES | 1,100,902 | PUPA: 18,981 |

| Reserves/Ground Lease Base Rent/Bond Fees | | |
|--|---------------|--|
| Ground Lease Base Rent | 0 | Provide additional comments here, if needed. |
| Bond Monitoring Fee | | |
| Replacement Reserve Deposit | 29,000 | |
| Operating Reserve Deposit | | |
| Other Required Reserve 1 Deposit | | |
| Other Required Reserve 2 Deposit | | |
| Required Reserve Deposits, Commercial | 0 | from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100% |
| Sub-total Reserves/Ground Lease Base Rent/Bond Fees | 29,000 | PUPA: 500 |

| | | | |
|--|------------------|---------------------|---|
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees) | 1,129,902 | PUPA: 19,481 | Min DSCR: 1.09 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | 454,051 | PUPA: 7,828 | Mortgage Rate: 5.00% |
| | | | Term (Years): 30 |
| | | | Supportable 1st Mortgage Pmt: 416,561 |
| | | | Supportable 1st Mortgage Amt: \$6,466,467 |
| | | | Proposed 1st Mortgage Amt: \$4,886,616 |

| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans) | | | |
|---|----------------|--|--|
| Hard Debt - First Lender | 240,461 | PASS MR | Provide additional comments here, if needed. |
| Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender) | 81,159 | PASS BMR | Provide additional comments here, if needed. |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | 34,205 | HCD MHP | Provide additional comments here, if needed. |
| Hard Debt - Fourth Lender | 0 | | Provide additional comments here, if needed. |
| Commercial Hard Debt Service | 0 | from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100% | |
| TOTAL HARD DEBT SERVICE | 355,825 | | PUPA: 6,135 |

| | |
|--|---------------|
| CASH FLOW (NOI minus DEBT SERVICE) | 98,226 |
| USES OF CASH FLOW BELOW (This row also shows DSCR.) | 1.28 |

| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | |
|---|---------------|---|
| "Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy) | | |
| Partnership Management Fee (see policy for limits) | | |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | | |
| Other Payments | | |
| Non-amortizing Loan Pmt - Lender 1 (select lender in comments field) | | |
| Non-amortizing Loan Pmt - Lender 2 (select lender in comments field) | | Provide additional comments here, if needed. |
| Deferred Developer Fee (Enter amt <= Max Fee from cell I130) | 49,113 | Def. Develop. Fee split: 50% Provide additional comments here, if needed. |
| TOTAL PAYMENTS PRECEDING MOHCD | 49,113 | PUPA: 847 |

| | |
|---|---|
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) | 49,113 |
| Residual Receipts Calculation | |
| Does Project have a MOHCD Residual Receipt Obligation? | Yes Project has MOHCD ground lease? No |
| Will Project Defer Developer Fee? | Yes |
| Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: | 50% Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): 49,113 |
| % of Residual Receipts available for distribution to soft debt lenders in | 50% |

| Soft Debt Lenders with Residual Receipts Obligations | (Select lender name/program from drop down) | Total Principal Amt | Distrib. of Soft Debt Loans |
|--|---|---------------------|-----------------------------|
| MOHCD/OCII - Soft Debt Loans | All MOHCD/OCII Loans payable from res. recs | \$2,764,036 | 20.04% |
| MOHCD/OCII - Ground Lease Value or Land Acq Cost | Ground Lease Value | | 0.00% |
| HCD (soft debt loan) - Lender 3 | HCD MHP | \$8,143,953 | 59.06% |
| Other Soft Debt Lender - Lender 4 | | | 0.00% |
| Other Soft Debt Lender - Lender 5 | HCD LPR & Existing Interest | \$2,881,989 | 20.90% |

| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | |
|--|-------|--|
| MOHCD Residual Receipts Amount Due | 9,844 | 50% of residual receipts, multiplied by 20.04% - MOHCD's pro rata share of all soft debt |
| Proposed MOHCD Residual Receipts Amount to Loan Repayment | 9,844 | Enter/override amount of residual receipts proposed for loan repayment. |
| Proposed MOHCD Residual Receipts Amount to Residual Ground Lease | 0 | If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt. |

| | |
|---|---------------|
| REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE | 39,269 |
|---|---------------|

| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | |
|---|---------------|---|
| HCD Residual Receipts Amount Due | 29,005 | 50% of residual receipts, multiplied by 59.06% - HCD MHP's pro rata share of all soft debt |
| Lender 4 Residual Receipts Due | 0 | |
| Lender 5 Residual Receipts Due | 10,264 | 50% of residual receipts, multiplied by 20.9%, HCD LPR & Existing Interests pro rata share of |
| Total Non-MOHCD Residual Receipts Debt Service | 39,269 | |

| | |
|--|------------|
| REMAINDER (Should be zero unless there are distributions below) | (0) |
| Owner Distributions/Incentive Management Fee | 0 |
| Other Distributions/Uses | 0 |
| Final Balance (should be zero) | 0 |

EXHIBIT B-3

20-Year Cash Flow Proforma

[This Proforma must include the same line items as the Annual Operating Budget shown in Exhibit B-2.]

San Cristina

Total # Units: 58

Table with columns for Year 1-20 and rows for Residential - Tenant Rents, Residential - Tenant Assistance Payments, Commercial Income, Operating Expenses, Debt Service, and Residual Receipts.

EXHIBIT C
Tenant Income Certification Form

[To be attached.]

TENANT INCOME CERTIFICATION

Initial Certification Recertification Other _____

Effective Date: _____
 Move-In Date: _____
 (MM-DD-YYYY)

PART I - DEVELOPMENT DATA

Property Name: _____ County: _____ TCAC#: _____ BIN#: _____
 Address: _____ If applicable, CDLAC#: _____
 Unit Number: _____ # Bedrooms: _____ Square Footage: _____

PART II. HOUSEHOLD COMPOSITION

Vacant (Check if unit was vacant on December 31 of the Effective Date Year)

| HH Mbr # | Last Name | First Name | Middle Initial | Relationship to Head of Household | Date of Birth (MM/DD/YYYY) | Student Status (Check One) | Last 4 digits of Social Security # |
|----------|-----------|------------|----------------|-----------------------------------|----------------------------|---|------------------------------------|
| 1 | | | | HEAD | | FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/> | |
| 2 | | | | | | FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/> | |
| 3 | | | | | | FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/> | |
| 4 | | | | | | FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/> | |
| 5 | | | | | | FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/> | |
| 6 | | | | | | FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/> | |
| 7 | | | | | | FT <input type="checkbox"/> /PT <input type="checkbox"/> /NA <input type="checkbox"/> | |

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

| HH Mbr # | (A) Employment or Wages | (B) Soc. Security/Pensions | (C) Public Assistance | (D) Other Income |
|---------------|-------------------------|----------------------------|-----------------------|------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTALS | \$ _____ | \$ _____ | \$ _____ | \$ _____ |

Add totals from (A) through (D), above

TOTAL INCOME (E):

\$ _____

PART IV. INCOME FROM ASSETS

| HH Mbr # | (F) Type of Asset | (G) C/I | (H) Cash Value of Asset | (I) Annual Income from Asset |
|----------|-------------------|---------|-------------------------|------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

TOTALS: \$ _____

Enter Column (H) Total
If over \$5000 \$ _____ X

Passbook Rate
0.06%

= (J) Imputed Income

\$ _____

Enter the greater of the total of column I, or J: imputed income

TOTAL INCOME FROM ASSETS (K)

\$ _____

(L) Total Annual Household Income from all Sources [Add (E) + (K)]

\$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature

(Date)

Signature

(Date)

Signature

(Date)

Signature

(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

RECERTIFICATION ONLY:

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1 \$

Unit Meets Federal Income Restriction at:
 60% 50%
 Or Federal A.I.T. at:
 80% 70% 60% 50%
 40% 30% 20%

Current Federal LIHTC Income Limit x 140%:
 \$ _____
 Household Income exceeds 140% at recertification:
 Yes No

Current Federal LIHTC Income Limit per Family Size (Federal Income Restriction at 60%, 50% or A.I.T. (20% - 80%)): \$ _____

If Applicable, Current Federal Bond Income Limit per Family Size: \$ _____
 Household Income as of Move-in: \$ _____

Unit Meets State Deeper Targeting Income Restriction at:
 Other _____%
 Household Size at Move-in: _____

PART VI. RENT

Tenant Paid Monthly Rent: \$ _____
 Monthly Utility Allowance: \$ _____
 Other Monthly Non-optional charges: \$ _____

Federal Rent Assistance: \$ _____ *Source: _____
 Non-Federal Rent Assistance: \$ _____ (*0-8)
Total Monthly Rent Assistance: \$ _____

GROSS MONTHLY RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges) \$

- *Source of Federal Assistance
 1 **HUD Multi-Family Project Based Rental Assistance (PBRA)
 2 Section 8 Moderate Rehabilitation
 3 Public Housing Operating Subsidy
 4 HOME Rental Assistance
 5 HUD Housing Choice Voucher (HCV), tenant-based
 6 HUD Project-Based Voucher (PBV)
 7 USDA Section 521 Rental Assistance Program
 8 Other Federal Rental Assistance
 0 Missing

Maximum Federal LIHTC Rent Limit for this unit: \$ _____

If Applicable, Maximum Federal & State LIHTC Bond Rent Limit for this unit: \$ _____

Unit Meets Federal Rent Restriction at: 60% 50%
 Or Federal A.I.T. at: 80% 70% 60%
 50% 40% 30%
 20%
 If Applicable, Unit Meets Bond Rent Restriction at: 60% 50%
 Unit Meets State Deeper Targeting Rent Restriction at: Other: _____%

** (PBRA) Includes: Section 8 New Construction/Substantial Rehabilitation; Section 8 Loan Management; Section 8 Property Disposition; Section 202 Project Rental Assistance Contracts (PRAC)

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS?
 Yes No

If yes, Enter student explanation* (also attach documentation)

Enter
 1-5

- *Student Explanation:
 1 AFDC / TANF Assistance
 2 Job Training Program
 3 Single Parent/Dependent Child
 4 Married/Joint Return
 5 Former Foster Care

PART VIII. PROGRAM TYPE

Identify the program(s) for which this household's unit will be counted toward the property's occupancy requirements.

Select one of the following.
 9% Allocated Federal Housing Tax Credit
 4% Allocated Federal Housing Tax Credit
 Tax-Exempt Bond Only (No tax credits)

Select all that apply.
 HOME (including TCAP)
 CDBG
 Other HUD, including 202, 811, and 236
 National Housing Trust Fund
 USDA Rural Housing Service, including 514, 515, and 538
 Other state or local housing programs

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proof and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

 SIGNATURE OF OWNER/REPRESENTATIVE

 DATE

PART IX. SUPPLEMENTAL INFORMATION FORM

The California Tax Credit Allocation Committee (CTCAC) requests the following information in order to comply with the Housing and Economic Recovery Act (HERA) of 2008, which requires all Low Income Housing Tax Credit (LIHTC) properties to collect and submit to the U.S. Department of Housing and Urban Development (HUD), certain demographic and economic information on tenants residing in LIHTC financed properties. Although the CTCAC would appreciate receiving this information, you may choose not to furnish it. You will not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please check the box at the bottom of the page and initial.

Enter both Ethnicity and Race codes for each household member (see below for codes).

| TENANT DEMOGRAPHIC PROFILE | | | | | | |
|-----------------------------------|-----------|------------|----------------|------|-----------|----------|
| HH Mbr # | Last Name | First Name | Middle Initial | Race | Ethnicity | Disabled |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |

The Following Race Codes should be used:

- 1 – White – A person having origins in any of the original people of Europe, the Middle East or North Africa.
- 2 – Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as “Haitian” apply to this category.
- 3 – American Indian/Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
- 4 – Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent:
 - 4a – Asian India 4e – Korean
 - 4b – Chinese 4f – Vietnamese
 - 4c – Filipino 4g – Other Asian
 - 4d – Japanese
- 5 – Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands:
 - 5a – Native Hawaiian 5c – Samoan
 - 5b – Guamanian or Chamorro 5d – Other Pacific Islander

- 6 – Other
- 7 – Did not respond. **(Please initial below)**

Note: Multiple racial categories may be indicated as such: 31 – American Indian/Alaska Native & White, 41 – Asian & White, etc.

The Following Ethnicity Codes should be used:

- 1 – Hispanic – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as “Latino” or “Spanish Origin” apply to this category.
- 2 – Not Hispanic – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- 3 – Did not respond. **(Please initial below)**

Disability Status:

- 1 – Yes
 - If any member of the household is disabled according to Fair Housing Act definition for handicap (disability):
 - A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used, please see 24 CFR 100.201, available at <http://fairhousing.com/legal-research/hud-regulations/24-cfr-100201-definitions>.
 - “Handicap” does not include current, illegal use of or addiction to a controlled substance.
 - An individual shall not be considered to have a handicap solely because that individual is a transgender.
- 2 – No
- 3 – Did not respond **(Please initial below)**

Resident/Applicant: I do not wish to furnish information regarding ethnicity, race and other household composition.

(Initials) _____
 (HH#) 1. 2. 3. 4. 5. 6. 7.

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Development Data

Enter the type of tenant certification: Initial Certification (move-in), Recertification (annual recertification), or Other. If other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

| | |
|-----------------------|--|
| Effective Date | Enter the effective date of the certification. For move-in, this should be the move-in date. For annual income recertification's, this effective date should be no later than one year from the effective date of the previous (re)certification. |
| Move-In Date | Enter the most recent date the household tax credit qualified. This could be the move-in date or in an acquisition rehab property, this is not the date the tenant moved into the unit, it is the most recent date the management company income qualified the unit for tax credit purposes. |
| Property Name | Enter the name of the development. |
| County | Enter the county (or equivalent) in which the building is located. |
| TCAC# | Enter the project number assigned to the property by TCAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: CA-2010-123 |
| BIN # | Enter the building number assigned to the building (from IRS Form 8609). |
| Address | Enter the physical address of the building, including street number and name, city, state, and zip code. |
| If applicable, CDLAC# | If project is awarded 4% bonds please enter the project number assigned to the property by CDLAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: 16-436 |
| Unit Number | Enter the unit number. |
| # Bedrooms | Enter the number of bedrooms in the unit. |
| Square Footage | Enter the square footage for the entire unit. |
| Vacant Unit | Check if unit was vacant on December 31 of requesting year. For example, for the collection of 2011 data, this would refer to December 31, 2011. |

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following definitions:

| | | | | | |
|---|-------------------|---|----------------------------|---|---|
| H | Head of Household | S | Spouse | U | Unborn Child/Anticipated Adoption or Foster |
| A | Adult Co-Tenant | O | Other Family Member | | |
| C | Child | F | Foster child(ren)/adult(s) | | |
| L | Live-in Caretaker | N | None of the above | | |

| | |
|--|--|
| Date of Birth | Enter each household member's date of birth. |
| Student Status | Check FT for Full-time student, PT for Part-time student, or N/A if household member is not a student and question does not apply. |
| Last Four Digits of Social Security Number | For each tenant 15 years of age or older, enter the last four digits of the social security number or the last four digits of the alien registration number. If the last four digits of SSN or alien registration is missing, enter 0000. For tenants under age 15, social security number not required, although please enter 0000. |

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List **each** respective household member number from Part II. Include anticipated income only if documentation exists verifying pending employment. If any adult states zero-income, please note “zero” in the columns of Part III.

- Column (A) Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
- Column (B) Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
- Column (C) Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
- Column (D) Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
- Row (E) Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. If individual household member income is provided, list the respective household member number from Part II and complete a separate line for each member.

- Column (F) List the type of asset (i.e., checking account, savings account, etc.)
- Column (G) Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
- Column (H) Enter the cash value of the respective asset.
- Column (I) Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).
- TOTALS Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 0.06% and enter the amount in (J), Imputed Income.

- Row (K) Enter the greater of the total in Column (I) or (J)
- Row (L) Total Annual Household Income From all Sources Add (E) and (K) and enter the total

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

Part V – Determination of Income Eligibility

- Total Annual Household Income from all Sources Enter the number from item (L).
- Current Federal LIHTC Income Limit per Unit Meets Federal Income Restriction at 60%, 50% or A.I.T (20% - 80%) Enter the Current Move-in Income Limit for the household size – specifically, the max income limit for the federal 60%, 50% or A.I.T (20% - 80%) set aside.
- Current Bond Income Limit per Family Size Enter the Current most restrictive Move-in Income Limit for the household size – specifically, the max income limit incorporating both federal and in some instances more restrictive state standards as reflected in the 50% or 60% set aside detailed in the Bond Regulatory Agreement.

| | |
|---|---|
| Household Income at Move-in | For recertifications only. Enter the household income from the move-in certification. |
| Household Size at Move-in | Enter the number of household members from the move-in certification. |
| Current Federal LIHTC Income Limit x 140% | For recertifications only. Multiply the current LIHTC Maximum Move-in Income Limit by 140% and enter the total. 140% is based on the Federal Set-Aside of 20/50 or 40/60, or A.I.T. (20% - 60% = 140% X 60%, 70% = 140% X 70% and 80% = 140% X 80%) as elected by the owner for the property, not deeper targeting elections of 30%, 40%, 45%, 50%, etc. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the LIHTC Income Limit per Family Size at Move-in date (above), then the available unit rule must be followed. |
| Unit Meets Federal Income Restriction at or Federal A.I.T. at | Check the appropriate box for the income restriction that the household meets according to what is required by the federal set-aside(s) for the project. |
| Unit Meets State Deeper Targeting Income Restriction at | If your agency requires an income restriction lower than the federal limit, enter the percent required. |

Part VI - Rent

| | |
|---|--|
| Tenant Paid Monthly Rent | Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8). |
| Federal Rent Assistance | Enter the amount of rent assistance received from a federal program, if any. |
| Non-Federal Rent Assistance | Enter the amount of non-federal rent assistance received, if any. |
| Total Monthly Rent Assistance | Enter the amount of total rent assistance received, if any. |
| Source of Federal Rent Assistance | If federal rent assistance is received, indicate the single program source. |
| Monthly Utility Allowance | Enter the utility allowance. If the owner pays all utilities, enter zero. |
| Other Monthly Non-Optional Charges | Enter the amount of <u>non-optional</u> charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc. |
| Gross Monthly Rent for Unit | Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges. The total may NOT include amounts other than Tenant Paid Rent, Utility Allowances and other non-optional charges. In accordance with the definition of Gross Rent in IRC §42(g)(2)(B), it may not include any rent assistance amount. |
| Maximum LIHTC Rent Limit for this unit | Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent limit for the federal 50%, 60% or A.I.T. (20% - 80%) set aside. This does not include state deeper targeting levels. |
| Maximum LIHTC Bond Rent Limit for this unit | Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent incorporating both federal and in some instances more restrictive state standards as reflected in the 50% or 60% set aside detailed in the Bond Regulatory Agreement. |
| Unit Meets Federal Rent Restriction at or Federal A.I.T. at | Indicate the appropriate rent restriction that the unit meets according to what is <u>required</u> by the federal set-aside(s) for the project. |
| Unit Meets Bond Rent Restriction at | Indicate the appropriate rent restriction that the unit meets according to what is <u>required</u> by the federal and state law for the project. |
| Unit Meets State Deeper Targeting Rent Restriction at | If your agency requires a rent restriction lower than the federal limit, enter the percent required. |

Part VII - Student Status

If all household members are full time* students, check “yes”. Full-time status is determined by the school the student attends. If at least one household member is not a full-time student, check “no.”

If “yes” is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

Part VIII – Program Type

Select the program(s) for which this household’s unit will be counted toward the property’s occupancy requirements. One response from the first column must be selected.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner’s representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

PART IX. SUPPLEMENTAL INFORMATION

Complete this portion of the form at move-in and at recertification’s (only if household composition has changed from the previous year’s certification).

Tenant Demographic Profile

Complete for each member of the household, including minors. Use codes listed on supplemental form for Race, Ethnicity, and Disability Status.

Resident/Applicant Initials

All tenants who wish not to furnish supplemental information should initial this section. Parent/Guardian may complete and initial for minor child(ren).

EXHIBIT D
First Source Hiring Requirements and Numerical Goals

Borrower's use of Funds triggers the following hiring requirements imposed by the City's First Source Hiring Ordinance (San Francisco Administrative Code Chapter 83) as incorporated into MOHCD's Section 3 Plan.

1. Section 3 Requirements.

(a) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (“Section 3”), based on Borrower's receipt of City funds under MOHCD's Section 3 Plan. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing, to the greatest extent feasible.

(b) The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and to post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference and set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions and the qualifications for each, the name and location of the person(s) taking applications for each of the positions and the anticipated date work will begin.

(d) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled: (i) after the contractor is selected but before the contract is executed; and (ii) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

(f) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default and debarment or suspension from future HUD assisted contracts.

2. Recommended Minimum Numerical Goals. Contractors may demonstrate compliance with the “greatest extent feasible” requirement of Section 3 by meeting the numerical goals set forth below for training, employment and contracting opportunities to Section 3 residents and Section 3 business concerns, which represent minimum numerical goals.

(a) Training and Employment of Section 3 Residents (24 CFR § 135.30(b)). Contractors and subcontractors may demonstrate compliance by committing to employ Section 3 residents as thirty percent (30%) of the aggregate number of new hires (full-time employees for permanent, temporary or seasonal employment) and an overall goal of thirty percent (30%) of total work hours for the entire project.

(b) Contracts with Section 3 Business Concerns (24 CFR § 135.30). Contractors and subcontractors may demonstrate compliance with the requirements of this part by committing to award to Section 3 business concerns:

(i) At least ten percent (10%) of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and

(ii) At least three percent (3%) of the total dollar amount of all other Section 3 covered contracts.

EXHIBIT E
Governmental Requirements

1. Prevailing Wages and Working Conditions. Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Administrative Code Section 6.1. Every contract for the rehabilitation or construction of housing assisted with Funds must contain a provision requiring: (1) payment of not less than the wages prevailing in the locality, as preterminted by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. §§ 276a-276a-5), supplemented by Dept. of Labor regulations (29 CFR part 5), to all laborers and mechanics employed in the development of any part of the housing, and (2) contracts involving their employment will be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-332) as supplemented by Dept. of Labor regulations (29 CFR part 5), (collectively, “Prevailing Wage Requirements”). The Prevailing Wage Requirements of this Section apply to all laborers and mechanics employed in the development of the Project, including portions other than the assisted Units. Borrower agrees to cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements. If applicable, Borrower must include, and require its Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Chapter 6.

2. Environmental Review. The Project must meet the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. § 4321), related authorities listed at 24 CFR Section 51.100 and parts 50 and 58 and the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*) and implementing regulations.

3. Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no employee, agent, consultant, officer or official of Borrower or the City who exercises or has exercised any function or responsibilities with respect to activities assisted by Funds, in whole or in part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this Section, Borrower must incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this Section. Borrower will be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of 24 CFR § 84.42, Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the San Francisco Campaign and Governmental Conduct Code, and Sections 1090 through 1097 and 87100 *et seq.* of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify the City immediately if Borrower at any time obtains knowledge of facts constituting a violation.

(c) In the event of any violation of the conflict of interest prohibitions, Borrower agrees that the City may refuse to consider any future application for funding from Borrower or any entity related to Borrower until the violation has been corrected to the City's satisfaction, in the City's sole discretion.

4. Disability Access. Borrower must comply with all applicable disability access Laws, including the Americans With Disabilities Act (42 U.S.C. §§ 1201 *et seq.*), Section 504 of the Rehabilitation Act (29 U.S.C. § 794) and the Fair Housing Amendments Act (42 U.S.C. §§ 3601 *et seq.*). Borrower is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of Funds. In addition, before occupancy of the Project, Borrower must provide to the City a written reasonable accommodations policy that indicates how Borrower will respond to requests by disabled individuals for accommodations in Units and common areas of the Project.

5. Lead-Based Paint. Borrower must satisfy the requirements of Chapter 36 of the San Francisco Building Code (“Work Practices for Exterior Lead-Based Paint”) and the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq.*) and implementing regulations at 24 CFR part 35. Borrower must also comply with the

provisions contained in 17 CCR 350000 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

6. Relocation. Borrower must meet any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq.*) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code in addition to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. §§ 4601 *et seq.*) and implementing regulations at 49 CFR part 24 and similar Laws.

7. Low-Income Hiring Requirements. The use of Funds triggers compliance with certain hiring requirements imposed by the City's First Source Hiring Ordinance (S.F. Admin. Code Chapter 83), as incorporated into MOHCD's Section 3 Plan. To ensure compliance with those requirements, Borrower must include the provisions attached as **Exhibit D** in its contract with the general contractor for the Project. Borrower will be responsible to the City for ensuring compliance with the requirements listed on **Exhibit D**.

8. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Borrower Shall Not Discriminate. In the performance of this Agreement, Borrower agrees not to discriminate against any employee, City and County employee working with Borrower or any subcontractor, applicant for employment with Borrower or any subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by Borrower on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subcontracts. Borrower shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code. Borrower's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) Non-Discrimination in Benefits. Borrower does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law

authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) Condition to Contract. As a condition to this Agreement, Borrower shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (Form CMD-12B-101) with supporting documentation and secure the approval of the executed form by the San Francisco Contract Monitoring Division.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B (“Nondiscrimination in Contracts”) and 12C (“Nondiscrimination in Property Contracts”) of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Borrower shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Borrower understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Borrower and/or deducted from any payments due Borrower.

9. MacBride Principles. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Borrower acknowledges and agrees that he or she has read and understood this Section.

10. Tropical Hardwood & Virgin Redwood Ban. Pursuant to § 804(b) of the San Francisco Environment Code, City urges all grantees and borrowers not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

11. Preservative-Treated Wood Containing Arsenic. Borrower may not purchase preservative-treated wood products containing arsenic until the Deeds of Trust have been fully reconveyed unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of Environment under Section 1304 of the Code. The term “preservative-treated wood containing arsenic” shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Borrower may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and

adopted by the Department of the Environment. This provision does not preclude Borrower from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

12. Submitting False Claims; Monetary Penalties. Any borrower, grantee, contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A borrower, grantee, contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the borrower, grantee, contractor, subcontractor or consultant:

- (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval;
- (b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim paid or approved by the City;
- (c) conspires to defraud the City by getting a false claim allowed or paid by the City;
- (d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or
- (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

13. Sunshine Ordinance.

(a) Borrower acknowledges and agrees that this Agreement and the Application Documents are subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals (RFPs) and all other records of communications between City and persons or entities seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by Borrower that is covered by such Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request. Further, Borrower specifically agrees that any meeting of the governing body of its general partner/manager that addresses any matter relating to the Project or to Borrower's performance under this Agreement will be conducted as a passive meeting.]

(b) By executing this Agreement, Borrower agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code to the extent applicable. By executing this Agreement, Borrower agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the San Francisco Administrative Code. Borrower further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Borrower acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. Borrower further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

(c) In accordance with the Citizen's Right to Know Act of 1998 (S. F. Admin. Code Chapter 79), no officer, department, board or commission of the City may approve a City Project, as defined in Chapter 79, unless a sign has been posted on the applicable property at least fifteen (15) days before approval. A City Project is a project that involves new construction, a change in use or a significant expansion of an existing use where the City funding for the project is \$50,000 or more. If the Loan will be used for a City Project, this Agreement will not become effective until fifteen (15) days following the posting of the requisite sign, or, in the alternative, thirty (30) days following the delivery of written notices to residents and owners within 300 feet of the Site, and the City will have the right to nullify or revoke this Agreement without cost or liability of any sort whatsoever at any time before that date. If Borrower believes that this Agreement relates to a City Project and that the requisite sign has not been posted, Borrower must notify the City so that the City may determine the applicability of Chapter 79, and, if necessary, post the requisite sign.

14. Prohibition on Use of Public Funds for Political Activities. Borrower shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Borrower is subject to the enforcement and penalty provisions in Chapter 12G.

15. Nondisclosure of Private Information. Borrower has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12.M.2, "Nondisclosure of Private Information", and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Borrower agrees that any failure of Borrower to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Agreement, bring a false claim action against Borrower pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar Borrower.

16. Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the

community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

(a) Borrower shall remove all graffiti from any real property owned or leased by Borrower in the City and County of San Francisco within forty eight (48) hours of the earlier of Borrower's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Borrower to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

(b) Any failure of Borrower to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

17. Resource-Efficient Building Ordinance. Borrower acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Chapter 7 relating to resource-efficient City buildings and resource-efficient pilot projects. Borrower hereby agrees it shall comply with the applicable provisions of such code sections as such sections may apply to the Property.

18. Consideration of Criminal History in Hiring and Employment Decisions.

(a) Borrower agrees to comply fully with and be bound by all of the provisions of Chapter 12T "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Borrower's obligations under Chapter 12T is set forth in this Section. Borrower is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not

defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

(b) The requirements of Chapter 12T shall only apply to a Borrower's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, shall apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

(c) Borrower shall incorporate by reference in all subcontracts the provisions of Chapter 12T, and shall require all subcontractors to comply with such provisions. Borrower's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(d) Borrower or Subcontractor shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(e) Borrower or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 16.16(d), above. Borrower or Subcontractor shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(f) Borrower or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Borrower or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(g) Borrower and Subcontractors shall post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under the Borrower or Subcontractor's control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

(h) Borrower understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or

other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

19. Food Service Waste Reduction Requirements. Borrower agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Borrower agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Borrower agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Borrower's failure to comply with this provision.

20. Bottled Drinking Water. Unless exempt, Borrower agrees to comply fully with and be bound by all of the provisions of the San Francisco Bottled Water Ordinance, as set forth in San Francisco Environment Code Chapter 24, including the administrative fines, remedies, and implementing regulations provided therein, as the same may be amended from time to time. The provisions of Chapter 24 are incorporated herein by reference and made a part of this Agreement as though fully set forth.

21. Contractor Vaccination Policy. Borrower shall comply with the requirements of the 38th Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency ("Emergency Declaration"), dated February 25, 2020, and the Contractor Vaccination Policy for City Contractors issued by the City Administrator ("Contractor Vaccination Policy"), as those documents may be amended from time to time. The requirements stated in the Emergency Declaration and Contractor Vaccination Policy are material terms and conditions of this Agreement, which include but are not limited to, the following:

(a) Borrower shall identify its Covered Employees who are or will be performing Work or Services under this Agreement, and shall inform them of the COVID-19 vaccination requirements stated in the City's Contractor Vaccination Policy and the Emergency Declaration.

(b) Borrower shall maintain a list of its Covered Employees by name and position, which list shall not include the employees' vaccination status. Borrower shall update the list as needed to show all current Covered Employees, and Borrower shall provide that list to the City on request.

(c) Borrower shall be responsible for determining the vaccination status of any Covered Employees working for their subcontractors under this Agreement.

Borrower shall ensure that its covered subcontractors submit required information to the Borrower respecting their compliance with the Contractor Vaccination Policy.

(d) Borrower previously submitted to the City the Attestation Form confirming its compliance with the Contractor Vaccination Policy, including Attachment A thereto respecting any medical or religious vaccination exemptions granted to their Covered Employees. Borrower will submit an updated Attachment A if Borrower assigns a new Covered Employee to work on the contract who is eligible for an exemption under the Vaccination Policy.

(e) Borrower shall coordinate with the City to confirm that the City can safely accommodate at its worksite any Covered Employee for whom the Borrower has granted a medical or religious vaccination exemption, which may include ensuring that exempt employees who are accommodated comply with any required health and safety protocols.

EXHIBIT F

Lobbying/Debarment Certification Form

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This lobbying certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for such failure.

3. Neither the undersigned nor its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. The undersigned will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities and will obtain the certification of each contractor or subcontractor whose bid is accepted that such contractor or subcontractor is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities.

San Cristina, L.P.

BY: 

NAME: Rick Aubrey

TITLE: CEO

DATE: 8/10/22

EXHIBIT G
Form of Annual Monitoring Report

[To be attached]

Mayor's Office of Housing and Community Development
City and County of San Francisco



London N. Breed
Mayor

Eric D. Shaw
Director

October 21, 2020

Notice of Availability of 2020 Annual Monitoring Report Form
(plus reminders of Marketing Procedure and Serious Incident Protocol)

The Mayor's Office of Housing and Community Development (MOHCD) is pleased to announce the availability of the Annual Monitoring Report (AMR) forms for Reporting Year 2020 (RY2020). The forms are now available to be downloaded from the [Asset Management page](#) of the MOHCD web site. In addition, training videos on how to complete the AMR are available. See below for more information.

IMPORTANT INFORMATION RELATED TO COVID-19

MOHCD recognizes the impact that the COVID-19 crisis is having on the organizations that we support, especially those providing essential services. It is vitally important to take measures to protect your staff, residents and clients from contracting and spreading COVID-19. We urge all affordable housing owners and managers to follow the guidelines, recommendations and orders from the U.S. [Centers for Disease Control](#), the [State of California](#) and the San Francisco [Department of Public Health](#). MOHCD is also taking action to address the needs of the projects under our purview:

- MOHCD [published a memo](#) clarifying MOHCD's current Operating Reserves requirements.
- MOHCD extended the 2020 AMR due date by one month (see below for detailed info) for projects whose business year ran from 7/1/2019 to 6/30/2020.

MOHCD is allowing project sponsors to retain a larger share of 2020 surplus cash/residual receipts than is allowed under their financing agreements with MOHCD. For more information, read the notice regarding the [COVID-19 Allowance](#). This opportunity is limited to projects whose business year ran from 7/1/2019 to 6/30/2020. The COVID-19 Allowance may not be available to some projects that are subject to MOHCD financing, regulatory or ground lease agreements that include limits on distributions of surplus cash/residual receipts. To benefit from the Allowance, owners of such projects will have to request amendments to those agreements that would remove such limits. For more information, read the ["Notice Regarding Option to Remove Caps on Distributions of Residual Receipts."](#)

If this crisis is preventing you from responding thoroughly and quickly to any request from MOHCD, please do whatever you can to let us know of your limitations and to propose alternatives. Thank you for everything that you are doing on behalf of the people your organization serves and for all of the people of San Francisco.

Deadline: For projects whose business year ended June 30, 2020, the report will be due on January 8, 2021, for the period 7/1/2019-6/30/2020, unless noted otherwise in a project-specific notice sent by MOHCD. For any projects whose 2020 business year ended or will end on different dates than those above, the report will be due 5 months from the last date of that business year.

Completion and Submission Instructions

The Annual Monitoring Report consists of the following four parts:

I. AMR_RY2020 – project name.xlsx – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

| | |
|-----------------------------|---|
| Instructions | 3C. Demographic Summary |
| 1A. Property & Residents | 4. Narrative |
| 1B. Transitional Programs | 5. Project Financing |
| 1C. Eviction Data | 6. Services Funding |
| 2. Fiscal Activity | 7. Supplementary Audit Information Required by MOHCD |
| 3A. Occupancy & Rent Info | ➤ Completeness Tracker |
| 3B. Demographic Information | |

Provide all applicable information that is requested in worksheets 1-7. Use the Instructions to help you complete each form and the Completeness Tracker to help you to determine when each worksheet is complete.

Use Question #1 on the Narrative worksheet to explain any data that you provide that may be unclear or better understood with additional information. In addition, certain questions in this report prompt you to supply an explanation for your answers on the Narrative worksheet. *Failure to supply the required explanation will render your submission incomplete.*

Submit this report as an Excel file only; do not convert it to pdf or another file type. Changing the format of AMR_RY2020.xlsx without MOHCD's prior approval is not allowed. Do not overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to moh.amr@sfgov.org.

II. Owner Compliance Certification Form and Documentation of Insurance

The certification form is a Microsoft Word document that must be completed, signed and dated by the Executive Director (or other authorized officer) of the entity that owns the project. Scan the form along with documentation of insurance and email it to MOHCD as a single document. For each project, you must provide certificates of liability insurance *and* property insurance that are *current as of the date of submittal of the AMR*.

III. Audited Financial Statements

Provide financial statements for the project for Reporting Year 2020. They must be prepared by a certified public accountant in accordance with generally accepted accounting principles, applicable regulations and laws and with the City's "[Audit Requirements for MOHCD-Funded Projects](#)" a copy of which is posted on [MOHCD's Asset Management web page](#). If the project is owned by a single asset entity, provide separate financial statements just for the project, otherwise provide audited statements for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statements.

MOHCD's audit requirements call for the preparation of a supplemental section to the financial statements that includes the following:

- schedule of operating revenues
- schedule of operating expenses
- computation of cash flow/surplus cash
- summary of project reserve activity

The supplemental section may be prepared by using worksheet #7 of the AMR or a form generated by the accounting system of the project owner or the auditor.

IMPORTANT: Audited financial statements are a required submittal of the Annual Monitoring Report. Do not submit the AMR until the audit has been finalized. AMRs that are submitted without an audit or with a draft audit will not be accepted.

IV. Waiting List

Submit a copy of the project's waiting list that is current as of the date of submittal. The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit:

- name of head-of-household
- contact information
- date of application
- number of people in the household

- stated household income
- desired unit size

This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

Completed AMRs must be submitted electronically, via *one email message per project* to moh.amr@sfgov.org. If the documents that comprise the report are too large to attach to a single email, compress the files into a zip file and attach it to the email.

AMR Training – On-Demand Videos

To facilitate completion of the AMR by project sponsors, MOHCD has created training videos that provide step-by-step instructions on how to complete the Excel reporting form and how to submit the report overall. There are ten video modules that vary in length from two to 30 minutes and may be viewed on-demand from the [Asset Management page](#) of the MOHCD web site. We strongly encourage all persons who are involved in preparing the AMR to watch the videos. If you experience any technical difficulties with accessing and viewing the videos, please contact Ricky Lam at ricky.lam@sfgov.org or 415-701-5542.

Marketing Procedure for Available Units and Waiting List Openings

Before advertising the availability of units for lease in a project or the opening of the waiting list, owners and property managers *must* notify MOHCD of this action by completing a [Marketing Plan Template](#) and submitting it to the assigned staff person on MOHCD's asset management and compliance monitoring team. The template is available on the [Asset Management page](#) of our web site, under "Marketing Requirements for MOHCD-Financed Multifamily Rental Projects." Once the marketing plan is approved, MOHCD will post information about the available units or opening of the waiting list on [DAHLIA](#) – the City's internet portal where members of the public may get information and apply for affordable housing. General information for people seeking affordable housing in San Francisco can also be found on our web site at [this location](#).

Serious Incident Protocol

To ensure that MOHCD is kept informed of serious incidents that occur at projects financed by this office, we have established the following protocol for reporting serious, negative events such as accidents, criminal activity or equipment failure. The report should be filed only after emergency procedures have been followed and the situation has been stabilized.

MOHCD requests that owners of projects financed by this office notify us in writing if a serious incident occurs at their properties and meets one or more of the following parameters:

- Involves serious injury or death
- Is a serious, violent crime that involves a major police action (e.g. shooting)
- Causes the building or a significant number of units to be off-line
- Requires a resident to move out of a unit one month or longer
- Damage to the building is significant enough to require the use of reserves

The owner should notify the MOHCD asset manager assigned to the project and provide the following information:

- The date of the incident
- A description of the incident
- A description of what has been and is being done in response
- The name, phone and email of the staff that should be contacted if there are questions
- Confirmation that 1) the property insurance is current and 2) the insurance company has been contacted; a brief summary of their response, if available
- Statement of whether or not the organization plans to use the project's reserves to pay for corrective action

Asset Management Team

MOHCD 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103

<http://sfmohcd.org> P. 415-701-5500 F. 415-701-5501

**Owner Compliance Certification and Insurance & Tax Certification Form
2020 Annual Monitoring Report
San Francisco Mayor’s Office of Housing and Community Development**

***** This form must be completed by Project Owner or authorized agent. *****

Complete this form, sign and date it, scan it along with current liability and property insurance certificates into a single PDF file, then email the file along with AMR_RY2020 – project name.xlsx, audited financial statements, and current waiting list to moh.amr@sfgov.org.

Project Name: _____

Project Street Address: _____

Reporting Period – Start Date: _____ End Date: _____

Owner Compliance Certification

The undersigned owner, having received housing development funds pursuant to a housing development program funding agreement/s entered into with the City and County of San Francisco (“CCSF”) for the purpose of purchasing, constructing and/or improving low-income housing, does hereby certify as follows:

*Initial all statements below, and supply data to make the statement complete where needed (look for underlined blanks; e.g.: ____). **For any statements that are not true or require additional clarification, you must supply a detailed explanation on the Annual Monitoring Report Narrative Worksheet.** The failure to provide a conforming response to all statements below will render incomplete the entire Annual Monitoring Report (“AMR”) submission for this project, which may result in a default condition under the funding agreement/s, and also subject the owner to scoring penalties in future efforts to obtain funding from MOHCD for this project and any other project.*

| | True | False | |
|---|------|-------|--|
| 1 | | | The CCSF Mayor’s Office of Housing and Community Development (“MOHCD”) has been alerted by the owner prior to any actions taken by the owner that affect the value of the property associated with this project, including but not limited to the establishment of any liens or encumbrances on the property; and, where required, the owner has obtained written authorization from MOHCD prior to taking any such actions. |
| 2 | | | The undersigned is not in default of the terms of any Agreements with CCSF for this project, nor has it been in default on any other loans, contracts or obligations on this property during the reporting period. |
| 3 | | | The undersigned has not been the subject of any actions relating to any other loans, contracts or obligations on this property which might have a material adverse financial impact on the property. |
| 4 | | | The owner has not lost or failed to renew funding for supportive services for the project during the reporting period and has made available (or caused to be made available through another party) all supportive services that are required by existing, applicable funding and regulatory agreements. |
| 5 | | | The owner has not lost or failed to renew funding for operating subsidy/ies for the project during the reporting period. |
| 6 | | | For any existing operating subsidies supporting the project, during the reporting period, the owner submitted a request for the maximum increase possible. |
| 7 | | | The owner has paid all taxes due for the reporting period and prior reporting periods. |
| 8 | | | The undersigned has marketed the units in the manner set forth in the marketing and resident selection provisions of the funding agreement/s entered into with CCSF. |

**Owner Compliance Certification and Insurance & Tax Certification Form
2020 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

| | True | False | |
|----|------|-------|--|
| 9 | | | The project has met affordability and other leasing provisions set forth in the funding agreement/s entered into with CCSF during the entire reporting period. As of the end date of the reporting period, _____ units (<i>supply exact number</i>) were occupied or held vacant and available for rental by low-income tenants meeting the income qualifications pursuant to the funding agreement/s entered into with CCSF. |
| 10 | | | The undersigned has obtained a tenant income certification and/or third party documentation to support that certification from each tenant household occupying a unit restricted to occupancy by income-qualified tenants. All income certifications are maintained onsite with respect to each qualified tenant who resides in a unit or resided therein during the immediately preceding business year. |
| 11 | | | The total charges for rent and a utility allowance to each income-qualified tenant in a restricted unit do not exceed the maximum rent specified in the funding agreement/s entered into with CCSF as adjusted by the most recent HUD income and rent figures, which have been taken from the figures that are supplied by MOHCD on its website. |
| 12 | | | All withdrawals from the replacement and operating reserve accounts have been made in accordance with the MOHCD funding agreement/s, unless approved in writing by MOHCD. |
| 13 | | | Security deposits required of tenants of the project are in accordance with applicable laws and the funding agreement/s entered into with CCSF. |
| 14 | | | The undersigned has obtained and will maintain insurance policies in accordance with requirements of the funding agreement/s entered into with CCSF as may be reasonably updated from time to time, and has supplied with this AMR certificates of insurance that are current through the end of the reporting period. |
| 15 | | | The undersigned has maintained the units and common areas in a decent, safe and sanitary manner in accordance with all local health, building, and housing codes and in accordance with the HUD Housing Quality Standards. |
| 16 | | | The data submitted in Section 1A – Property & Residents of the Annual Monitoring Report regarding any violation/s of any health, building, or housing codes is complete and accurate; all required copies of violations/citations that were not resolved by the end of the reporting periods are also included with this AMR submission. |
| 17 | | | The undersigned has made best efforts to: (a) keep the units in good repair and available for occupancy; (b) keep the Project fully rented and occupied; and (c) maximize rental revenue at the Project by increasing tenant rents, and if applicable, contract rents and commercial rents, the maximum amount permitted under all current regulatory agreements, contracts, regulations and leases, without causing undue rent burden on residential tenants. |
| 18 | | | All questions in the Annual Monitoring Report submitted for this reporting period have been answered fully and truthfully; answers have been supplied for all of questions requiring detailed responses on the Annual Monitoring Narrative Worksheet and any related documents have been submitted as attachments. |
| 19 | | | The project has received additional equity proceeds in the amount of \$_____ (<i>supply amount</i>) from low-income housing tax credit investors during the reporting period. |
| 20 | | | Accurate information has been provided in Worksheet 2 - Fiscal Activity about any Federal Program Income earned by this project during the reporting period. |
| 21 | | | Any amounts charged as Asset Management Fees are reflected accurately under Income & Expenses in Worksheet 2 - Fiscal Activity of the Annual Monitoring Report, and all such amounts have been used exclusively toward asset management of this |

**Owner Compliance Certification and Insurance & Tax Certification Form
2020 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development**

| | True | False | |
|----|------|-------|---|
| | | | project. Asset Management Fees taken beyond pre-approved levels have been documented as required in response to question 7 in Section 4 - Narrative. |
| 22 | | | The calculation of cash flow in Worksheet 2 - Fiscal Activity accurately reflects all expenses incurred and income earned, and the proposed distribution of any Residual Receipts would be in accordance with all relevant agreements and policies. |
| 23 | | | The Waiting List that has been submitted with the 2020 Annual Monitoring Report is an accurate and correct record as of the last day of the reporting period of the households who have applied to live at the Project, including the name of the head-of-household (or a suitable alternative), date of application, number of people in the household, stated household income and desired unit size. |

Property and Liability Insurance

Enter the information requested below, and attach a current copy (each) of the Property and Liability Insurance Certificates. SCAN the documents and send them as an attachment along with the complete AMR to MOHCD via e-mail to: moh.amr@sfgov.org.

| | | |
|---------------------|--------------------------|--|
| Property Insurance | | |
| | Property Street Address: | |
| | Policy Number: | |
| | Policy Effective Date: | |
| | Policy Expiration Date: | |
| Liability Insurance | | |
| | Property Street Address: | |
| | Policy Number: | |
| | Policy Effective Date: | |
| | Policy Expiration Date: | |

Tax Certification

Enter the information requested below. You do **NOT** need to submit copies of the invoice or checks used to pay the tax.

| | | |
|--------------|--|--|
| Property Tax | | |
| | Tax Year: | |
| | Amount of Tax Paid: | |
| | Date Paid: | |
| | Amount outstanding from taxes due for Reporting Period: | |
| | Amount outstanding from taxes due prior to Reporting Period: | |

***** This form must be completed by Project Owner or authorized agent. *****

The undersigned, acting under authority of the ownership of this project, executes this Certification, subject to the pains and penalties of perjury, and certifies that the foregoing is true and correct in all respects.

Signature: _____ Date: _____

Name: _____ Title: _____

Annual Monitoring Report - Instructions - Reporting Year 2020 - Mayor's Office of Housing & Community Development

The instructions and definitions below are organized by the worksheets contained within this Annual Monitoring Report. Please review the instructions below and within each worksheet thoroughly as instructions may have changed.

Updated 12/21/2020

1A. Property & Residents

Please follow the instructions provided on the worksheet.

1B. Transitional Programs Only

Use this worksheet to report the activity only of a transitional housing program, including program capacity, number of people served, length of stay and destination upon exit. Please follow the instructions provided on the worksheet.

1C. Eviction Data

MOHCD is required to collect this data by San Francisco Administrative Code Sections 20.500-20.508. Please follow the instructions provided on the worksheet.

2. Fiscal Activity

Income and Expenses

The purpose of the Income and Expenses form is to track actual income and expenses over the reporting period. In addition to the instructions below, please follow instructions provided on the worksheet.

INSTRUCTIONS:

Column B - "Description of Income Accounts" and "Description of Expense Accounts". A complete description of the Income Accounts and Expense Accounts are provided below. Refer to the descriptions when completing the Fiscal Activity Worksheet. The Chart of Accounts uses account categories prescribed by generally accepted accounting principles and closely follows accounts prescribed by HUD, the State of California's Housing and Community Development Department, and the City's Quarterly Program Income Worksheet.

Column D - "Account Number". Each number represents an account in the Chart of Accounts, see below for more info.

Column F - "Residential". This column is for the essential recurring income and expenses related to the operation of a rental housing property, group home, project serving special needs populations or a transitional housing program.

Column H - "Non-Residential". This column is used to report income and expenses related to commercial space or other non-residential space in a project.

Income

Rental Income

5120 Housing Units Gross Potential Tenant Rents. This account records gross rent payable by the tenant for all residential units. Offsetting debits to this account are Account 6331, Administrative Rent Free Unit.

5121 Rental Assistance Payments. This account records rental assistance payments received or earned by the project through the LOSP, HUD Section 8 program (project-based or tenant-based assistance), HUD Section 202/811 programs, Shelter Plus Care program, HOPWA program, Rent Supplement, HOME Tenant-Based Assistance and VASH.

5140 Commercial Unit Rents. This account records gross rental income from stores, offices, rented basement space, furniture and equipment or other commercial facilities provided by the property.

Vacancy Loss

5220 Rent Income - Residential Units Vacancy Loss. ENTER AS NEGATIVE NUMBER. This account records total loss of residential rental income due to vacant residential units.

5240 Rent Income - Commercial Units Vacancy Loss. ENTER AS NEGATIVE NUMBER. This account records total loss of commercial rental income due to vacant commercial units.

Other Income

5170 Garage and Parking Spaces. This account records the gross rental income from all garage and parking spaces.

5190 Miscellaneous Rent Income. This account records gross rental income expectancy not otherwise described above.

5300 Supportive Services Income. Accounts in this series are used primarily by group home projects or other projects restricted to a special needs population (e.g., group home for mentally disabled or senior apartments). These accounts record revenues received or payable (other than rents) for services provided to tenants (e.g., meal services, housekeeping, etc.). Supportive service-related expenses are charged to accounts in the 6900 series. Enter the total of all revenues received or payable, and identify the source(s) of the income in cell D39.

5400 Interest Income - Project Operations. This account records interest income received or accrued on the Project Operating Account/s; DO NOT RECORD interest earned on the Replacement Reserve or Operating Reserve here.

5910 Laundry and Vending. This account records project revenues received from laundry and vending machines owned or leased by the project.

5920 Tenant Charges. This account records charges collected from tenants for damages to apartment units and for fees paid by tenants for cleaning of an apartment unit (other than regular housekeeping services), any security deposits forfeited by tenants moving out of the project and charges assessed to tenants for rent checks returned for insufficient funds and for late payment of rents.

5990 Other Revenue. This account records project revenue not otherwise described in the above revenue accounts.

Expenses

Management

6320 Management Fee. This account records the cost of management agent services contracted by the project. This account does not include charges for bookkeeping or accounting services paid directly by the project to either the management agent or another third party.

Salaries/Benefits

6310 Office Salaries. This account records salaries paid to office employees whether the employees work on site or not. Front-line responsibilities include for example, taking applications, verifying income and processing maintenance requests. The account does not include salaries paid to occupancy, maintenance and regional supervisors who carry out the agent's responsibility for overseeing or supervising project operations and personnel. These salaries are paid from the management fee. This account also does not include the project's share of payroll taxes (Account 6711) or other employee benefits paid by the project.

6330 Manager's Salary. This account records the salary paid to property managers. It does not include the project's share of payroll taxes or other employee benefits or compensation provided to residents managers in lieu of residents managers' salary payments.

6723 Employee Benefits: Health Insurance & Disability Insurance. This account records the cost of employee benefits paid and charged to the project for health insurance and disability insurance.

XXXX Employee Benefits: Retirement & Other Salary/Benefit Expenses. This account records the cost of employee benefits paid and charged to the project for retirement and any other employee salary/benefits.

6331 Administrative Rent Free Unit. This account records the contract rent of any rent free unit provided to a resident manager which would otherwise be considered revenue producing.

Administration

6210 Advertising and Marketing. This account records the cost of advertising the rental property.

6311 Office Expenses. This account records office expense items such as supplies, postage, stationery, telephone and copying.

6312 Office Rent. This account records the rental value of an apartment, otherwise considered potentially rent-producing, but used as the project office or as a model apartment. The account is normally debited by journal entry.

6340 Legal Expense - Property. This account records legal fees or services incurred on behalf of the project (as distinguished from the borrower/grantee entity). For example, agents charge legal fees for eviction procedures to this account.

6350 Audit Expense. This account records the auditing expenses incurred by the project that are directly related to requirements for audited financial statements and reports. This account does not include the auditor's charge for preparing the borrower/grantee's Federal, State and local tax returns. This account does not include the cost of routine maintenance or review of the project's books and records.

6351 Bookkeeping Fees/Accounting Services. This account records the cost of bookkeeping fees or automated accounting services not included in the management fee but paid to either the agent or a third party.

6370 Bad Debts. This account records by journal entry the amount of tenant accounts receivable that the agent estimates uncollectible at the end of the accounting period.

6390 Miscellaneous Administrative Expenses. This account records administrative expenses not otherwise classified in the 6300 Series. If the project had miscellaneous administrative expenses greater than \$10,000, a detailed itemization of these expenses must be provided in the Narrative worksheet.

Utilities

6450 Electricity

6451 Water

6452 Gas

6453 Sewer

Taxes and Licenses

6710 Real Estate Taxes. This account records payments made for real estate taxes of the project.

6711 Payroll Taxes (Project's Share). This account records the project's share of FICA and State and Federal Unemployment taxes.

6790 Miscellaneous Taxes, Licenses and Permits. This account records any taxes, licenses, permit fees or costs of insurance assessed to the property and not otherwise categorized in the 6700 Series.

Insurance

6720 Property and Liability Insurance. This account records the cost of project property and commercial general/auto liability insurance.

6721 Fidelity Bond Insurance. This account records the cost of insuring project employees who handle cash.

6722 Workers' Compensation. This account records the cost of workers' compensation insurance for project employees.

6724 Directors and Officers Liabilities Insurance. This account records the cost of insurance to cover financial protection for the directors and officers of the ownership entity in the event they are sued in conjunction with the performance of their duties as they relate to the property.

Maintenance and Repairs

6510 Payroll. This account records the salaries of project employees whose perform services including but not limited to janitorial/cleaning, exterminating, grounds, repairs, elevator maintenance and decorating. This account does not include the property's share of payroll taxes (FICA and Unemployment) or other employee benefits paid by the property.

6515 Supplies. This account records all cost of supplies charged to the property for janitorial cleaning, exterminating, grounds, repairs and decorating.

6520 Contracts. This account records the cost of contracts the owner or agent executes with third parties on behalf of the property for janitorial/cleaning, exterminating, grounds, repairs, elevator maintenance and decorating.

6525 Garbage and Trash Removal. This account records the cost of removing garbage and rubbish from the project. The account does not include salaries paid to janitors who collect the trash.

6530 Security Payroll/Contract. This account records the project's payroll costs attributable to the protection of the project or the costs of a protection contract that the owner or agent executes on behalf of the project.

6546 HVAC Repairs and Maintenance. This account records the cost of repairing and maintaining heating or air conditioning equipment owned by the project. Agents should capitalize repairs of significant amounts which extend the useful life of the equipment.

6570 Vehicle and Maintenance Equipment Operation and Repairs. This account records the cost of operating and repairing project motor vehicles and maintenance equipment. Motor vehicle insurance is not included in this account but is charged to account 6720.

6590 Miscellaneous Operating and Maintenance Expenses. This account records the cost of maintenance and repairs not otherwise classified in the 6400 and 6500 account Series. If the project had miscellaneous operating and maintenance expenses greater than \$10,000, a detailed itemization of these expenses must be provided in the Narrative worksheet.

Supportive Services

6900 Supportive Service Expenses. Accounts in this series are used primarily by group home projects and other projects restricted to a special needs population. The accounts record expenses directly related to special services provided to the tenants (e.g., food, housekeeping, case managers, social activity coordinator, etc.).

Reserve Account Activity

1320 Replacement Reserve Required Annual Deposits. This account records the required amount of deposits made to a segregated Replacement Reserve bank account from the project's Operating Account during the reporting period. See below for more guidance about data entry required for replacement reserve eligible expenditures.

1365 Operating Reserve Deposits. This account records amount of deposits made to a segregated Operating Reserve bank account from the project's Operating Account during the report period.

XXXX Operating Reserve Account Withdrawals. Enter the total amount of withdrawals made from the Operating Reserve, which will be deposited into the project's Operating Account during the reporting period.

1330 Other Reserve Accounts - Deposits. This account records amount of deposits made to segregated reserve bank accounts not identified above during the report period. Deposits are assumed to have been funded by the project's operating account and will decrease the surplus cash amount in row 136. You should provide the name of the account in cell D132.

XXXX Other Reserve Accounts - Withdrawals. This line is used to record the amount of withdrawals made from other segregated reserve bank accounts during the reporting period. Withdrawals entered are assumed to have been deposited into the project's operating account and will increase the surplus cash amount in row 136. You should provide the name of the account in cell D133.

3A. Occupancy & Rent Info

Accurate and complete household and tenancy data must be submitted on the Occupancy & Rent Info worksheet as evidence that the project complies with the income eligibility and rent affordability restrictions of MOHCD's funding agreements. Enter the data described below into the chart in Section 3A - Occupancy & Rent Info for the tenant population that occupied the project as of the end of the reporting period.

- **NEW:** for each VACANT unit, in column D, enter the unit number, follow by "- Vac". For example, if Unit 201 was vacant, in column D, enter "201 - Vac."
- Identify manager's unit with the unit number, follow by "- Mgr". For example, if the manager occupies Unit 501, in column D, enter "501 - Mgr."
- For vacant units and manager's units, you must supply data in columns D, E, P, R and T. All other columns should be left blank.

| COLUMN | DESCRIPTION |
|--------|-------------|
|--------|-------------|

| | |
|----|--|
| C. | Row Number. Do not enter data in this column. |
|----|--|

| | |
|----|--|
| D. | Unit No. Enter the unit number (or bed number for transitional or group housing) for each unit/bed in the property. |
|----|--|

| | |
|----|--|
| E. | Unit Type. Use the drop down menu to select the unit type (also shown below): |
|----|--|

Bed = (measurement for Group homes or transitional housing)

"**SRO**" = Single Room Occupancy unit

"**Studio**" = Studio unit

"**1BR**" = 1 Bedroom unit

- “2BR” = 2 Bedroom unit
- “3BR” = 3 Bedroom unit
- “4BR” = 4 Bedroom unit
- “5+BR” = 5 or more Bedroom unit

- F. **Is the Unit Fully-Accessible or Adaptable?** Use the drop down menu to indicate which
- “Accessible - Mobility” = The unit is fully-accessible for persons with mobility impairment.
 - “Accessible - Communication” = The unit is fully-accessible for persons with visual and hearing impairment.
 - “Mobility & Communication” = The unit is fully-accessible for persons with mobility, visual and hearing impairment.
 - “Adaptable” = The unit was designed to be accessible, but some accessibility features may have been omitted or concealed.
 - “Not Accessible or Adaptable” = Not Accessible or Adaptable.
- G. **Date of Initial Occupancy.** Enter the date when the tenant occupied their *first unit in the project*. For tenants who have transferred to another unit in the project, this date will be different than the date when they moved into their current unit.
- H. **Household Annual Income at Initial Occupancy.** Enter the tenant’s annual household income from the initial income certification that was done before they moved into their *first unit in the project*. For tenants who have transferred to another unit in the project, this amount will be different than the amount from the certification that was done when they moved into their current unit.
- I. **Household Size at Initial Occupancy.** Enter the number of people that was in the tenant’s household when they occupied their first unit in the project. For tenants who have transferred to another unit in the project, this number may be different than it was when they moved into their current unit.
- J. **Date of Most Recent Income Recertification.** Enter date of most recent income recertification. Leave blank for vacant units.
- K. **Household Annual Income as of Most Recent Recertification within reporting period.** Enter annual income of the household from the most recent recertification. OK to leave blank ONLY if ALL funders do not require annual income recertifications.
- L. **Household Size as of Most Recent Recertification within reporting period.** Enter the number of occupants in the unit from the most recent recertification within the reporting period.
- M. **Minimum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.
- N. **Maximum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.
- O. **Overhoused or Overcrowded?** The data here is automatically generated based on entries in column K and on items 26-32 on Worksheet #1A.
- P. **Overhoused or Overcrowded - Narrative** A household is “Overhoused” if there are fewer people residing in the unit than the minimum occupancy. “Overcrowded” means that there are more people residing in the unit than the maximum occupancy. If the data in column N indicates that the household is overhoused or overcrowded, please describe any extenuating circumstances that justify the overhoused/overcrowded status and summarize efforts that you have made to transfer the tenant to a unit that is appropriate for the size of the household, if applicable.
- Q. **Is this Unit a HOPWA set-aside unit? (yes/no).** “HOPWA set-aside” units are required when HOPWA capital funding is used to acquire, construct or rehab a project.
- R. **Rental Assistance.** From the drop-down menu, select one code only to indicate the type of assistance, if any, being provided to the tenant (low-income units only). Select “None” if no rental assistance comes with the unit or none is provided to the tenant.
- “RAD - PBV” = As a result of a RAD (Rental Assistance Demonstration) conversion, the project unit comes with a RAD Project-Based Section 8 subsidy that will remain with the unit after the tenant moves out.
 - “TPV” = As a result of a RAD (Rental Assistance Demonstration) conversion, the project unit comes with a HUD Tenant Protection Voucher subsidy to help prevent displacement and/or stabilize the property.
 - “Section 8 - Project Based” = The unit comes with Section 8 subsidy that will remain with the unit after the tenant moves out.
 - “Section 8 - Tenant Voucher” = Tenant is receiving assistance through the Section 8 Certificate or Voucher programs.
 - “PRAC - 202” = The unit receives a subsidy through a Project Rental Assistance Contract from HUD’s 202 program.
 - “PRAC - 811” = The unit receives a subsidy through a Project Rental Assistance Contract from HUD’s 811 program.
 - “S+C” = Tenant is receiving tenant-based assistance, or the unit has project-based assistance, from the Shelter Plus Care program.

“HOPWA” = The units is a HOPWA-designated unit under the project funding from the Housing Opportunities for People With AIDS program. While HOPWA is not a source of tenant-based assistance, if the tenant is receiving any other form of subsidy, please report on the amount of Rental Assistance on this worksheet and note the source of the Rental Assistance in the Narrative section of the AMR.

“VASH” = Tenant is receiving tenant-based assistance, or the unit comes with project-based rental assistance, from the Veterans Administration Supportive Housing program.

“LOSP” = The unit receives a subsidy through the City's Local Operating Subsidy Program.

“DAH (DPH)” = The unit receives a subsidy through the City's Direct Access to Housing Program of DPH.

“HSA Master Lease” = The unit receives a subsidy through the City's Master Lease Program of the Human Services Agency.

“MHSA” = The unit receives a subsidy under CA HCD's Mental Health Services Act.

“HOME TBA” = Tenant receives assistance from a HOME-funded rental assistance program.

“Rent Supplement” = Tenant receives a supplemental rent payment from an outside agency.

“Other” = Tenant is receiving, or unit comes with, rental assistance through another Federal, State or local program.

- S. **Amount of Rental Assistance.** Enter the dollar amount of rental assistance that is paid on behalf of the household/tenant.
- T. **Amount of Maximum Gross Rent Allowed for Unit.** Enter the maximum rent for the unit that is allowed by the most restrictive funder of the project.
- U. **Amount of Tenant Paid Rent for Unit.** Enter only the amount of rent that the tenant pays. Do not include any rental assistance paid on behalf of the tenant by another party.
- V. **Utility Allowance.** If the tenant pays for utilities, enter the Utility Allowance allowed for the unit. Enter zero (0) if the Utilities are paid by the project.
- W. **Household Rent Burden.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE. If the rent burden is 100% or greater, it is likely that the amount of tenant paid rent and/or the amount of HH income is incorrect, please review the data for accuracy. Typically, rent burdens should be 60% or less. If a unit has a rent subsidy, the typical requirement is for tenants to pay 30% of income toward rent.
- X. **Date of Most Recent Rent Increase within the Reporting Period.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter date of most recent rent increase for unit.
- Y. **Amount of Most Recent Rent Increase within the Reporting Period.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter amount of most recent rent increase for unit.
- Z. **Percentage of Most Recent Rent Increase.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE.

3B. Demographic

Gender and Sexual Orientation: on June 30, 2017, MOHCD published and distributed a Notice regarding new requirements to collect this demographic data. Click this cell to review the [Notice](#) if you have any questions about this.

Gender. Provide info for the Head of Household. The 8 possible answers for Gender are:

- Female
- Male
- Genderqueer/Gender Non-binary
- Trans Female
- Trans Male
- Not listed
- Declined/Not Stated
- Question Not Asked

Sexual Orientation. Provide info for the Head of Household. The 7 possible answers for Sexual Orientation are:

- Bisexual
- Gay /Lesbian/Same-Gender Loving
- Questioning /Unsure
- Straight/Heterosexual
- Not listed
- Decline to Answer
- Not Stated

Elderly Household. For each residential unit, enter "Yes" if the anyone in the household is a person that is at least 62 years of age. Enter "No" if everyone in the household is younger than 62.

Number of Children Under Age 18 in Household. Enter the number of occupants in the unit that were under age 18 as of the end date of the reporting period.

Disability. If any members of the household have any of the listed disabilities, select the disability from the drop-down menu. Select "None" if the unit is not occupied by any tenants with a listed disability.

3C. Summary of Reported Household Demographics

No data entry required. Output based on information reported from Worksheets 3A and 3B.

4. Narrative

Please follow the instructions provided on the worksheet.

5. Project Financing

Supply the info requested about all current financing of the project. Lenders should be listed in lien order, i.e., with the most-senior lender in the first lien position, the most-junior lender in last lien position.

6. Services Funding

For each service that is provided based on your answers to questions 51-61 on Worksheet 1A, you must supply additional info about each service provider on Worksheet 6. Services Funding.

7. Supplementary Audit Information - Required by MOHCD

Use this template to satisfy the audit requirement for MOHCD-funded projects. Project Owners/auditors may enter data directly into this worksheet and then print it to create the required Supplemental Schedules in the Audited Financial Statement. Alternatively, the audit requirement may be satisfied by using a form generated by the Sponsor's accounting system, as long as the form includes all the elements contained within MOHCD's template.

Completeness Tracker

Use this worksheet to track your work and to verify that you have completed all required data entry.

Links to Relevant Policies

Double click on the following web links to access the policy documents posted at SFGOV for your reference. The web address of the pages on the web are included for manual navigation as well.

[MOHCD Forms Page at SFMOHCD.ORG](http://sfmohcd.org)

<http://sfmohcd.org/documents-reports-and-forms>

[Program Income Overview](http://sfmohcd.org/sites/default/files/FileCenter/Documents/5141-MOH_ProgIncomeOverview.pdf)

http://sfmohcd.org/sites/default/files/FileCenter/Documents/5141-MOH_ProgIncomeOverview.pdf

[MOHCD Residual Receipt Policy](http://sfmohcd.org/sites/default/files/Documents/CURRENTResidualRecPolicy%202016.pdf)

<http://sfmohcd.org/sites/default/files/Documents/CURRENTResidualRecPolicy%202016.pdf>

[MOHCD Insurance Requirements Policy](http://sfmohcd.org/sites/default/files/FileCenter/Documents/5140-INSURANCE%20EXHIBIT%20K_2014-05-21.pdf)

http://sfmohcd.org/sites/default/files/FileCenter/Documents/5140-INSURANCE%20EXHIBIT%20K_2014-05-21.pdf

[MOHCD Operating Fees Policy](http://sfmohcd.org/sites/default/files/Documents/CURRENT%20OperatingFeesPolicy%202016.pdf)

<http://sfmohcd.org/sites/default/files/Documents/CURRENT%20OperatingFeesPolicy%202016.pdf>

**Annual Monitoring Report - Property & Residents - Reporting Year 2020 -
Mayor's Office of Housing & Community Development**

| IDENTIFYING INFO | |
|-------------------------|--|
| 1 | Reporting Period Start Date (m/d/yyyy) |
| 2 | Reporting Period End Date (m/d/yyyy) |
| 3 | Property Name (select from drop down) |
| 4 | Property Full Street Address (e.g. "123 Main Street") |
| CONTACT INFO | |
| 5 | Sponsor Executive Director Name |
| 6 | Phone Number |
| 7 | E-mail |
| 8 | Property Management Company |
| 9 | Property Manager Name |
| 10 | Phone Number |
| 11 | E-mail |
| 12 | Property Supervisor Name |
| 13 | Phone Number |
| 14 | E-mail |
| 15 | Property Owner Name |
| 16 | Property Owner Contact Person |
| 17 | Phone Number |
| 18 | E-mail |
| 19 | Asset Manager Name |
| 20 | Phone Number |
| 21 | E-mail |
| 22 | AMR Preparer's Name |
| 23 | Phone Number |
| 24 | E-mail |

| PROPERTY/MARKETING INFO | |
|--------------------------------|--|
| 25 | Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? (select "yes" or "no" from the drop-down menu to the left.) <i>If you answer "yes", skip questions 26 through 39 below, and continue with question 40. Also, you must complete worksheet "1B.TransitionalProg."</i> |

What is the Unit Mix for the Property? Please include any manager's units in this tally.

| | Unit Types | Number Of Units | Occupancy Standard: Minimum HH Size for this Unit Type* | Occupancy Standard: Maximum HH Size for this Unit Type* | *Occupancy Standards should be described in project's Approved Tenant Selection and Marketing Plan. If not defined there, supply the standards used organization-wide. |
|----|------------------------------------|------------------------|--|--|--|
| 26 | Single Room Occupancy (SRO) Units | | 1 | | |
| 27 | Studio Units | | 1 | | |
| 28 | One-Bedroom (1BR) Units | | 1 | | |
| 29 | Two-Bedroom (2BR) Units | | | | |
| 30 | Three-Bedroom (3BR) Units | | | | |
| 31 | Four-Bedroom (4BR) Units | | | | |
| 32 | Five- or More (5+BR) Bedroom Units | | | | |
| 33 | TOTAL # Units----> | 0 | | | |

| | | |
|----|---|---|
| 34 | | Vacancies - How many vacancies occurred at the project during the reporting period? (Be sure that the number you report here is not less than the number of vacant units that are included on worksheet 3.) |
| 35 | 0 | Evictions - How many evictions occurred during the reporting year? (This data in this field is automatically calculated from the data that is entered on worksheet 1C. You must complete worksheet 1C, unless the project is transitional housing, a residential treatment program, a shelter or a transitional group home.) |
| 36 | | Vacant Unit Rent-Up Time - <i>(in DAYS)</i> State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. # 4 Please EXCLUDE any units that are being held vacant to support rehabilitation or other temporary relocation needs. <i>If this period exceeds 30 days, you must answer Question # 4 on the Narrative worksheet. (Click on # 4 at left to jump to Narrative worksheet.)</i> |
| 37 | | Waiting List - How many applicants are currently on the waiting list? <i>(Please also submit a copy of the waiting list, see AMR submission instructions.)</i> |
| 38 | | When was the waiting list last updated? (m/yyyy) |
| 39 | | Affirmative Marketing - Did you conduct any marketing of the project during the reporting period? <i>If you conducted marketing during the reporting period, you must answer Question #5 on the Narrative worksheet. (Click on #5 at left to jump to Narrative worksheet.)</i> # 5 |
| 40 | | What is the date of the last Capital Needs Assessment? (m/d/yyyy) |
| 41 | | What is the projected date of the next Capital Needs Assessment? (m/d/yyyy) |
| 42 | | How many Health, Building or Housing Code Violations were issued against the property in the reporting year? (If there were no violations enter "0"). <i>If the property was cited for code violations in the reporting year or has open, unresolved violations from prior years as indicated below, you must answer Question #2 on the Narrative worksheet. (Click on #2 at left to jump to Narrative worksheet.)</i> # 2 |
| 43 | | # 2 How many Health, Building or Housing Code Violations were open from <i>prior</i> years? |
| 44 | | How many Health, Building or Housing Code Violations were cleared in the reporting year? |
| 45 | | Are there urgent Major Property Repairs needed on the property in the next two years? (Yes/No) <i>If there are needed major repairs you must answer Question #3 on the Narrative worksheet. (Click on #3 at left to jump to Narrative worksheet.)</i> # 3 |

| | | |
|----|--|--|
| 46 | | <p>If the property has Immediate Capital Needs and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to make up the difference, and supply additional explanation in question #3 of the Narrative report. (Click on # 3 at left to jump to Narrative worksheet.)</p> |
|----|--|--|

Resident Services: AN ANSWER IS REQUIRED FOR questions 51-61. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6.Services"

| | | | |
|----|--|--------------|---|
| 47 | | Go To WS6 | After School Program/s (y/n) |
| 48 | | Go To WS6 | Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n) |
| 49 | | Go To WS6 | Youth Program/s (y/n) |
| 50 | | Go To WS6 | Educational Classes (e.g. basic skills, computer training, ESL) (y/n) |
| 51 | | Go To WS6 | Health and Wellness Services/Programs (y/n) |
| 52 | | Go To WS6 | Employment Services (y/n) |
| 53 | | Go To WS6 | Case Management, Information and Referrals (y/n) |
| 54 | | Go To WS6 | Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n) |
| 55 | | Go To WS6 | Support Groups, Social Events, Organized Tenant Activities (y/n) |
| 56 | | Go To WS6 | Other Service #1 - Please specify in column G. |
| 57 | | Go To WS6 | Other Service #2 - Please specify in column G. |

POPULATION SERVED

Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?

Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that, as of the end of the reporting period, contained at least one person who is a member of the populations shown in the table.

| | | Target Population | | Actual Population | |
|----|--|-------------------|---------------------------------|-------------------|---------------------------------|
| 58 | | 0 | Families | 0 | Families |
| 59 | | 0 | Persons with HIV/AIDS | 0 | Persons with HIV/AIDS |
| 60 | | 0 | Housing for Homeless | 0 | Housing for Homeless |
| 61 | | 0 | Mentally or Physically Disabled | 0 | Mentally or Physically Disabled |

| | | | | | |
|----|--|---|-------------------------------|---|-------------------------------|
| 62 | | 0 | Senior Housing | 0 | Senior Housing |
| 63 | | 0 | Substance Abuse | 0 | Substance Abuse |
| 64 | | 0 | Domestic Violence Survivor | 0 | Domestic Violence Survivor |
| 65 | | 0 | Veterans | 0 | Veterans |
| 66 | | 0 | Formerly Incarcerated | 0 | Formerly Incarcerated |
| 67 | | 0 | Transition-Aged Youth ("TAY") | 0 | Transition-Aged Youth ("TAY") |

Remember, **SAVE YOUR WORK!**

Annual Monitoring Report - Transitional Programs - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Project Address:

Project Capacity: What is the target capacity of this project? (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

| | A. Num Singles Not in Families | B. Num Families | C1. Num Adults in Families | C2. Num Children in Families | D. Num of Beds |
|---|--------------------------------------|--------------------|---|------------------------------------|-------------------|
| 1 | | | | | |
| 2 | 0 | | Total Households (Singles and Families) That Can Be Served | | |

Persons Served During Operating Year (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

| | A. Num Singles Not in Families | B. Num Families | C1. Num Adults in Families | C2. Num Children in Families | |
|---|--------------------------------------|--------------------|--|------------------------------------|---|
| 3 | | | | | Num on the first day of operating year |
| 4 | | | | | Num entering the program during the operating year |
| 5 | 0 | | Total Households (Singles and Families) Served | | |
| 6 | | | | | Num who left the program during the operating year |
| 7 | 0 | 0 | 0 | 0 | Num in the program on the last day of the operating year |
| 8 | 0 | | Total Households in program on the last day of the operating year | | |
| 9 | | | | | <-Capacity Utilization Rate (by Household as of last Day of Operating Year) |

If the Capacity Utilization Rate is **LESS** than 75% you must respond to the following:

| | | |
|----|--|--|
| 10 | | 1. Explain the reason(s) why the capacity utilization rate is as low as it is; and |
| 11 | | 2. Describe plan/s to raise the capacity utilization rate to at least 75%, with specific timeline. |

Length of Stay: For the 0 households that LEFT the program during the operating year, how many were in the project for the following lengths of time? (Total in cell H28 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

| | | |
|----|---|---|
| 12 | | Less than 1 month |
| 13 | | 1 to 2 months |
| 14 | | 3 - 6 months |
| 15 | | 7 months -12 months |
| 16 | | 13 months - 24 months |
| 17 | | 25 months - 3 years |
| 18 | 0 | TOTAL # HH's that left the program |

Destination: For the 0 households reported to have LEFT the program during the operating year, how many left for the following destinations? (Total in cell H53 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

| | | | |
|----|---|---|---------------|
| 19 | | Rental - House or Apartment (no subsidy) | PERMANENT |
| 20 | | Public Housing | |
| 21 | | Section 8 Voucher | |
| 22 | | Subsidized Rental - house or apartment | |
| 23 | | Homeownership | |
| 24 | | Moved in with family or friends | TRANSITIONAL |
| 25 | 0 | Permanent Housing Subtotal | |
| 26 | | Transitional Housing for homeless persons | TRANSITIONAL |
| 27 | | Moved in with family or friends <i>TEMPORARILY</i> | |
| 28 | 0 | Transitional Housing Subtotal | INSTITUTIONAL |
| 29 | | Psychiatric hospital | |
| 30 | | Inpatient alcohol or other drug treatment facility | |
| 31 | | Jail/Prison | |
| 32 | | Medical Facility | |
| 33 | 0 | Institutional Subtotal | OTHER |
| 34 | | Emergency Shelter | |
| 35 | | Places not meant for human habitation (e.g. street) | |
| 36 | | Unknown | |
| 37 | | Other | |
| 38 | 0 | Other Subtotal | OTHER |
| 39 | 0 | TOTAL # HH's that left the program | |

Annual Monitoring Report - Eviction Data - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Project Address:

This section of the AMR must be completed for all projects, except for transitional housing or residential treatment services.

Number of households who lived in the project during the reporting period:

1 Number of households who lived in the project AT ANY TIME during the reporting period. Be sure to include all households that moved in during the reporting period.

Number of households in the project who received Notices of Eviction during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)
You MUST answer every question (i.e., enter zero if applicable).

Ethnicity and Race data for households that received Notices of Eviction during the reporting period:

| | | enter # below | enter # below |
|----|---|--|--|
| 2 | Breach of Lease Agreement | Indigenous - American Indian/Native American | Black - African |
| 3 | Capital Improvement | Indigenous from Mexico, the Caribbean, Central America or South America | Black - African American |
| 4 | Condo Conversion | Other Indigenous | Black - Caribbean, Central American, South American or Mexican |
| 5 | Demolition | Asian - Chinese | Other Black |
| 6 | Denial of Access to Unit | Asian - Filipino | North African |
| 7 | Development Agreement | Asian - Japanese | West Asian |
| 8 | Ellis Act Withdrawal | Asian - Korean | Other Middle Eastern or North African |
| 9 | Failure to Sign Lease Renewal | Asian - Mongolian | Pacific Islander - Chamorro |
| 10 | Good Samaritan Tenancy Ends | Asian - Central Asian | Pacific Islander - Native Hawaiian |
| 11 | Habitual Late Payment of Rent | Asian - South Asian | Pacific Islander - Samoan |
| 12 | Illegal Use of Unit | Asian - Southeast Asian | Other Pacific Islander |
| 13 | Lead Remediation | Other Asian | White - European |
| 14 | Non-payment of Rent | Latino - Caribbean | Other White |
| 15 | Nuisance | Latino - Central American | Not Reported |
| 16 | Other | Latino - Mexican | 0 Total (must match Total number in E29) |
| 17 | Owner Move In | Latino - South American | |
| 18 | Roommate Living in Same Unit | Other Latino | Gender data for households that received Notices of Eviction during the reporting period: |
| 19 | Substantial Rehabilitation | Sexual Orientation data for households that received Notices of Eviction during the reporting period: | |
| 20 | Unapproved Subtenant | Bisexual | Female |
| 21 | 0 Total number of households who received Notices of Eviction | Gay/Lesbian/Same-Gender Loving | Male |
| | | Questioning/Unsure | Genderqueer/Gender Non-Binary |
| | | Straight/Heterosexual | Trans Female |
| | | Not Listed | Trans Male |
| | | Declined / Not Stated | Not Listed |
| | | 0 Total (must match Total number in E29) | 0 Total (must match Total number in E29) |

Number of Unlawful Detainer actions filed in court by the owner against tenants in the project during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)
You MUST answer every question (i.e., enter zero if applicable).

Ethnicity and Race data for households for which Unlawful Detainers were filed during the reporting period:

| | | enter # below | enter # below |
|----|---|---|---|
| 22 | Breach of Lease Agreement | Indigenous - American Indian/Native American | Black - African |
| 23 | Capital Improvement | Indigenous from Mexico, the Caribbean, Central America or South America | Black - African American |
| 24 | Condo Conversion | Other Indigenous | Black - Caribbean, Central American, South American or Mexican |
| 25 | Demolition | Asian - Chinese | Other Black |
| 26 | Denial of Access to Unit | Asian - Filipino | North African |
| 27 | Development Agreement | Asian - Japanese | West Asian |
| 28 | Ellis Act Withdrawal | Asian - Korean | Other Middle Eastern or North African |
| 29 | Failure to Sign Lease Renewal | Asian - Mongolian | Pacific Islander - Chamorro |
| 30 | Good Samaritan Tenancy Ends | Asian - Central Asian | Pacific Islander - Native Hawaiian |
| 31 | Habitual Late Payment of Rent | Asian - South Asian | Pacific Islander - Samoan |
| 32 | Illegal Use of Unit | Asian - Southeast Asian | Other Pacific Islander |
| 33 | Lead Remediation | Other Asian | White - European |
| 34 | Non-payment of Rent | Latino - Caribbean | Other White |
| 35 | Nuisance | Latino - Central American | Not Reported |
| 36 | Other | Latino - Mexican | 0 Total (must match Total number in E56) |
| 37 | Owner Move In | Latino - South American | |
| 38 | Roommate Living in Same Unit | Other Latino | Gender data for households for which Unlawful Detainers were filed during the report period: |
| 39 | Substantial Rehabilitation | Sexual Orientation data for households for which Unlawful Detainers were filed during the report period: | |
| 40 | Unapproved Subtenant | Bisexual | Female |
| 41 | 0 Total number of unlawful detainer actions filed | Gay/Lesbian/Same-Gender Loving | Male |
| | | Questioning/Unsure | Genderqueer/Gender Non-Binary |
| | | Straight/Heterosexual | Trans Female |
| | | Not Listed | Trans Male |
| | | Declined / Not Stated | Not Listed |
| | | 0 Total (must match Total number in E56) | 0 Total (must match Total number in E56) |

Number of households Evicted from the project during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)
You MUST answer every question (i.e., enter zero if applicable).

Ethnicity and Race data for households that were Evicted during the reporting period:

| | | enter # below | enter # below |
|----|--|--|--|
| 42 | Breach of Lease Agreement | Indigenous - American Indian/Native American | Black - African |
| 43 | Capital Improvement | Indigenous from Mexico, the Caribbean, Central America or South America | Black - African American |
| 44 | Condo Conversion | Other Indigenous | Black - Caribbean, Central American, South American or Mexican |
| 45 | Demolition | Asian - Chinese | Other Black |
| 46 | Denial of Access to Unit | Asian - Filipino | North African |
| 47 | Development Agreement | Asian - Japanese | West Asian |
| 48 | Ellis Act Withdrawal | Asian - Korean | Other Middle Eastern or North African |
| 49 | Failure to Sign Lease Renewal | Asian - Mongolian | Pacific Islander - Chamorro |
| 50 | Good Samaritan Tenancy Ends | Asian - Central Asian | Pacific Islander - Native Hawaiian |
| 51 | Habitual Late Payment of Rent | Asian - South Asian | Pacific Islander - Samoan |
| 52 | Illegal Use of Unit | Asian - Southeast Asian | Other Pacific Islander |
| 53 | Lead Remediation | Other Asian | White - European |
| 54 | Non-payment of Rent | Latino - Caribbean | Other White |
| 55 | Nuisance | Latino - Central American | Not Reported |
| 56 | Other | Latino - Mexican | 0 Total (must match Total number in E83) |
| 57 | Owner Move In | Latino - South American | |
| 58 | Roommate Living in Same Unit | Other Latino | Gender data for households that were Evicted during the reporting period: |
| 59 | Substantial Rehabilitation | Sexual Orientation data for households that were Evicted during the reporting period: | |
| 60 | Unapproved Subtenant | Bisexual | Female |
| 61 | 0 Total number of households evicted (flows to question #35 on Worksheet 1A) | Gay/Lesbian/Same-Gender Loving | Male |
| | | Questioning/Unsure | Genderqueer/Gender Non-Binary |
| | | Straight/Heterosexual | Trans Female |
| | | Not Listed | Trans Male |
| | | Declined / Not Stated | Not Listed |
| | | 0 Total (must match Total number in E83) | 0 Total (must match Total number in E83) |

| | B | D | F | H | J |
|----|--|----------------|---------------|---|---------------|
| 15 | Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development | | | | |
| 16 | INCOME & EXPENSES | | | | |
| 17 | 12 Month Report Period | Start Date: | 1/0/1900 | End Date: | 1/0/1900 |
| 18 | Number of Units--> | 0 | | | |
| 19 | | Account | | | |
| 20 | Description of Income Accounts | Number | Residential | Non-Residential | Total |
| 21 | | | | | |
| 22 | Rental Income | | | | |
| 23 | Housing Units - Gross Potential Tenant Rents | 5120 | | | |
| 24 | Rental Assistance Payments (identify ALL sources in row below if applicable, including LOOSP funding) | 5121 | | | |
| 25 | Source/s----> | | | | |
| 26 | Commercial Unit Rents | 5140 | | | |
| 27 | sub-total Gross Rental Income: | | \$0.00 | \$0.00 | \$0.00 |
| 28 | Vacancy Loss - enter amounts as negative numbers! | | | | vacancy rate |
| 29 | Housing Units | 5220 | | Must click & explain if Residential Vac Rate is > 15% | |
| 30 | Commercial | 5240 | | | 0.00% |
| 31 | sub-total Vacancies: | | \$0.00 | \$0.00 | \$0.00 |
| 32 | | | | | |
| 33 | NET RENTAL INCOME: | | \$0.00 | \$0.00 | \$0.00 |
| 34 | | | | | |
| 35 | Other Income | | | | |
| 36 | Garage and Parking Spaces | 5170 | | | |
| 37 | Miscellaneous Rent Income | 5190 | | | |
| 38 | Supportive Services Income - Do not enter supportive services income if it is tracked in a separate budget and not appropriate per MOHCD loan terms to be included in Residual Receipts calculation. | 5300 | | | |
| 39 | Supportive Services Income Source/s- identify program source(s) if applicable --> | | | | |
| 40 | Interest Income - Project Operations (From Operating Account Only) | 5400 | | | |
| 41 | Laundry and Vending | 5910 | | | |
| 42 | Tenant Charges | 5920 | | | |
| 43 | Other Revenue | 5990 | | | |
| 44 | sub-total Other Income Received: | | \$0.00 | \$0.00 | \$0.00 |
| 45 | | | | | |
| 46 | TOTAL INCOME RECEIVED: | | \$0.00 | \$0.00 | \$0.00 |
| 47 | | | | | |
| 48 | INCOME & EXPENSES | | | | |
| 49 | | Account Number | Residential | Non-Residential | Total |
| 50 | Description of Expense Accounts | | | | |
| 51 | Management | | | | |
| 52 | Management Fee | 6320 | | | |
| 53 | "Above the Line" Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy) | | | | |
| 54 | sub-total Management Expense: | | \$0.00 | \$0.00 | \$0.00 |
| 55 | Salaries/Benefits | | | | |
| 56 | Office Salaries | 6310 | | | |
| 57 | Manager's Salary | 6330 | | | |
| 58 | Employee Benefits: Health Insurance & Disability Insurance | 6723 | | | |
| 59 | Employee Benefits: Retirement & Other Salary/Benefit Expenses | | | | |
| 60 | Administrative Rent Free Unit | 6331 | | | |
| 61 | sub-total Salary/Benefit Expense: | | \$0.00 | \$0.00 | \$0.00 |
| 62 | Administration | | | | |
| 63 | Advertising and Marketing | 6210 | | | |
| 64 | Office Expenses | 6311 | | | |
| 65 | Office Rent | 6312 | | | |
| 66 | Legal Expense - Property | 6340 | | | |
| 67 | Audit Expense | 6350 | | | |
| 68 | Bookkeeping/Accounting Services | 6351 | | | |
| 69 | Bad Debts | 6370 | | | |
| 70 | <u>Miscellaneous Administrative Expenses (must click & explain if >\$10k)</u> | 6390 | | | |
| 71 | sub-total Administrative Expense: | | \$0.00 | \$0.00 | \$0.00 |
| 72 | Utilities | | | | |
| 73 | Electricity | 6450 | | | |
| 74 | Water | 6451 | | | |
| 75 | Gas | 6452 | | | |

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| 15 | Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development | | | | |
| 76 | Sewer | 6453 | | | |
| 77 | sub-total Utilities Expense: | | \$0.00 | \$0.00 | \$0.00 |
| 78 | Taxes and Licenses | | | | |
| 79 | Real Estate Taxes | 6710 | | | |
| 80 | Payroll taxes | 6711 | | | |
| 81 | Miscellaneous Taxes, Licenses, and Permits | 6719 | | | |
| 82 | sub-total Taxes and License Expense: | | \$0.00 | \$0.00 | \$0.00 |
| 83 | Insurance | | | | |
| 84 | Property and Liability Insurance | 6720 | | | |
| 85 | Fidelity Bond Insurance | 6721 | | | |
| 86 | Workers' Compensation | 6722 | | | |
| 87 | Directors & Officers Liabilities Insurance | 6724 | | | |
| 88 | sub-total Insurance Expense: | | \$0.00 | \$0.00 | \$0.00 |
| 89 | Maintenance and Repairs | | | | |
| 90 | IMPORTANT NOTE RE: TREATMENT OF CAPITAL AND NON-CAPITAL MAINTENANCE REPAIR EXPENSES ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVE: If possible, exclude those from this section. If you do include those expenses here, be sure to record the amounts in rows 103 (non-capital) and 210:215 below (capital). | | | | |
| 91 | Payroll | 6510 | | | |
| 92 | Supplies | 6515 | | | |
| 93 | Contracts | 6520 | | | |
| 94 | Garbage and Trash Removal | 6525 | | | |
| 95 | Security Payroll/Contract | 6530 | | | |
| 96 | HVAC Repairs and Maintenance | 6546 | | | |
| 97 | Vehicle and Maintenance Equipment Operation and Repairs | 6570 | | | |
| 98 | <u>Miscellaneous Operating and Maintenance Expenses (must click & explain if >\$10k)</u> | 6590 | | | |
| 99 | sub-total Maintenance Repair Expense: | | \$0.00 | \$0.00 | \$0.00 |
| 100 | Supportive Services: do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for residual receipts calculation. | 6930 | | | |
| 101 | SUB-TOTAL OPERATING EXPENSES: | | \$0.00 | \$0.00 | \$0.00 |
| 102 | Capital Maintenance Repairs/Improvements eligible for payment by Replacement Reserve. If capital costs were entered in amounts for Maintenance & Repairs section above and are eligible for payment by the Replacement Reserve, please enter details in Replacement Reserve-Eligible Expenditures below, beginning from row 207. Amounts provided in F210:215 will be linked to cell F102 and netted out from operating expenses. | | \$0.00 | | |
| 103 | Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve. Only enter amounts here if they were included in amounts entered for Maintenance & Repairs section above and will be reimbursed by Replacement Reserve. Amount will be netted out from operating expenses. Enter as positive number. | | | | |
| 104 | TOTAL OPERATING EXPENSES: | | \$0.00 | \$0.00 | \$0.00 |
| 105 | | Name of Lessor/ Bond Monitoring Agency/ Reserve Account | | | |
| 106 | Ground Lease Base Rent/Bond Fees/Reserves | | | | |
| 107 | Ground Lease - Base Rent (provide Lessor name to the right) | | | | \$0.00 |
| 108 | Bond Monitoring Fee | | | | \$0.00 |
| 109 | Replacement Reserve Required Annual Deposit (Source is Operating Account.) Enter as positive number. | 1320 | | | \$0.00 |
| 110 | Operating Reserve Deposits (Source is Operating Account.) Enter as positive number. | 1365 | | | \$0.00 |
| 111 | Operating Reserve Account Withdrawals (For deposits to Operating Account.) Enter as positive number. | | | | \$0.00 |
| 112 | Other Required Reserve Account Deposits (Source is Operating Account. Enter as positive number. Identify reserve account in next col) (1330) | | | | \$0.00 |
| 113 | Other Required Reserve Account Withdrawals (For deposit to Operating account. Enter as positive number. Identify account in next col ----> | | | | \$0.00 |
| 114 | Sub-total Ground Lease Base Rent/Bond Fees/Reserves | | \$0.00 | \$0.00 | \$0.00 |
| 115 | | | | | |
| 116 | TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) | | \$0.00 | \$0.00 | \$0.00 |
| 117 | | Acct Num | Residential | Non-Residential | Total |
| 118 | 1. TOTAL INCOME RECEIVED: | | \$0.00 | \$0.00 | \$0.00 |
| 119 | 2. TOTAL OPERATING EXPENSES: | | \$0.00 | \$0.00 | \$0.00 |
| 120 | 3. NET OPERATING INCOME: | | \$0.00 | \$0.00 | \$0.00 |
| 121 | | | | | |
| 122 | 4. Debt Service (Principal and Interest) | Name of Lender / Describe Other Amt Paid | Residential | Non-Residential | Total |
| 123 | Lender1 - Principal Paid (provide lender name to the right) | | | | |
| 124 | Interest Paid | | | | |
| 125 | Other Amount (describe to the right) | | | | |
| 126 | Lender2 - Principal Paid (provide lender name to the right) | | | | |
| 127 | Interest Paid | | | | |
| 128 | Other Amount (describe to the right) | | | | |
| 129 | Lender3 - Principal Paid (provide lender name to the right) | | | | |

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| 130 | Interest Paid | | | | |
| 131 | Other Amount (describe to the right) | | | | |
| 132 | Lender4 - Principal Paid (provide lender name to the right) | | | | |
| 133 | Interest Paid | | | | |
| 134 | Other Amount (describe to the right) | | | | |
| 135 | Total Debt Service Payments | | \$0.00 | \$0.00 | \$0.00 |
| 136 | | | | | |
| 137 | Surplus Cash, Detail (NOI minus Debt Service and Reserve Activity) | | \$0.00 | \$0.00 | \$0.00 |
| 138 | | | | | |
| 139 | If amount for Surplus Cash above is negative: - you must provide a detailed explanation to question #8 on the Narrative worksheet - you must NOT supply data for any of the fields for Uses of Surplus Cash below | | Go to ws4 Narrative question #8 | | |
| 140 | Surplus Cash, Total | | | | \$0.00 |
| 141 | Distribution of Surplus Cash/Residual Receipts - (Response Required.) In the space below, please provide a detailed narrative summary of allowable distributions of Surplus Cash that accurately reflects the requirements under all MOHCD agreements as well as the requirements of other funders and any other agreements that govern. Please include the calculation methodology, applicable annual increases, etc. For proposed distribution amounts entered in column J, rows 143-165, select the distribution priority for each of the uses of cash flow/surplus cash in column H. If distribution of surplus cash is not allowed under MOHCD agreements or other funder agreements, enter N/A in the box below. | | | | |
| 142 | | | | | |
| 143 | USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF RESIDUAL RECEIPTS PAYMENTS (IF APPLICABLE) | | | Distribution Priority (select below) | Leave cells below blank if Surplus Cash is <= \$0. |
| 144 | 5. Operating Reserve Replenishments (Deposits made out of surplus cash to satisfy minimum balance requirements). | | | | |
| 145 | 6. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy). | | | | |
| 146 | 7a. Partnership Management fee due from this reporting period, if any (tax credit projects only; not allowed if project is beyond 15-year compliance period). | | | | |
| 147 | 7b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, typically must be paid out of owner distribution, entries usually not allowed here). | | | | |
| 148 | 8a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period). | | | | |
| 149 | 8b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only; per City policy, typically must be paid out of owner distribution, entries usually not allowed here). | | | | |
| 150 | 9. Deferred Developer fee, if any | | | | |
| 151 | 10. Other payments: use question #1 on the Narrative (worksheet #4) to provide details about any fees or other payments, including ground lease residual rent payments for a non-MOHCD/OCII ground lease. Failure to provide details will result in disallowance of this expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document. | Go to ws4 Narrative question #1 | | | |
| 152 | 11ai. Debt Pmt to other lender1: Principal Paid (note lender name to right) | | | | |
| 153 | 11aai. Debt Pmt to other lender1: Interest Paid | | | | |
| 154 | 11bi. Debt Pmt to other lender2: Principal Paid (note lender name to right) | | | | |
| 155 | 11bii. Debt Pmt to other lender2: Interest Paid | | | | |
| 156 | Total Payments preceding Residual Receipts Calculation: | | | | \$0.00 |
| 157 | | | | | |
| 158 | 12. RESIDUAL RECEIPTS | | | | \$0.00 |
| 159 | | | | Distribution Priority (select below) | Leave cells below blank if Surplus Cash is <= \$0. |
| 160 | 12a. MOHCD Residual Receipts Due for Loan Repayment | | | | |
| 161 | 12b. MOHCD Residual Receipts Due for Ground Lease Residual Rent Payment | | | | |
| 162 | 12c. Subtotal Residual Receipts Payments to MOHCD | | | | \$0.00 |
| 163 | 12d. Residual Receipts Debt Pmt to other lender3 (note lender name to right) | | | | |

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| 15 | Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development | | | | |
| 164 | 12e. Residual Receipts Debt Pmt to other lender4 (note lender name to right) | | | | |
| 165 | 12f. Residual Receipts Debt Pmt to other lender5 (note lender name to right) | | | | |
| 166 | Total Residual Receipts Payments: | | | | \$0.00 |
| 167 | DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AMR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE; IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU. | | | | |
| 168 | | | | | |
| 169 | Remaining Balance | | | | \$0.00 |
| 170 | | | | | |
| 171 | Proposed Owner Distributions (provide description in column D and enter amount in column J. If an amount is entered, a description is required.) | | | | |
| 172 | Proposed Other Distributions/Uses (provide description in column D and enter amount in column J. If an amount is entered, a description is required. If you had a Calendar Year LOSP surplus, please acknowledge that and note exact amount.) | | | | |
| 173 | | | | | |
| 174 | Final Balance: should be ZERO except when Surplus Cash (cell J140) is negative | | | | \$0.00 |
| 175 | | | | | |
| 176 | RESERVE ACCOUNT DETAILS | | | | |
| 177 | | | | | |
| 178 | OPERATING RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.) | | | | |
| 179 | Minimum Required Balance: | | | | |
| 180 | Beginning Balance: | | | | |
| 181 | Actual Annual Deposit from Operating Budget in Current Reporting Period (not editable, data entered in cash flow above, account number 1365): | | \$0.00 | | |
| 182 | Additional Deposit (use ONLY to record deposits from the Op Budget attributable to a prior reporting period, or deposits made from an external source) | | | | |
| 183 | Interest Earned: | | | | |
| 184 | Annual Withdrawal Amount (enter as negative number): | | | | |
| 185 | Ending Balance (don't edit cell -- calculated): | | \$0.00 | | |
| 186 | Required Annual Deposit: | | | | |
| 187 | Total Operating Expenses plus debt service (don't edit cell -- calculated) | | \$0.00 | | |
| 188 | If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell. If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell. | | 0.000% | | |
| 189 | REPLACEMENT RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead.) | | | | |
| 190 | Minimum Required Balance: | | | | |
| 191 | Beginning Balance: | | | | |
| 192 | Actual Annual Deposit: | | | | |
| 193 | Interest Earned: | | | | |
| 194 | Annual Withdrawal Amount (enter as negative number): | | | | |
| 195 | Ending Balance (don't edit cell -- calculated): | | \$0.00 | | |
| 196 | Required Annual Deposit (do not edit - taken from page 1 account number 1320): | | \$0.00 | | |
| 197 | Describe how the amount of annual deposit and the minimum required balance is determined. | | | | |
| 198 | | | | | |
| 199 | | | | | |
| 200 | CHANGES TO REAL ESTATE ASSETS | | | | |
| 201 | Enter Beginning and Ending Balances in each of the categories listed below. Changes in asset categories will auto calculate. | | Balance, 1/00/1900 | Changes | Balance, 1/00/1900 |
| 202 | Building & Improvements | | | \$0.00 | |
| 203 | Offsite Improvements | | | \$0.00 | |
| 204 | Site Improvements | | | \$0.00 | |
| 205 | Land Improvements | | | \$0.00 | |
| 206 | Furniture, Fixtures & Equipment | | | \$0.00 | |
| 207 | Other | | | \$0.00 | |
| 208 | Replacement Reserve-Eligible Expenditures: Provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible. | | | | |

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| 15 | Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development | | | | |
| 209 | Capital Repairs and Improvements: Enter capital repairs and improvement costs associated with the reporting year. For each category in rows 201-207 above that shows a positive change, an entry is required in each corresponding category in rows 212-217. If the operating account is used initially to fund the repair, and is later reimbursed by the replacement reserve during the reporting year, show the repair cost under "Replacement Reserve". If the operating account is used to fund the repair and was not reimbursed by the replacement reserve during the reporting year, show the repair cost under "Operating Account." Use the section below to supply a description of the capital repairs and improvements made. | | | | |
| 210 | Capital Repairs and Improvements Funded By: | | | | |
| 211 | Capital Repairs and Improvements - Categories | Replacement Reserve | Operating Account | Other Source | Total Amount |
| 212 | Building & Improvements | | | | \$0.00 |
| 213 | Offsite Improvements | | | | \$0.00 |
| 214 | Site Improvements | | | | \$0.00 |
| 215 | Land Improvements | | | | \$0.00 |
| 216 | Furniture, Fixtures & Equipment | | | | \$0.00 |
| 217 | Other | | | | \$0.00 |
| 218 | Total | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 219 | Description of Capital Repairs and Improvements | | | | |
| 220 | | | | | |
| 221 | Non-Capital Replacement Reserve Eligible Expenditures (i.e., labor costs): Enter the amounts used to fund non-capital replacement reserve eligible expenditures. Use section below to supply explanations. | | | | |
| 222 | Source | | | | Amount |
| 223 | Paid out of Operating Budget, to be reimbursed by RR (shows the amount entered in row 103 above) | | | | \$0.00 |
| 224 | Paid Directly from Replacement Reserve | | | | |
| 225 | Other Source | | | | |
| 226 | Explanation of Non-Capital Replacement Reserve Eligible Expenditures | Total | | | \$0.00 |
| 227 | | | | | |
| 228 | TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES: the Replacement Reserve Withdrawal for the reporting period should not exceed the Total RR-eligible Expenditures. You must provide more details above or an explanation below if the RR withdrawal amount exceeds the Total RR-Eligible Expenditures. | RR Withdrawal Amount--> | \$0.00 | Total RR-Eligible Expenditures--> | \$0.00 |
| 229 | Notes About RR Withdrawal Amount in excess of Total RR-eligible Expenditures: | | | | |
| 230 | | | | | |
| 231 | | | | | |
| 232 | FEDERAL PROGRAM INCOME REPORT | | | | |
| 233 | This section must be completed if the project received any CDBG funding, even if the amount of CDBG program income during the reporting period was zero. For more information, use the following link or copy this web address for manual navigation: | | | | |
| 234 | | | | | |
| 235 | http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=5141 | | | | |
| 236 | Overview of Federal (HOME and CDBG) Program Income | | | | |
| 237 | | | | | |
| 238 | CDBG PROGRAM INCOME | | | | |
| 239 | Proposed amounts to be used to fund eligible CDBG activities as described in the Federal CDBG Program Regulations at 24 CFR 570.201-206 and consistent with the City's 2020-2024 Consolidated Plan, 2020-2021 Action Plans as follows: | AMOUNT | DESCRIPTION | | |
| 240 | Amount to be used for CDBG eligible activity#1 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right): | | | | |
| 241 | Amount to be used for CDBG eligible activity#2 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right): | | | | |
| 242 | Amount to be used for CDBG eligible activity#3 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right): | | | | |
| 243 | Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2019 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right): | | | | |
| 244 | Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right): | | | | |
| 245 | Total CDBG Program Income Calculation (see instructions for guidance on how to calculate) | | | | |
| 246 | To ensure the eligible use of CDBG Program Income, the recipient of federal CDBG funding hereby requests approval by the Mayor's Office of Housing and Community Development for the use of CDBG program income received during the 2020 reporting period as depicted above. | | | | |

**Annual Monitoring Report - Summary of Reported Household Demographics - Reporting Year 2020 -
Mayor's Office of Housing & Community Development**

| | | | | |
|------------------|------------------------------|----------|----------|---|
| Project Address: | Last Day of Reporting Period | 1/0/1900 | # Units: | 0 |
|------------------|------------------------------|----------|----------|---|

Household Size

| | # Reported Households | % of Total |
|--------------------------------|-----------------------|------------|
| One Person Household | 0 | |
| Two Person Household | 0 | |
| Three Person Household | 0 | |
| Four Person Household | 0 | |
| Five Person Household | 0 | |
| Six Person Household | 0 | |
| Seven or more Person Household | 0 | |
| TOTAL Households* | 0 | |
| TOTAL Residents | 0 | |

*Excludes 0 unit(s) reported as manager's or vacant unit(s).

Other Household Demographics

| | # Reported |
|--|------------|
| Elderly Households | 0 |
| Households with Children Under 18 | 0 |
| Number of Children Under 18 | 0 |
| Households with Tenant with Physical Disability | 0 |
| Households with Tenant with Visual Disability | 0 |
| Households with Tenant with Hearing Disability | 0 |
| Households with Tenant with Mental/Devt Disability | 0 |
| Households with Tenant with Other Disability | 0 |
| Households with Tenant with More than One Disability | 0 |
| Households with Tenant with No Disability | 0 |

Gender

| | # Reported Head of HH | % of Total |
|---------------------------------|-----------------------|------------|
| Female | 0 | |
| Male | 0 | |
| Genderqueer/Gender Non-binary | 0 | |
| Trans Female | 0 | |
| Trans Male | 0 | |
| Not listed | 0 | |
| Declined/Not Stated | 0 | |
| Question Not Asked | 0 | |
| Total Head of Households | 0 | |

Sexual Orientation

| | # Reported Head of HH | % of Total |
|---------------------------------|-----------------------|------------|
| Bisexual | 0 | |
| Gay /Lesbian/Same-Gender Loving | 0 | |
| Questioning /Unsure | 0 | |
| Straight/Heterosexual | 0 | |
| Not listed | 0 | |
| Decline to Answer | 0 | |
| Not Stated | 0 | |
| Question Not Asked | 0 | |
| Total Head of Households | 0 | |

Target and Actual Population Served

| <i>Target Population</i> | | <i>Actual Population</i> | |
|--------------------------|--|--------------------------|--|
| 0 | <i>Families</i> | 0 | <i>Families</i> |
| 0 | <i>Persons with HIV/AIDS</i> | 0 | <i>Persons with HIV/AIDS</i> |
| 0 | <i>Housing for Homeless</i> | 0 | <i>Housing for Homeless</i> |
| 0 | <i>Mentally or Physically Disabled</i> | 0 | <i>Mentally or Physically Disabled</i> |
| 0 | <i>Senior Housing</i> | 0 | <i>Senior Housing</i> |
| 0 | <i>Substance Abuse</i> | 0 | <i>Substance Abuse</i> |
| 0 | <i>Domestic Violence Survivor</i> | 0 | <i>Domestic Violence Survivor</i> |
| 0 | <i>Veterans</i> | 0 | <i>Veterans</i> |
| 0 | <i>Formerly Incarcerated</i> | 0 | <i>Formerly Incarcerated</i> |
| 0 | <i>Transition-Aged Youth ("TAY")</i> | 0 | <i>Transition-Aged Youth ("TAY")</i> |

(add additional rows as needed)

**** ONLY FOR ALL VIOLATIONS THAT WERE NOT RESOLVED by the end of the reporting period: You must also attach a SCANNED copy of each Violation/Citation to your AMR submittal. ****

| Violation or Citation # | Date Cleared | Issued By | Description of Remedy |
|-------------------------|--------------|-----------|-----------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

(add additional rows as needed)

**** ONLY FOR ALL VIOLATIONS THAT WERE NOT RESOLVED by the end of the reporting period: You must also attach a SCANNED copy of each Violation/Citation to your AMR submittal. ****

3. Major Repairs

Describe any major repair or replacement needs that have been identified as being required within the next 2 years, and any related plans to pay for whatever is needed.

4. Vacant Unit Rent-Up Time

If the project had an average VACANT UNIT RENT-UP TIME greater than 30 days for question 36 on the worksheet "1A.Prop&Residents," you must supply the following:

- a. A description of the work done to analyze the cause/s of the high turnaround time, and what the identified causes are; and
- b. A description of the work done to identify means of reducing the turnaround time, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

5. Affirmative Marketing

Did you conduct any marketing of the project during the reporting period? If yes, please describe the marketing that was conducted, including

- a. when the marketing was conducted and how it was intended to reach populations least likely to apply for the project;
- b. any advertising, direct mailings, emailings and web postings that were done; and
- c. how many households were on the waiting list prior to the marketing and how many were on it after the marketing was completed.

6. Vacancy Rate -----

If the project had a VACANCY RATE greater than 15%, as may be shown above from the Income Expense section of the worksheet "2.Fiscal," you must supply the following:

- a. A description of the work done to analyze the cause/s of the vacancy rate, and what the identified causes are; and
- b. A description of the work done to identify means of reducing the vacancy rate, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

7. Miscellaneous Expenses: Administrative/Operating & Maintenance

If the project had miscellaneous administrative or miscellaneous operating & maintenance expenses greater than \$10,000 respectively, you must provide a detailed itemization of these individual expenses below. Total expenses must equal the total amount reported on the worksheet "2.Fiscal."

Misc. Admin Expenses

| Expense Description | Amount | HUD Acct # | Notes |
|---------------------------------------|--------|------------|-------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total: | 0.00 | | |
| Diff. from Fiscal Activity WS: | | | |

Misc. Operating & Maintenance Expenses

| Expense Description | Amount | HUD Acct # | Notes |
|---------------------------------------|--------|------------|-------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total: | 0.00 | | |
| Diff. from Fiscal Activity WS: | | | |

8. Negative Cash Flow

If the project had NEGATIVE CASH FLOW, as may be shown above from the Income Expense section of worksheet "2.Fiscal," you must supply the following:

- a. A description of the work done to analyze the cause/s of the shortfall, and what the identified causes are; and
- b. A description of the work done to identify remedies for the shortfall, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.
- d. If the project has a Project-Based Section 8 Housing Assistance Payments (HAP) contract, please also supply the date of the last increase to the HAP contract, the date when the project will submit the next HAP contract rent increase, and any related comments about whether the project has been diligent in seeking annual increases to the HAP contract.

Project Street Address:

**Schedule of Operating Revenues
For the Year Ended January 0, 1900**

| | <u>Total</u> |
|---|-------------------|
| Rental Income | |
| 5120 Gross Potential Tenant Rents | \$0 |
| 5121 Rental Assistance Payments (inc. LOSP) | \$0 |
| 5140 Commercial Unit Rents | \$0 |
| Total Rent Revenue: | <u>\$0</u> |
| | |
| Vacancies | |
| 5220 Apartments | \$0 |
| 5240 Stores & Commercial | \$0 |
| Total Vacancies: | <u>\$0</u> |
| Net Rental Income: (Rent Revenue Less Vacancies) | <u>\$0</u> |
| | |
| Other Revenue | |
| 5170 Rent Revenue - Garage & Parking | \$0 |
| 5190 Misc. Rent Revenue | \$0 |
| 5300 Supportive Services Income | \$0 |
| 5400 Interest Revenue - Project Operations (From Operating Acct Only) | \$0 |
| 5400 Interest Revenue - Project Operations (From All Other Accts) | \$0 |
| 5910 Laundry & Vending Revenue | \$0 |
| 5920 Tenant Charges | \$0 |
| 5990 Misc. Revenue | \$0 |
| Total Other Revenue: | <u>\$0</u> |
| Total Operating Revenue: | <u>\$0</u> |

Project Street Address:

**Schedule of Operating Expenses
For the Year Ended January 0, 1900**

| | <u>Total</u> |
|---|--------------|
| Management | |
| 6320 Management Fee | \$0 |
| "Above the Line" Asset Management Fee | \$0 |
| Total Management Expenses: | <u>\$0</u> |
| | |
| Salaries/Benefits | |
| 6310 Office Salaries | \$0 |
| 6330 Manager's Salary | \$0 |
| 6723 Employee Benefits: Health Insurance & Disability Insurance | \$0 |
| Employee Benefits: Retirement & Other Salary/Benefit Expenses | \$0 |

| | |
|------------------------------------|------------|
| 6331 Administrative Rent Free Unit | \$0 |
| Total Salary/Benefit Expenses: | <u>\$0</u> |

Administration

| | |
|--|------------|
| 6210 Advertising and Marketing | \$0 |
| 6311 Office Expenses | \$0 |
| 6312 Office Rent | \$0 |
| 6340 Legal Expense - Property | \$0 |
| 6350 Audit Expense | \$0 |
| 6351 Bookkeeping/Accounting Services | \$0 |
| 6370 Bad Debts | \$0 |
| 6390 Miscellaneous Administrative Expenses | \$0 |
| Total Administrative Expenses: | <u>\$0</u> |

Utilities

| | |
|---------------------------|------------|
| 6450 Electricity | \$0 |
| 6451 Water | \$0 |
| 6452 Gas | \$0 |
| 6453 Sewer | \$0 |
| Total Utilities Expenses: | <u>\$0</u> |

Taxes and Licenses

| | |
|---|------------|
| 6710 Real Estate Taxes | \$0 |
| 6711 Payroll taxes | \$0 |
| 6790 Miscellaneous Taxes, Licenses, and Permits | \$0 |
| Total Taxes and Licenses Expenses: | <u>\$0</u> |

Insurance

| | |
|---|------------|
| 6720 Property and Liability Insurance | \$0 |
| 6721 Fidelity Bond Insurance | \$0 |
| 6722 Workers' Compensation | \$0 |
| 6724 Directors & Officers Liabilities Insurance | \$0 |
| Total Insurance Expenses: | <u>\$0</u> |

Project Street Address:

**Schedule of Operating Expenses
For the Year Ended January 0, 1900**

| Maintenance and Repairs | Total |
|--|--------------|
| 6510 Payroll | \$0 |
| 6515 Supplies | \$0 |
| 6520 Contracts | \$0 |
| 6525 Garbage and Trash Removal | \$0 |
| 6530 Security Payroll/Contract | \$0 |
| 6546 HVAC Repairs and Maintenance | \$0 |
| 6570 Vehicle and Maintenance Equipment Operation and Repairs | \$0 |
| 6590 Miscellaneous Operating and Maintenance Expenses | \$0 |
| Total Maintenance and Repairs Expenses: | <u>\$0</u> |

| | | |
|--|--|------------|
| 6900 Supportive Services | | \$0 |
| Capital and Non-Capital Expenditures to be Reimbursed from Replacement Reserve | | \$0 |
| Total Operating Expenses: | | \$0 |

Financial Expenses

Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.

| | | |
|--|--|------------|
| 6820 Interest on Mortgage (or Bonds) Payable | | |
| 6825 Interest on Other Mortgages | | |
| 6830 Interest on Notes Payable (Long Term) | | |
| 6840 Interest on Notes Payable (Short Term) | | |
| 6850 Mortgage Insurance Premium/Service Charge | | |
| 6890 Miscellaneous Financial Expenses | | |
| Total Financial Expenses: | | \$0 |

| | | |
|------|--|------------|
| 6000 | Total Cost of Operations before Depreciation: | \$0 |
| 5060 | Operating Profit (Loss): | \$0 |

Depreciation & Amortization Expenses

Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.

| | | |
|---|--|------------|
| 6600 Depreciation Expense | | |
| 6610 Amortization Expense | | |
| Operating Profit (Loss) after Depreciation & Amortization: | | \$0 |

Net Entity Expenses

the right.

| | | |
|-----------------------------------|--|------------|
| 7190 | | |
| 7190 | | |
| 7190 | | |
| 7190 | | |
| 7190 | | |
| 7190 | | |
| 7190 | | |
| 7190 | | |
| 7190 | | |
| 7190 | | |
| 7190 | | |
| Total Net Entity Expenses: | | \$0 |

| | | |
|------|---|------------|
| 3250 | Change in Total Net Assets from Operations (Net Loss) | \$0 |
| | <i>Amount computed in cell E139 should match audited financial statement.</i> | |

Project Street Address:

**Computation of Operating Cash Flow/Surplus Cash
For the Year Ended January 0, 1900**

| | Total |
|--|--------------|
| Operating Revenue | \$0 |
| Interest earned on restricted accounts | \$0 |
| Adjusted Operating Revenue | \$0 |
| Operating Expenses | \$0 |
| Net Operating Income | \$0 |
| Other Activity | |
| Ground Lease Base Rent | \$0 |
| Bond Monitoring Fee | \$0 |
| Mandatory Debt Service - Principal | \$0 |
| Mandatory Debt Service - Interest | \$0 |
| Mandatory Debt Service - Other Amount | \$0 |
| Deposits to Replacement Reserve Account | \$0 |
| Deposits to Operating Reserve Account | \$0 |
| Deposits to Other Restricted Accounts per Regulatory Agreement | \$0 |
| Withdrawals from Operating Reserve Account | \$0 |
| Withdrawals from Other Required Reserve Account | \$0 |
| Total Other Activity: | \$0 |
| Allocation of Non-Residential Surplus (LOSP only) | \$0 |
| Operating Cash Flow/Surplus Cash: | \$0 |

Distribution of Surplus Cash Ahead of Residual Receipts Payments

*Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid **ahead** of residual receipts payments.*

| | Total |
|---|--------------|
| <input type="text"/> | |
| <input type="text"/> | |
| <input type="text"/> | |
| <input type="text"/> | |
| <input type="text"/> | |
| <input type="text"/> | |
| <input type="text"/> | |
| <input type="text"/> | |
| <input type="text"/> | |
| <input type="text"/> | |
| Total Cash Available for Residual Receipts Distribution: | \$0 |

Distribution of Residual Receipts

Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid with remaining residual receipts.

| |
|--|
| |
| |
| |
| |
| |

Total

Total Residual Receipts Distributions to Lenders: \$0

Proposed Owner Distribution \$0

Proposed Other Distribution/Uses \$0

Total Residual Receipts Distributions to Lenders and Owners: \$0

Project Street Address:

**Summary of Replacement Reserve and Operating Reserve Activity
For the Year Ended January 0, 1900**

| | Replacement Reserve | Operating Reserve |
|--------------------------|--------------------------------|------------------------------|
| Balance, January 0, 1900 | \$0 | \$0 |
| Actual Annual Deposit | \$0 | \$0 |
| Interest Earned | \$0 | \$0 |
| Withdrawals | \$0 | \$0 |
| Balance, January 0, 1900 | \$0 | \$0 |

**Annual Monitoring Report - Completeness Tracker - Reporting Year 2020 -
Mayor's Office of Housing & Community Development**

This checklist is a tool to help you track progress toward completion. NOTE: Do not submit the AMR until all items are "COMPLETED."

Reporting Start Date: 1/0/00
Reporting End Date: 1/0/00

Project Address: _____

Submission Instructions:

Once all worksheets below are "COMPLETED", email the AMR, completed Owner Compliance Certification, along with the attachments required under the Insurance and Tax Certification per page 3 of the Owner Certification, waitlist, and audited financial statements to: moh.amr@sfgov.org.

The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit: name of head-of-household, contact information, date of application, number of people in the household, stated household income and desired unit size. Prior to submittal, the waiting list must be redacted to exclude any private information that should not be shared publicly, for example, Social Security numbers, ID numbers from other forms of identification, information related to disabilities or other health conditions. Please confer with legal counsel and let MOHCD know if you have any questions prior to submitting a copy of the project's waitlist. This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

| | | |
|--|--|-------------------------|
| Worksheet 1A. Property & Residents | | INCOMPLETE |
| Questions 1 thru 4 | | incomplete |
| Questions 5 thru 24 | | incomplete |
| Questions 25 thru 39 | | incomplete |
| Questions 40 thru 46 | | incomplete |
| Questions 51 thru 57 | | incomplete |
| Worksheet 1B. Transitional Programs | | To Be Determined |
| Questions 1 thru 11 | | To Be Determined |
| Questions 12 thru 18 | | To Be Determined |
| Questions 19 thru 39 | | To Be Determined |
| Worksheet 1C. Eviction Data | | To Be Determined |
| Question 1 | | To Be Determined |
| Questions 2 thru 21 | | To Be Determined |
| Questions 22 thru 41 | | To Be Determined |
| Questions 42 thru 61 | | To Be Determined |
| Worksheet 2. Fiscal Activity | | INCOMPLETE |
| Rental Income - Housing Unit GPTR | | incomplete |
| Vacancy Loss - Housing Units | | incomplete |
| Operating Expenses | | incomplete |
| Surplus Cash/Residual Receipts (Rows 140 - 174) | | incomplete |
| Operating Reserve (Rows 177 - 187) | | incomplete |
| Replacement Reserve (Rows 189 - 197) | | incomplete |
| Changes to Real Estate Assets (Rows 202 - 207) | | incomplete |
| Replacement Reserve Eligible Expenditures (Rows 210 - 229) | | incomplete |
| Program Income (Rows 240 - 245) | | OK |
| Worksheet 3A. Occupancy & Rent Info | | INCOMPLETE |
| Does number of units entered on Worksheet 3A match total units entered on Worksheet 1A or the total households that can be served in Worksheet 1B? | | To Be Determined |
| For each row for which a Unit Number is supplied, was data entered in all of the required cells? | | To Be Determined |
| Narrative Provided for All rows indicating Overhoused or Overcrowded? | | To Be Determined |
| Worksheet 3B. Demographic Information | | To Be Determined |
| Is Gender and Sexual Orientation/Identity selected for each household? | | To Be Determined |
| Worksheet 4. Narrative | | To Be Determined |
| 2 | | To Be Determined |
| 3 | | To Be Determined |
| 4 | | To Be Determined |
| 5 | | To Be Determined |
| 6 | | To Be Determined |
| 7 | | To Be Determined |
| 8 | | To Be Determined |
| Worksheet 5. Project Financing | | INCOMPLETE |
| Worksheet 6. Services Funding | | To Be Determined |

EXHIBIT H

Tenant Selection Plan Policy

This policy is in addition to the obligations to comply with applicable federal, state and local civil rights laws, including laws pertaining to reasonable accommodation and limited English proficiency (LEP),¹ **and the applicable provision of the Violence Against Women Act, Pub. Law 109-62 (January 5, 2006), as amended.**

Application Process

- **Application Materials.** MOHCD shall provide an application to be used prior to the housing lottery. The housing provider agrees to use this application to determine lottery eligibility. The housing provider's written and/or electronic application materials should:
 - outline the screening criteria that the housing provider will use;
 - be in compliance with San Francisco Police Code Article 49 or the Fair Chance Ordinance,
 - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
 - be written in language that is clear and readily understandable,
- **First Interview.** In accordance with the housing provider policies, an initial interview is required to assess each applicant's minimum eligibility requirements for housing units. All applicants shall be offered the opportunity for an interview in lottery rank order.
- **Second Interview.** Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- **Confidentiality.** All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process. All applicant information shall be retained for 12 months after the final applicant interview.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.

¹See for e.g., Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), 42 U.S.C. §§ 3601, et seq.; 24 C.F.R. Part 100; Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d-2000d-7; Executive Order 13,166, Improving Access to Services for Persons with Limited English Proficiency (August 11, 2000); Department of Housing and Urban Development Limited English Proficiency Guidance, 72 Fed. Reg. 2732 (Jan. 22, 2007); Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; 24 C.F.R. Parts 8 and 9; Title II of the Americans with Disabilities Act of 1990, as amended; California Fair Employment and Housing Act, Gov't Code §§ **12,955-12,956.2**; **Unruh Civil Rights Act, Civil Code § 51**; **California Disabled Persons Act, Civil Code § 51.4**; Dymally-Alatorre Bilingual Services Act, Gov't Code §**7290-7299.8**; **San Francisco Language Access Ordinance, No. 202-09 (April 14, 2009)**

- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.
- **Limited English Proficiency Policy.** Throughout the application process, the housing provider must comply with City policy for language access requirements for applicants with limited English proficiency.

Reasonable Accommodation and Modification Policy

Reasonable Accommodation: The application process should provide information about how an applicant may make a reasonable accommodation request. At any stage in the admission process, an applicant may request a reasonable accommodation, if the applicant has a disability and as a result of the disability needs a modification of the provider’s rules, policies or practices, including a change in the way that the housing provider communicates with or provides information to the applicant that would give the applicant an equal chance to be selected by the housing provider to live in the unit.

Reasonable Modification: Applicant may request a reasonable modification if he or she has a disability and as a result of the disability needs:

- a physical change to the room or housing unit that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site;
- a physical change in some other part of the housing site that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site.

Response to Request: The housing provider shall respond to a request for reasonable accommodation or modification within ten (10) business days. The response may be to grant, deny, or modify the request, or seek additional information in writing or by a meeting with the applicant. The housing provider will work with the applicant and referring agency to determine if there are ways to accommodate the applicant.

The housing provider shall grant the request if the provider determines that:

- the applicant has a disability;
- reasonable accommodation or modification is necessary because of the disability; and
- the request is reasonable (i.e., does not impose an undue financial or administrative burden or fundamentally alter the nature of the housing program.)

If the reasonable accommodation request is denied, the rejection must explain the reasons in writing. If the denial of the reasonable accommodation request results in the applicant being denied admission to the unit, the provisions of the section on Notice of Denial and Appeal Process apply.

Notice of Denial and Appeal Process

- The housing provider shall:
 - Hold a comparable unit for the household during the entire appeal process.
 - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:
 - list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
 - explain how the applicant can request an in person appeal to contest the decision;
 - state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
 - inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
 - provide referral information for local legal services and housing rights organizations;
 - describe the evidence that the applicant can present at the appeal;
 - give applicants denied admission a date within which to file the appeal, which shall be at least ten (10) business days from the date of the notice;
 - unless an extension is agreed to by the applicant and the housing provider, hold the appeal within ten (10) business days of the request for the appeal;
 - confine the subject of the appeal to the reason for denial listed in the notice;
 - give the applicant a chance to present documents and/or witnesses showing that he or she will be a suitable tenant;
 - have an impartial supervisor or manager from the housing provider, but who is not the person who made the initial decision or a subordinate of the person who made the initial decision, conduct the appeal;
 - within 5 business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision must be sent (electronically or otherwise) to the referring agency and the funding agency.

- If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Chance Ordinance imposes additional notice requirements.

EXHIBIT I

Tenant Screening Criteria Policy

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants. These requirements are also designed to satisfy the requirements of San Francisco Police Code Article 49, Sections 4901-4920 or the Fair Chance Ordinance. This policy describes a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

Screening Criteria

- Housing providers shall not automatically bar applicants who have a criminal record² in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
 - arrests that did not result in convictions, except for an open arrest warrant;
 - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;³
 - juvenile adjudications.
- Housing providers shall consider:
 - the individual circumstances of each applicant; and
 - the relationship between the offense, and
 - (1) the safety and security of other tenants, staff and/or the property; and
 - (2) mitigating circumstances such as those listed below.
 - only those offenses that occurred in the prior 7 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity.
 - mitigating factors, including, but not limited to:
 - (1) the seriousness of the offense;
 - (2) the age and/or circumstances of the applicant at the time of the offense;
 - (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer, employer, teacher, social worker, medical professional, or community leader;

² The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

³ The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”

- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person's disability.

EXHIBIT J

Developer Fee Policy

[To be attached]

Mayor's Office of Housing and Community Development
Policy on Development Fees For Tax Credit Projects
Effective October 16, 2020

This MOHCD Policy on Development Fees for Tax Credit Projects applies to all developments seeking City funding in conjunction with new Tax Credit financing for the current project, including recapitalization projects with existing MOHCD loans. This does not apply to non-Tax Credit projects such as Small Sites Program (SSP) projects, which are subject to the SSP Program Guidelines. It also does not apply to HOPE SF or RAD projects, which are subject to separate developer fee policies.

Developers may include fees in their project budgets according to the terms below.

I. MINIMUM FEES: 5% of total development costs.

II. MAXIMUM FEES: Notwithstanding any other section of this Policy, the maximum Total Fee that may be included in basis is the Tax Credit limit (currently 15% of Eligible Basis) subject to the additional limitations identified below.

A. Total Development Fee

("Total Fee") for different project types are further detailed below, and reflect the sum of the Cash-Out Fee (Base, Additional, and Deferred) and Non Cash-Out Fee (Deferred and General Partner Equity Contribution).

B. Fee Components

1. Cash-Out Fee (Base and Additional)

| Project Type | 9% Project - Maximum Cash-Out Fee | 4% Project - Maximum Cash-Out Fee | Notes |
|---|--|--|--|
| New Construction | TCAC Maximum | The lesser of TCAC Maximum or \$2,200,000 (Base) + \$10,000 per unit over 100 units (Additional), if additional cash-out requires no additional MOHCD gap funding. | |
| Newly Acquired and Substantially Rehabilitated (Per unit Hard Cost >= \$75,000) | TCAC Maximum | Same as new construction fee. | -Hard Cost is defined as "Total Construction Costs" summed in the MOHCD Application in cell K37, Tab 4b-Perms&U. |
| Substantial Rehabilitation (Per unit Hard Cost >=\$75,000) by Existing or Affiliate GP -- Includes New City Funds or Re-structured City Debt | 50% TCAC Maximum | The lesser of TCAC maximum or \$1,100,000 (Base) + \$10,000 per unit over 100 units (Additional), if additional cash-out requires no additional MOHCD gap funding. | -Sponsor may take the allowable fee for Newly Acquired and Rehabilitated projects described above if 1) in the project's original syndication, sponsor did not take the maximum allowable developer fee; or 2) sponsor adds new affordable units to the project. |

| | | | |
|---|--------|--------|---|
| | | | <p>-Hard Cost is defined as “Total Construction Costs” summed in the MOHCD Application in cell K37, Tab 4b-Perms&U.</p> <p>-Sponsor cash out permissible only per MOHCD Cash Out Acquisition/Rehabilitation, Resyndication, and Refinancing Policy.</p> |
| <p>Recapitalization, acquisition, or transfer with less than \$75,000 Per unit hard cost capital improvements</p> | No Fee | No Fee | <p>-Hard Cost is defined as “Total Construction Costs” summed in the MOHCD Application in cell K37, Tab 4b-Perms&U.</p> <p>-Sponsor cash out permissible only per MOHCD Cash Out Acquisition/Rehabilitation, Resyndication, and Refinancing Policy.</p> |

- a. A note about Cash-Out Additional Fee: If Eligible Basis is less than Threshold Basis, projects over 100 units may take up to \$10,000 per unit over 100 as cash-out fee, but only if such cash payment does not require additional gap funding from MOHCD (see MOHCD Application, Tab 8-DevFeeCalc, for calculation).
2. Cash-Out Fee (Deferred): If Eligible Basis is less than Threshold Basis, Developers may include a Cash-Out Deferred Fee component in the Total Fee up to the aggregate of 50% of surplus cash flow taken over the project’s first 15 years of operation (after typical payments of base ground rent, the general partner management fee, and investor asset management fee, if applicable). Cash-Out Deferred Fee is shown as both a source and a use of funds in the capital budget. Developers may use industry standard inflators of income and expenses to calculate Cash-Out Deferred Fee.
 - a. Distributions of surplus cash as Deferred Fee are in lieu of (not in addition to) the typical 33.3% distribution of surplus cash to the Sponsor. At Year 15 of operations, or earlier if the Deferred Fee is fully repaid before then, a surplus cash distribution shall commence at 33.3% of surplus cash (after typical payments of base ground rent, the general partner management fee, and investor asset management fee, if applicable).
 - b. For projects supported by the Local Operating Subsidy Program, Cash-Out Deferred Fee must be taken over a minimum time period of 5 years.
3. Non-Cash Out Fee (Deferred and General Partner Equity Contribution): Where Eligible Basis is less than Threshold Basis, Developers should include in Total Fee the maximum amount available for re-contribution as General Partner Equity or as Non-Cash Out Deferred Fee. It is

MOHCD’s intent to use Deferred Fee and General Partner Equity Contribution up to 15% of Eligible Basis to reduce MOHCD’s overall contribution to projects, so that MOHCD may invest its funds in the most projects possible. MOHCD will work with developers, lenders, and investors to ensure that the developer fee structure meets MOHCD financing goals and feasibility considerations.

4. Commercial Developer Fee is not addressed in this Policy. Please see MOHCD’s Commercial Underwriting Guidelines for information regarding development fees associated with Commercial, Community Serving Commercial, and Public Benefit Use spaces.

III. FEE DISTRIBUTION: The Cash-Out Base Fee shall be divided equally between “Project Management Fee” and “At-Risk Fee” (subject to the “At-Risk Fee Adjustment” described below). Any Cash-Out Additional Fee will be distributed as At-Risk Fee. Cash-Out Fees (Base and Additional) shall be distributed according to achievement of certain development milestones, as follows:

Example below assumes Base Fee is \$2.2 M and Additional Fee is \$300,000.

| Project Management Milestone | % of Fee Distributed | Fee Amount |
|---|-----------------------------|--------------------|
| Acquisition, if applicable, or predevelopment loan closing (or another agreed-upon milestone if acquisition is not applicable, e.g. being awarded a City-owned site through a RFQ/RFP process)* | 15% | \$165,000 |
| During Predevelopment with no more than 50% of the total Project Management Fee to be disbursed prior to construction closing* | 35% | \$385,000 |
| At Construction Closing | 20% | \$220,000 |
| During Construction (disbursed upon request depending on % of construction completion) or at Completion of Construction | 20% | \$220,000 |
| Project Close-Out: Placed-In-Service application; 100% lease-up; City approval of sponsor’s project completion report and documents; and City acceptance of final cost certification. | 10% | \$110,000 |
| TOTAL PROJECT MANAGEMENT FEE | 100% | \$1,100,000 |

***Joint Venture development team partners must split all Fee during the pre-development period 50%-50%. This helps ensure the new or emerging partner has access to Fee upfront to support their participation in the project and their capacity building.**

| At-Risk Fee Milestone | % of Fee Distributed | Fee Amount |
|---|-----------------------------|--------------------|
| Qualified Occupancy (95% Leased up and Draft Cost Certification Audit) | 20% | \$280,000 |
| Permanent Loan Closing/Conversion (Final Cost Certification Audit) | 50% | \$700,000 |
| Project Close-Out: Placed-In-Service application; 100% lease-up; City approval of sponsor's project completion report and documents; and City acceptance of final cost certification. | 30% | \$420,000 |
| TOTAL AT-RISK FEE | 100% | \$1,400,000 |

A. At-Risk Fee Adjustment

When outside funding sources limit the Cash Out Fee to a value less than allowed under this Policy (e.g., California's Department of Housing and Community Development), the Developer may still be paid a maximum of \$1.1M as a Project Management Fee and the At-Risk Fee shall be reduced to bring the total Cash-Out Fee (Base and Additional) in line with the outside funding source cap.

IV. WAIVERS OF THE DEVELOPER FEE POLICY

The Citywide Affordable Housing Loan Committee may approve a waiver or modification of any portion of this Policy for the purpose of assuring project feasibility. All recommendations related to this Policy are subject to the Mayor's approval in his or her sole discretion.

V. CDBG or HOME REQUIREMENTS

If MOHCD uses CDBG or HOME funds to pay the development fee, it is considered "program income", and, should MOHCD request it, the Sponsor must provide a report to MOHCD on its use of developer fees.

Recipients of CDBG administrative funding may not also receive a Project Management Fee for the same project covering the same time period.

VI. POLICY IMPLEMENTATION

This Policy applies to any development that has not received its gap financing commitment or debt restructuring approval from MOHCD by the effective date of the Policy.

EXHIBIT K

Hold Harmless Policy

[To be attached]

Mayor's Office of Housing and Community Development
City and County of San Francisco



London N. Breed
Mayor

Kate Hartley
Director

Hold Harmless Policy for MOHCD's Income Limits & Maximum Rents
Effective: 5/3/2019 (update to the initial policy that was effective 2/19/2016)

Background

Every year, the United States Department of Housing and Urban Development ("HUD") publishes area median income ("AMI") data for jurisdictions across the United States. The City and County of San Francisco, acting through its Mayor's Office of Housing and Community Development ("MOHCD"), is a part of the San Francisco HUD Metropolitan Fair Market Rent Area ("SF HMFA"), which contains San Francisco, San Mateo and Marin County. MOHCD uses HUD's unadjusted AMI for SF HMFA as opposed to adjusted AMI, which is inflated to reflect high cost factors, to establish the income limits, maximum rents and sales prices that apply to affordable housing projects and programs regulated by MOHCD.

In 2016, MOHCD established a Hold Harmless Policy which stated that in any year when AMI decreased, MOHCD would maintain the income limits, maximum rents and sales prices at the previous year's levels in order to protect the operational integrity of affordable and inclusionary housing developments.

Purpose

This update to the Hold Harmless Policy (this "Policy") adds a limit to annual increases to income limits, maximum rents and sales prices published by MOHCD in order to mitigate the significant financial burden on low- and moderate-income tenants and homebuyers during periods of high escalation of AMI in San Francisco.

This Policy establishes the following:

- Limit annual increases to income limits, maximum rents, and sale prices to a maximum of 4%ⁱ
- Uphold the current policy of maintaining income limits, maximum rents and sales prices at the previous year's levels in years when AMI, as published by HUD, has decreased.

This Policy is intended to limit harm by:

1. Protecting tenants from displacement due to annual rent increases that would cause a significant financial burden; and
2. Protecting the operational integrity of housing developments so that owners are able to cover operating costs that typically increase annually, even when AMI decreases; and

- Ensuring that San Francisco’s low-, moderate- and middle-income workforce retain access to homeownership opportunities.

Hold Harmless Limits

For the purpose of this Policy:

“**HUD SF AMI**” means the maximum income by household size, maximum rent by unit type, and maximum sales prices as published annually by MOHCD, derived from the median income determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as “Unadjusted Median Income”.

“**MOHCD AMI**” means the maximum income by household size, maximum rent by unit type, and maximum sales prices as published annually by MOHCD under this Policy.

“**Housing Provider**” means any person or entity that owns a multi-family property that is restricted for the purpose of affordable housing and/or subject to MOHCD administration, regulations, or policies.

Limited Increases: Annual increases to MOHCD AMI shall be limited to the lesser of: (1) the percentage amount necessary to adjust MOHCD AMI to match the then-current year’s HUD SF AMI, or (2) four percent (4%)ⁱ. This Policy limits year-over-year increases to MOHCD AMI to 4% in periods of high HUD SF AMI escalation, while allowing MOHCD AMI to “catch up” to HUD SF AMI during periods when HUD SF AMI grows slowly, is static, or decreases.

Limited Decreases: This update to the Policy does not eliminate the Hold Harmless Policy adopted in 2016. In years when the MOHCD AMI matches the HUD SF AMI, and the subsequent year’s HUD SF AMI decreases, MOHCD will maintain the MOHCD AMI from the previous year. If, in subsequent years, HUD SF AMI decreases again, stays flat, or increases to a level that is still lower than before the initial decrease, MOHCD will maintain its published AMI until such time as the HUD SF AMI increases to a level that is greater than the MOHCD AMI.

The application of this Policy may result in the creation of a calculation of MOHCD AMI that is different than the HUD SF AMI. The below chart demonstrates how this Policy would be applied over a hypothetical 6-year period:

| | Base Year | Year 2 | | Year 3 | | Year 4 | | Year 5 | | Year 6 | |
|-------------------|-----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|----------|
| | AMI | AMI | % Change | AMI | % Change | AMI | % Change | AMI | % Change | AMI | % Change |
| HUD SF AMI | 100.0 | 108.0 | 8.0% | 107 | -0.9% | 111 | 3.9% | 109.0 | -2.0% | 112.5 | 3.2% |
| MOHCD AMI | 100.0 | 104.0 | 4.0% | 107 | 2.9% | 111 | 3.9% | 111 | 0.0% | 112.5 | 1.2% |

Utility Allowances

Notwithstanding anything to the contrary in this Policy, it is important to note that a Housing Provider will be required to lower net rents (i.e. tenant-paid rent) as the result of increases in utility allowances in years when the MOHCD AMI matches the HUD SF AMI, and HUD SF AMI has decreased or remained flat. MOHCD AMI establishes the limits for maximum gross rent (aka “Tier 2 rent” under the City’s Inclusionary Housing Manual),” which consists of tenant rent plus utility allowance. If HUD SF AMI decreases or remains flat, and therefore MOHCD AMI remain the same as the previous year, an increase in the utility allowance means that the tenant rent would have to be lowered.

Limited Hardship Waiver

MOHCD will consider, in its sole discretion, a waiver of this Policy from a Housing Provider with rental units restricted under contracts (i.e., loan agreement, grant agreement, or other agreement for funding from the City) with MOHCD upon demonstration that: (1) the MOHCD AMI imposes a financial hardship that puts at risk the Housing Provider's ability to cover reasonable operating costs and debt service, (2) existing tenants will not be unreasonably financially burdened by the Housing Provider's proposed rent increases, and (3) the Housing Provider is not in default under any contract with MOHCD. Any waiver from this Policy approved by MOHCD, in its sole discretion, shall apply for only one year. Housing Providers are solely responsible for providing MOHCD with any documentation requested by MOHCD to support a hardship waiver of this Policy.

ⁱ The application of the 4% increase is made on the amount for the 100% AMI level for a 4-person family. MOHCD continues to using rounding to the nearest \$50 on the calculations for all of the other income levels and household sizes. The use of rounding may create nominal differences in the percentage increases for all of the other max income levels and household sizes, as well as for all of the maximum rents.

EXHIBIT L
Insurance Requirements

Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below from the date of this Agreement or other applicable date set forth below throughout the Compliance Term at no expense to the City:

1. **Liability Insurance.** Borrower must obtain and maintain, or cause its contractors, subcontractors, property managers and/or agents, as appropriate for each, to obtain and maintain, insurance and bonds as follows:

(a) to the extent Borrower or its contractors and subcontractors have “employees” as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident, injury or illness;

(b) commercial general liability insurance, with limits no less than Two Million Dollars (\$2,000,000) combined single limit per occurrence and Four Million Dollars (\$4,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Borrower is conducting any activity on, alteration or improvement to the Site with risk of explosions, collapse, or underground hazards;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than Two Million Dollars (\$2,000,000) per claim and Four Million Dollars (\$4,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Borrower’s architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is “Claims made” coverage, Borrower shall assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over Fifty Thousand Dollars (\$50,000) each claim must be reviewed by Risk Management; and

(e) a crime policy or fidelity bond covering Borrower's officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Five Thousand Dollars (\$5,000) each loss, including the City as additional obligee or loss payee;

(f) as applicable, pollution liability and/or asbestos pollution liability covering the work being performed with a limit no less than Two Million Dollars (\$2,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) annual aggregate per policy. This

coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Borrower's contractor, provided that the policy must be "claims made" coverage and Borrower must require Borrower's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling.

2. Property Insurance. Borrower must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) Prior to construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all improvements prior to commencement of construction and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(b) During the course of construction:

(i) Builder's risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder's Risk policy, if the Builder's Risk policy is issued on a declared-project basis; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(ii) Performance and payment bonds of contractors, each in the amount of One Hundred Percent (100%) of contract amounts, naming the City and Borrower as dual obligees or other completion security approved by the City in its sole discretion.

(c) Upon completion of construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor. For rehabilitation/construction projects that are unoccupied by residential or commercial tenants, Tenant must obtain Property Insurance by the date that the project receives a Certificate of Substantial Completion.

(ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Borrower for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such

machinery and equipment with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City as loss payee.

The following notice is provided in accordance with the provisions of California Civil Code Section 2955.5: Under California law, no lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

3. Commercial Space. Borrower must require that all nonresidential tenants' liability insurance policies include Borrower and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space in the Project, Borrower must require commercial tenants to maintain insurance as follows:

(a) to the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident;

(b) commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars (\$1,000,000), as appropriate;

(e) special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and

(f) full coverage plate glass insurance covering any plate glass on the commercial space.

4. General Requirements.

(a) General and automobile liability policies of Borrower, contractors, commercial tenants and property managers must include the City, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to the City.

(b) All policies required by this Agreement must be endorsed to provide no less than thirty (30) days' written notice to the City before cancellation or intended non-renewal is effective. The endorsement must provide the City with the same rights as the named insured in the event of cancellation or intended non-renewal.

(c) With respect to any property insurance, Borrower hereby waives all rights of subrogation against the City to the extent of any loss covered by Borrower's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Approval of Borrower's insurance by the City will not relieve or decrease the liability of Borrower under this Agreement.

(e) Any and all insurance policies called for herein must contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(f) The City reserves the right to require an increase in insurance coverage in the event the City determines that conditions show cause for an increase, unless Borrower demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Borrower.

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.

(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

(j) Borrower must provide the City with copies of endorsements for each required insurance policy and make each policy available for inspection and copying promptly upon request.

Exhibit M
Form of PASS Notes

SECURED PROMISSORY NOTE
PASS – BMR Loan
(1000-1024 Market Street, San Francisco, CA)

Principal Amount: \$2,696,064.00

San Francisco, CA

Date: _____, 2022

FOR VALUE RECEIVED, the undersigned, **SAN CRISTINA, 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”), Two Million Six Hundred Ninety Six Thousand Sixty Four and No/100 Dollars (\$2,696,064.00) (the “BMR Loan Amount”), or so much of the BMR Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“**Note**”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder dated as of [_____], 2022 as it may be amended from time to time (the “**Agreement**”), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain PASS Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing dated as of the date of this Note, made by Maker for the benefit of Holder. 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. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 0.95763% per annum from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each.

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 BMR Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America, for the month immediately preceding the month in which the Event of Default has occurred plus four percent (4%), which rate will automatically be reduced if it is higher than the maximum the rate allowed by law, commencing on the date the BMR Loan Amount is disbursed 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 BMR Loan Amount. Maker must make payments of principal and interest in monthly installments (each, a "Payment") equal to the amount specified by the amortization schedule attached as Exhibit A. 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 BMR Loan. The unpaid principal balance of the BMR Loan, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the fortieth (40th) anniversary of the First Payment Date as defined in Section 6.5 (the "Maturity Date"). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the PASS 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 as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County (the "First Payment Date"). On or after the tenth anniversary of the First Payment Date, this Note may be prepaid, in whole but not in part, and the Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if this Note is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if this Note is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if this Note is prepaid on or after the twelfth anniversary of the First Payment Date. This Note may not be prepaid unless the Market Rate Loan, and in Holder's sole discretion, Deferred Loan and Consolidated Loan are also all paid in full. Maker shall provide the Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from a prepayment of this Note including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

6.6 To compensate Holder for continued monitoring of compliance with the Amended and Restated Declaration of Restrictions and/or the Agreement after a prepayment in full of this Note, Maker shall pay to the Holder \$2,500 per year for each remaining year of the Compliance Term. In connection with a prepayment of this Note, in its sole discretion Holder may require Maker to prepay such annual monitoring fees through the end of the Compliance Term. In such event, the prepayment amount will be calculated as the present value of the stream of annual monitoring fee payments through the end of the Compliance Term discounted at a rate not to exceed 2%.

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, including without limitation, the Market Rate Note Deferred Note, and Consolidated Note.

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 BMR Loan (along with the Market Rate Loan, Deferred Loan, and Consolidated 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 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 PASS Deed of Trust), waste or negligent or intentional damage to the collateral for the BMR Loan.

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.

[SIGNATURE ON THE NEXT PAGE]

“MAKER”
SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit
corporation (d/b/a, HomeRise), its sole member/manager

By: _____
Name: Rick Aubry
Its: Chief Executive Officer

Exhibit A
Amortization Schedule

EXHIBIT A

Project Name: San Cristina
Sponsor: HomeRise

| | |
|-----------------|--------------|
| Loan Amount | 2,696,064.00 |
| Rate | 0.95763% |
| Term | 40 |
| Amortization | 40 |
| Monthly Payment | 6,763.29 |

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|----------|-----------|----------------|
| 1 | 9/1/2022 | 2,696,064.00 | 6,763.29 | 2,151.53 | 4,611.76 | 2,691,452.24 |
| 2 | 10/1/2022 | 2,691,452.24 | 6,763.29 | 2,147.85 | 4,615.44 | 2,686,836.80 |
| 3 | 11/1/2022 | 2,686,836.80 | 6,763.29 | 2,144.16 | 4,619.13 | 2,682,217.67 |
| 4 | 12/1/2022 | 2,682,217.67 | 6,763.29 | 2,140.48 | 4,622.81 | 2,677,594.86 |
| 5 | 1/1/2023 | 2,677,594.86 | 6,763.29 | 2,136.79 | 4,626.50 | 2,672,968.36 |
| 6 | 2/1/2023 | 2,672,968.36 | 6,763.29 | 2,133.10 | 4,630.19 | 2,668,338.17 |
| 7 | 3/1/2023 | 2,668,338.17 | 6,763.29 | 2,129.40 | 4,633.89 | 2,663,704.28 |
| 8 | 4/1/2023 | 2,663,704.28 | 6,763.29 | 2,125.70 | 4,637.59 | 2,659,066.69 |
| 9 | 5/1/2023 | 2,659,066.69 | 6,763.29 | 2,122.00 | 4,641.29 | 2,654,425.40 |
| 10 | 6/1/2023 | 2,654,425.40 | 6,763.29 | 2,118.30 | 4,644.99 | 2,649,780.41 |
| 11 | 7/1/2023 | 2,649,780.41 | 6,763.29 | 2,114.59 | 4,648.70 | 2,645,131.71 |
| 12 | 8/1/2023 | 2,645,131.71 | 6,763.29 | 2,110.88 | 4,652.41 | 2,640,479.30 |
| 13 | 9/1/2023 | 2,640,479.30 | 6,763.29 | 2,107.17 | 4,656.12 | 2,635,823.18 |
| 14 | 10/1/2023 | 2,635,823.18 | 6,763.29 | 2,103.45 | 4,659.84 | 2,631,163.34 |
| 15 | 11/1/2023 | 2,631,163.34 | 6,763.29 | 2,099.73 | 4,663.56 | 2,626,499.78 |
| 16 | 12/1/2023 | 2,626,499.78 | 6,763.29 | 2,096.01 | 4,667.28 | 2,621,832.50 |
| 17 | 1/1/2024 | 2,621,832.50 | 6,763.29 | 2,092.29 | 4,671.00 | 2,617,161.50 |
| 18 | 2/1/2024 | 2,617,161.50 | 6,763.29 | 2,088.56 | 4,674.73 | 2,612,486.77 |
| 19 | 3/1/2024 | 2,612,486.77 | 6,763.29 | 2,084.83 | 4,678.46 | 2,607,808.31 |
| 20 | 4/1/2024 | 2,607,808.31 | 6,763.29 | 2,081.10 | 4,682.19 | 2,603,126.12 |
| 21 | 5/1/2024 | 2,603,126.12 | 6,763.29 | 2,077.36 | 4,685.93 | 2,598,440.19 |
| 22 | 6/1/2024 | 2,598,440.19 | 6,763.29 | 2,073.62 | 4,689.67 | 2,593,750.52 |
| 23 | 7/1/2024 | 2,593,750.52 | 6,763.29 | 2,069.88 | 4,693.41 | 2,589,057.11 |
| 24 | 8/1/2024 | 2,589,057.11 | 6,763.29 | 2,066.13 | 4,697.16 | 2,584,359.95 |
| 25 | 9/1/2024 | 2,584,359.95 | 6,763.29 | 2,062.38 | 4,700.91 | 2,579,659.04 |
| 26 | 10/1/2024 | 2,579,659.04 | 6,763.29 | 2,058.63 | 4,704.66 | 2,574,954.38 |
| 27 | 11/1/2024 | 2,574,954.38 | 6,763.29 | 2,054.88 | 4,708.41 | 2,570,245.97 |
| 28 | 12/1/2024 | 2,570,245.97 | 6,763.29 | 2,051.12 | 4,712.17 | 2,565,533.80 |
| 29 | 1/1/2025 | 2,565,533.80 | 6,763.29 | 2,047.36 | 4,715.93 | 2,560,817.87 |
| 30 | 2/1/2025 | 2,560,817.87 | 6,763.29 | 2,043.60 | 4,719.69 | 2,556,098.18 |
| 31 | 3/1/2025 | 2,556,098.18 | 6,763.29 | 2,039.83 | 4,723.46 | 2,551,374.72 |
| 32 | 4/1/2025 | 2,551,374.72 | 6,763.29 | 2,036.06 | 4,727.23 | 2,546,647.49 |
| 33 | 5/1/2025 | 2,546,647.49 | 6,763.29 | 2,032.29 | 4,731.00 | 2,541,916.49 |
| 34 | 6/1/2025 | 2,541,916.49 | 6,763.29 | 2,028.51 | 4,734.78 | 2,537,181.71 |
| 35 | 7/1/2025 | 2,537,181.71 | 6,763.29 | 2,024.73 | 4,738.56 | 2,532,443.15 |
| 36 | 8/1/2025 | 2,532,443.15 | 6,763.29 | 2,020.95 | 4,742.34 | 2,527,700.81 |
| 37 | 9/1/2025 | 2,527,700.81 | 6,763.29 | 2,017.17 | 4,746.12 | 2,522,954.69 |
| 38 | 10/1/2025 | 2,522,954.69 | 6,763.29 | 2,013.38 | 4,749.91 | 2,518,204.78 |
| 39 | 11/1/2025 | 2,518,204.78 | 6,763.29 | 2,009.59 | 4,753.70 | 2,513,451.08 |
| 40 | 12/1/2025 | 2,513,451.08 | 6,763.29 | 2,005.80 | 4,757.49 | 2,508,693.59 |
| 41 | 1/1/2026 | 2,508,693.59 | 6,763.29 | 2,002.00 | 4,761.29 | 2,503,932.30 |
| 42 | 2/1/2026 | 2,503,932.30 | 6,763.29 | 1,998.20 | 4,765.09 | 2,499,167.21 |
| 43 | 3/1/2026 | 2,499,167.21 | 6,763.29 | 1,994.40 | 4,768.89 | 2,494,398.32 |
| 44 | 4/1/2026 | 2,494,398.32 | 6,763.29 | 1,990.59 | 4,772.70 | 2,489,625.62 |
| 45 | 5/1/2026 | 2,489,625.62 | 6,763.29 | 1,986.78 | 4,776.51 | 2,484,849.11 |
| 46 | 6/1/2026 | 2,484,849.11 | 6,763.29 | 1,982.97 | 4,780.32 | 2,480,068.79 |
| 47 | 7/1/2026 | 2,480,068.79 | 6,763.29 | 1,979.16 | 4,784.13 | 2,475,284.66 |
| 48 | 8/1/2026 | 2,475,284.66 | 6,763.29 | 1,975.34 | 4,787.95 | 2,470,496.71 |
| 49 | 9/1/2026 | 2,470,496.71 | 6,763.29 | 1,971.52 | 4,791.77 | 2,465,704.94 |
| 50 | 10/1/2026 | 2,465,704.94 | 6,763.29 | 1,967.69 | 4,795.60 | 2,460,909.34 |
| 51 | 11/1/2026 | 2,460,909.34 | 6,763.29 | 1,963.87 | 4,799.42 | 2,456,109.92 |
| 52 | 12/1/2026 | 2,456,109.92 | 6,763.29 | 1,960.04 | 4,803.25 | 2,451,306.67 |
| 53 | 1/1/2027 | 2,451,306.67 | 6,763.29 | 1,956.20 | 4,807.09 | 2,446,499.58 |
| 54 | 2/1/2027 | 2,446,499.58 | 6,763.29 | 1,952.37 | 4,810.92 | 2,441,688.66 |
| 55 | 3/1/2027 | 2,441,688.66 | 6,763.29 | 1,948.53 | 4,814.76 | 2,436,873.90 |
| 56 | 4/1/2027 | 2,436,873.90 | 6,763.29 | 1,944.69 | 4,818.60 | 2,432,055.30 |

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|----------|-----------|----------------|
| 57 | 5/1/2027 | 2,432,055.30 | 6,763.29 | 1,940.84 | 4,822.45 | 2,427,232.85 |
| 58 | 6/1/2027 | 2,427,232.85 | 6,763.29 | 1,936.99 | 4,826.30 | 2,422,406.55 |
| 59 | 7/1/2027 | 2,422,406.55 | 6,763.29 | 1,933.14 | 4,830.15 | 2,417,576.40 |
| 60 | 8/1/2027 | 2,417,576.40 | 6,763.29 | 1,929.29 | 4,834.00 | 2,412,742.40 |
| 61 | 9/1/2027 | 2,412,742.40 | 6,763.29 | 1,925.43 | 4,837.86 | 2,407,904.54 |
| 62 | 10/1/2027 | 2,407,904.54 | 6,763.29 | 1,921.57 | 4,841.72 | 2,403,062.82 |
| 63 | 11/1/2027 | 2,403,062.82 | 6,763.29 | 1,917.70 | 4,845.59 | 2,398,217.23 |
| 64 | 12/1/2027 | 2,398,217.23 | 6,763.29 | 1,913.84 | 4,849.45 | 2,393,367.78 |
| 65 | 1/1/2028 | 2,393,367.78 | 6,763.29 | 1,909.97 | 4,853.32 | 2,388,514.46 |
| 66 | 2/1/2028 | 2,388,514.46 | 6,763.29 | 1,906.09 | 4,857.20 | 2,383,657.26 |
| 67 | 3/1/2028 | 2,383,657.26 | 6,763.29 | 1,902.22 | 4,861.07 | 2,378,796.19 |
| 68 | 4/1/2028 | 2,378,796.19 | 6,763.29 | 1,898.34 | 4,864.95 | 2,373,931.24 |
| 69 | 5/1/2028 | 2,373,931.24 | 6,763.29 | 1,894.46 | 4,868.83 | 2,369,062.41 |
| 70 | 6/1/2028 | 2,369,062.41 | 6,763.29 | 1,890.57 | 4,872.72 | 2,364,189.69 |
| 71 | 7/1/2028 | 2,364,189.69 | 6,763.29 | 1,886.68 | 4,876.61 | 2,359,313.08 |
| 72 | 8/1/2028 | 2,359,313.08 | 6,763.29 | 1,882.79 | 4,880.50 | 2,354,432.58 |
| 73 | 9/1/2028 | 2,354,432.58 | 6,763.29 | 1,878.90 | 4,884.39 | 2,349,548.19 |
| 74 | 10/1/2028 | 2,349,548.19 | 6,763.29 | 1,875.00 | 4,888.29 | 2,344,659.90 |
| 75 | 11/1/2028 | 2,344,659.90 | 6,763.29 | 1,871.10 | 4,892.19 | 2,339,767.71 |
| 76 | 12/1/2028 | 2,339,767.71 | 6,763.29 | 1,867.19 | 4,896.10 | 2,334,871.61 |
| 77 | 1/1/2029 | 2,334,871.61 | 6,763.29 | 1,863.29 | 4,900.00 | 2,329,971.61 |
| 78 | 2/1/2029 | 2,329,971.61 | 6,763.29 | 1,859.38 | 4,903.91 | 2,325,067.70 |
| 79 | 3/1/2029 | 2,325,067.70 | 6,763.29 | 1,855.46 | 4,907.83 | 2,320,159.87 |
| 80 | 4/1/2029 | 2,320,159.87 | 6,763.29 | 1,851.55 | 4,911.74 | 2,315,248.13 |
| 81 | 5/1/2029 | 2,315,248.13 | 6,763.29 | 1,847.63 | 4,915.66 | 2,310,332.47 |
| 82 | 6/1/2029 | 2,310,332.47 | 6,763.29 | 1,843.70 | 4,919.59 | 2,305,412.88 |
| 83 | 7/1/2029 | 2,305,412.88 | 6,763.29 | 1,839.78 | 4,923.51 | 2,300,489.37 |
| 84 | 8/1/2029 | 2,300,489.37 | 6,763.29 | 1,835.85 | 4,927.44 | 2,295,561.93 |
| 85 | 9/1/2029 | 2,295,561.93 | 6,763.29 | 1,831.92 | 4,931.37 | 2,290,630.56 |
| 86 | 10/1/2029 | 2,290,630.56 | 6,763.29 | 1,827.98 | 4,935.31 | 2,285,695.25 |
| 87 | 11/1/2029 | 2,285,695.25 | 6,763.29 | 1,824.04 | 4,939.25 | 2,280,756.00 |
| 88 | 12/1/2029 | 2,280,756.00 | 6,763.29 | 1,820.10 | 4,943.19 | 2,275,812.81 |
| 89 | 1/1/2030 | 2,275,812.81 | 6,763.29 | 1,816.16 | 4,947.13 | 2,270,865.68 |
| 90 | 2/1/2030 | 2,270,865.68 | 6,763.29 | 1,812.21 | 4,951.08 | 2,265,914.60 |
| 91 | 3/1/2030 | 2,265,914.60 | 6,763.29 | 1,808.26 | 4,955.03 | 2,260,959.57 |
| 92 | 4/1/2030 | 2,260,959.57 | 6,763.29 | 1,804.30 | 4,958.99 | 2,256,000.58 |
| 93 | 5/1/2030 | 2,256,000.58 | 6,763.29 | 1,800.34 | 4,962.95 | 2,251,037.63 |
| 94 | 6/1/2030 | 2,251,037.63 | 6,763.29 | 1,796.38 | 4,966.91 | 2,246,070.72 |
| 95 | 7/1/2030 | 2,246,070.72 | 6,763.29 | 1,792.42 | 4,970.87 | 2,241,099.85 |
| 96 | 8/1/2030 | 2,241,099.85 | 6,763.29 | 1,788.45 | 4,974.84 | 2,236,125.01 |
| 97 | 9/1/2030 | 2,236,125.01 | 6,763.29 | 1,784.48 | 4,978.81 | 2,231,146.20 |
| 98 | 10/1/2030 | 2,231,146.20 | 6,763.29 | 1,780.51 | 4,982.78 | 2,226,163.42 |
| 99 | 11/1/2030 | 2,226,163.42 | 6,763.29 | 1,776.53 | 4,986.76 | 2,221,176.66 |
| 100 | 12/1/2030 | 2,221,176.66 | 6,763.29 | 1,772.55 | 4,990.74 | 2,216,185.92 |
| 101 | 1/1/2031 | 2,216,185.92 | 6,763.29 | 1,768.57 | 4,994.72 | 2,211,191.20 |
| 102 | 2/1/2031 | 2,211,191.20 | 6,763.29 | 1,764.59 | 4,998.70 | 2,206,192.50 |
| 103 | 3/1/2031 | 2,206,192.50 | 6,763.29 | 1,760.60 | 5,002.69 | 2,201,189.81 |
| 104 | 4/1/2031 | 2,201,189.81 | 6,763.29 | 1,756.60 | 5,006.69 | 2,196,183.12 |
| 105 | 5/1/2031 | 2,196,183.12 | 6,763.29 | 1,752.61 | 5,010.68 | 2,191,172.44 |
| 106 | 6/1/2031 | 2,191,172.44 | 6,763.29 | 1,748.61 | 5,014.68 | 2,186,157.76 |
| 107 | 7/1/2031 | 2,186,157.76 | 6,763.29 | 1,744.61 | 5,018.68 | 2,181,139.08 |
| 108 | 8/1/2031 | 2,181,139.08 | 6,763.29 | 1,740.60 | 5,022.69 | 2,176,116.39 |
| 109 | 9/1/2031 | 2,176,116.39 | 6,763.29 | 1,736.60 | 5,026.69 | 2,171,089.70 |
| 110 | 10/1/2031 | 2,171,089.70 | 6,763.29 | 1,732.58 | 5,030.71 | 2,166,058.99 |
| 111 | 11/1/2031 | 2,166,058.99 | 6,763.29 | 1,728.57 | 5,034.72 | 2,161,024.27 |
| 112 | 12/1/2031 | 2,161,024.27 | 6,763.29 | 1,724.55 | 5,038.74 | 2,155,985.53 |
| 113 | 1/1/2032 | 2,155,985.53 | 6,763.29 | 1,720.53 | 5,042.76 | 2,150,942.77 |
| 114 | 2/1/2032 | 2,150,942.77 | 6,763.29 | 1,716.51 | 5,046.78 | 2,145,895.99 |
| 115 | 3/1/2032 | 2,145,895.99 | 6,763.29 | 1,712.48 | 5,050.81 | 2,140,845.18 |
| 116 | 4/1/2032 | 2,140,845.18 | 6,763.29 | 1,708.45 | 5,054.84 | 2,135,790.34 |
| 117 | 5/1/2032 | 2,135,790.34 | 6,763.29 | 1,704.41 | 5,058.88 | 2,130,731.46 |
| 118 | 6/1/2032 | 2,130,731.46 | 6,763.29 | 1,700.38 | 5,062.91 | 2,125,668.55 |
| 119 | 7/1/2032 | 2,125,668.55 | 6,763.29 | 1,696.34 | 5,066.95 | 2,120,601.60 |
| 120 | 8/1/2032 | 2,120,601.60 | 6,763.29 | 1,692.29 | 5,071.00 | 2,115,530.60 |
| 121 | 9/1/2032 | 2,115,530.60 | 6,763.29 | 1,688.25 | 5,075.04 | 2,110,455.56 |

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|----------|-----------|----------------|
| 122 | 10/1/2032 | 2,110,455.56 | 6,763.29 | 1,684.20 | 5,079.09 | 2,105,376.47 |
| 123 | 11/1/2032 | 2,105,376.47 | 6,763.29 | 1,680.14 | 5,083.15 | 2,100,293.32 |
| 124 | 12/1/2032 | 2,100,293.32 | 6,763.29 | 1,676.09 | 5,087.20 | 2,095,206.12 |
| 125 | 1/1/2033 | 2,095,206.12 | 6,763.29 | 1,672.03 | 5,091.26 | 2,090,114.86 |
| 126 | 2/1/2033 | 2,090,114.86 | 6,763.29 | 1,667.96 | 5,095.33 | 2,085,019.53 |
| 127 | 3/1/2033 | 2,085,019.53 | 6,763.29 | 1,663.90 | 5,099.39 | 2,079,920.14 |
| 128 | 4/1/2033 | 2,079,920.14 | 6,763.29 | 1,659.83 | 5,103.46 | 2,074,816.68 |
| 129 | 5/1/2033 | 2,074,816.68 | 6,763.29 | 1,655.76 | 5,107.53 | 2,069,709.15 |
| 130 | 6/1/2033 | 2,069,709.15 | 6,763.29 | 1,651.68 | 5,111.61 | 2,064,597.54 |
| 131 | 7/1/2033 | 2,064,597.54 | 6,763.29 | 1,647.60 | 5,115.69 | 2,059,481.85 |
| 132 | 8/1/2033 | 2,059,481.85 | 6,763.29 | 1,643.52 | 5,119.77 | 2,054,362.08 |
| 133 | 9/1/2033 | 2,054,362.08 | 6,763.29 | 1,639.43 | 5,123.86 | 2,049,238.22 |
| 134 | 10/1/2033 | 2,049,238.22 | 6,763.29 | 1,635.34 | 5,127.95 | 2,044,110.27 |
| 135 | 11/1/2033 | 2,044,110.27 | 6,763.29 | 1,631.25 | 5,132.04 | 2,038,978.23 |
| 136 | 12/1/2033 | 2,038,978.23 | 6,763.29 | 1,627.16 | 5,136.13 | 2,033,842.10 |
| 137 | 1/1/2034 | 2,033,842.10 | 6,763.29 | 1,623.06 | 5,140.23 | 2,028,701.87 |
| 138 | 2/1/2034 | 2,028,701.87 | 6,763.29 | 1,618.95 | 5,144.34 | 2,023,557.53 |
| 139 | 3/1/2034 | 2,023,557.53 | 6,763.29 | 1,614.85 | 5,148.44 | 2,018,409.09 |
| 140 | 4/1/2034 | 2,018,409.09 | 6,763.29 | 1,610.74 | 5,152.55 | 2,013,256.54 |
| 141 | 5/1/2034 | 2,013,256.54 | 6,763.29 | 1,606.63 | 5,156.66 | 2,008,099.88 |
| 142 | 6/1/2034 | 2,008,099.88 | 6,763.29 | 1,602.51 | 5,160.78 | 2,002,939.10 |
| 143 | 7/1/2034 | 2,002,939.10 | 6,763.29 | 1,598.40 | 5,164.89 | 1,997,774.21 |
| 144 | 8/1/2034 | 1,997,774.21 | 6,763.29 | 1,594.27 | 5,169.02 | 1,992,605.19 |
| 145 | 9/1/2034 | 1,992,605.19 | 6,763.29 | 1,590.15 | 5,173.14 | 1,987,432.05 |
| 146 | 10/1/2034 | 1,987,432.05 | 6,763.29 | 1,586.02 | 5,177.27 | 1,982,254.78 |
| 147 | 11/1/2034 | 1,982,254.78 | 6,763.29 | 1,581.89 | 5,181.40 | 1,977,073.38 |
| 148 | 12/1/2034 | 1,977,073.38 | 6,763.29 | 1,577.75 | 5,185.54 | 1,971,887.84 |
| 149 | 1/1/2035 | 1,971,887.84 | 6,763.29 | 1,573.62 | 5,189.67 | 1,966,698.17 |
| 150 | 2/1/2035 | 1,966,698.17 | 6,763.29 | 1,569.47 | 5,193.82 | 1,961,504.35 |
| 151 | 3/1/2035 | 1,961,504.35 | 6,763.29 | 1,565.33 | 5,197.96 | 1,956,306.39 |
| 152 | 4/1/2035 | 1,956,306.39 | 6,763.29 | 1,561.18 | 5,202.11 | 1,951,104.28 |
| 153 | 5/1/2035 | 1,951,104.28 | 6,763.29 | 1,557.03 | 5,206.26 | 1,945,898.02 |
| 154 | 6/1/2035 | 1,945,898.02 | 6,763.29 | 1,552.88 | 5,210.41 | 1,940,687.61 |
| 155 | 7/1/2035 | 1,940,687.61 | 6,763.29 | 1,548.72 | 5,214.57 | 1,935,473.04 |
| 156 | 8/1/2035 | 1,935,473.04 | 6,763.29 | 1,544.56 | 5,218.73 | 1,930,254.31 |
| 157 | 9/1/2035 | 1,930,254.31 | 6,763.29 | 1,540.39 | 5,222.90 | 1,925,031.41 |
| 158 | 10/1/2035 | 1,925,031.41 | 6,763.29 | 1,536.22 | 5,227.07 | 1,919,804.34 |
| 159 | 11/1/2035 | 1,919,804.34 | 6,763.29 | 1,532.05 | 5,231.24 | 1,914,573.10 |
| 160 | 12/1/2035 | 1,914,573.10 | 6,763.29 | 1,527.88 | 5,235.41 | 1,909,337.69 |
| 161 | 1/1/2036 | 1,909,337.69 | 6,763.29 | 1,523.70 | 5,239.59 | 1,904,098.10 |
| 162 | 2/1/2036 | 1,904,098.10 | 6,763.29 | 1,519.52 | 5,243.77 | 1,898,854.33 |
| 163 | 3/1/2036 | 1,898,854.33 | 6,763.29 | 1,515.33 | 5,247.96 | 1,893,606.37 |
| 164 | 4/1/2036 | 1,893,606.37 | 6,763.29 | 1,511.15 | 5,252.14 | 1,888,354.23 |
| 165 | 5/1/2036 | 1,888,354.23 | 6,763.29 | 1,506.95 | 5,256.34 | 1,883,097.89 |
| 166 | 6/1/2036 | 1,883,097.89 | 6,763.29 | 1,502.76 | 5,260.53 | 1,877,837.36 |
| 167 | 7/1/2036 | 1,877,837.36 | 6,763.29 | 1,498.56 | 5,264.73 | 1,872,572.63 |
| 168 | 8/1/2036 | 1,872,572.63 | 6,763.29 | 1,494.36 | 5,268.93 | 1,867,303.70 |
| 169 | 9/1/2036 | 1,867,303.70 | 6,763.29 | 1,490.16 | 5,273.13 | 1,862,030.57 |
| 170 | 10/1/2036 | 1,862,030.57 | 6,763.29 | 1,485.95 | 5,277.34 | 1,856,753.23 |
| 171 | 11/1/2036 | 1,856,753.23 | 6,763.29 | 1,481.74 | 5,281.55 | 1,851,471.68 |
| 172 | 12/1/2036 | 1,851,471.68 | 6,763.29 | 1,477.52 | 5,285.77 | 1,846,185.91 |
| 173 | 1/1/2037 | 1,846,185.91 | 6,763.29 | 1,473.30 | 5,289.99 | 1,840,895.92 |
| 174 | 2/1/2037 | 1,840,895.92 | 6,763.29 | 1,469.08 | 5,294.21 | 1,835,601.71 |
| 175 | 3/1/2037 | 1,835,601.71 | 6,763.29 | 1,464.86 | 5,298.43 | 1,830,303.28 |
| 176 | 4/1/2037 | 1,830,303.28 | 6,763.29 | 1,460.63 | 5,302.66 | 1,825,000.62 |
| 177 | 5/1/2037 | 1,825,000.62 | 6,763.29 | 1,456.40 | 5,306.89 | 1,819,693.73 |
| 178 | 6/1/2037 | 1,819,693.73 | 6,763.29 | 1,452.16 | 5,311.13 | 1,814,382.60 |
| 179 | 7/1/2037 | 1,814,382.60 | 6,763.29 | 1,447.92 | 5,315.37 | 1,809,067.23 |
| 180 | 8/1/2037 | 1,809,067.23 | 6,763.29 | 1,443.68 | 5,319.61 | 1,803,747.62 |
| 181 | 9/1/2037 | 1,803,747.62 | 6,763.29 | 1,439.44 | 5,323.85 | 1,798,423.77 |
| 182 | 10/1/2037 | 1,798,423.77 | 6,763.29 | 1,435.19 | 5,328.10 | 1,793,095.67 |
| 183 | 11/1/2037 | 1,793,095.67 | 6,763.29 | 1,430.94 | 5,332.35 | 1,787,763.32 |
| 184 | 12/1/2037 | 1,787,763.32 | 6,763.29 | 1,426.68 | 5,336.61 | 1,782,426.71 |
| 185 | 1/1/2038 | 1,782,426.71 | 6,763.29 | 1,422.42 | 5,340.87 | 1,777,085.84 |
| 186 | 2/1/2038 | 1,777,085.84 | 6,763.29 | 1,418.16 | 5,345.13 | 1,771,740.71 |

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|----------|-----------|----------------|
| 187 | 3/1/2038 | 1,771,740.71 | 6,763.29 | 1,413.89 | 5,349.40 | 1,766,391.31 |
| 188 | 4/1/2038 | 1,766,391.31 | 6,763.29 | 1,409.62 | 5,353.67 | 1,761,037.64 |
| 189 | 5/1/2038 | 1,761,037.64 | 6,763.29 | 1,405.35 | 5,357.94 | 1,755,679.70 |
| 190 | 6/1/2038 | 1,755,679.70 | 6,763.29 | 1,401.08 | 5,362.21 | 1,750,317.49 |
| 191 | 7/1/2038 | 1,750,317.49 | 6,763.29 | 1,396.80 | 5,366.49 | 1,744,951.00 |
| 192 | 8/1/2038 | 1,744,951.00 | 6,763.29 | 1,392.51 | 5,370.78 | 1,739,580.22 |
| 193 | 9/1/2038 | 1,739,580.22 | 6,763.29 | 1,388.23 | 5,375.06 | 1,734,205.16 |
| 194 | 10/1/2038 | 1,734,205.16 | 6,763.29 | 1,383.94 | 5,379.35 | 1,728,825.81 |
| 195 | 11/1/2038 | 1,728,825.81 | 6,763.29 | 1,379.65 | 5,383.64 | 1,723,442.17 |
| 196 | 12/1/2038 | 1,723,442.17 | 6,763.29 | 1,375.35 | 5,387.94 | 1,718,054.23 |
| 197 | 1/1/2039 | 1,718,054.23 | 6,763.29 | 1,371.05 | 5,392.24 | 1,712,661.99 |
| 198 | 2/1/2039 | 1,712,661.99 | 6,763.29 | 1,366.75 | 5,396.54 | 1,707,265.45 |
| 199 | 3/1/2039 | 1,707,265.45 | 6,763.29 | 1,362.44 | 5,400.85 | 1,701,864.60 |
| 200 | 4/1/2039 | 1,701,864.60 | 6,763.29 | 1,358.13 | 5,405.16 | 1,696,459.44 |
| 201 | 5/1/2039 | 1,696,459.44 | 6,763.29 | 1,353.82 | 5,409.47 | 1,691,049.97 |
| 202 | 6/1/2039 | 1,691,049.97 | 6,763.29 | 1,349.50 | 5,413.79 | 1,685,636.18 |
| 203 | 7/1/2039 | 1,685,636.18 | 6,763.29 | 1,345.18 | 5,418.11 | 1,680,218.07 |
| 204 | 8/1/2039 | 1,680,218.07 | 6,763.29 | 1,340.86 | 5,422.43 | 1,674,795.64 |
| 205 | 9/1/2039 | 1,674,795.64 | 6,763.29 | 1,336.53 | 5,426.76 | 1,669,368.88 |
| 206 | 10/1/2039 | 1,669,368.88 | 6,763.29 | 1,332.20 | 5,431.09 | 1,663,937.79 |
| 207 | 11/1/2039 | 1,663,937.79 | 6,763.29 | 1,327.86 | 5,435.43 | 1,658,502.36 |
| 208 | 12/1/2039 | 1,658,502.36 | 6,763.29 | 1,323.53 | 5,439.76 | 1,653,062.60 |
| 209 | 1/1/2040 | 1,653,062.60 | 6,763.29 | 1,319.19 | 5,444.10 | 1,647,618.50 |
| 210 | 2/1/2040 | 1,647,618.50 | 6,763.29 | 1,314.84 | 5,448.45 | 1,642,170.05 |
| 211 | 3/1/2040 | 1,642,170.05 | 6,763.29 | 1,310.49 | 5,452.80 | 1,636,717.25 |
| 212 | 4/1/2040 | 1,636,717.25 | 6,763.29 | 1,306.14 | 5,457.15 | 1,631,260.10 |
| 213 | 5/1/2040 | 1,631,260.10 | 6,763.29 | 1,301.79 | 5,461.50 | 1,625,798.60 |
| 214 | 6/1/2040 | 1,625,798.60 | 6,763.29 | 1,297.43 | 5,465.86 | 1,620,332.74 |
| 215 | 7/1/2040 | 1,620,332.74 | 6,763.29 | 1,293.07 | 5,470.22 | 1,614,862.52 |
| 216 | 8/1/2040 | 1,614,862.52 | 6,763.29 | 1,288.70 | 5,474.59 | 1,609,387.93 |
| 217 | 9/1/2040 | 1,609,387.93 | 6,763.29 | 1,284.33 | 5,478.96 | 1,603,908.97 |
| 218 | 10/1/2040 | 1,603,908.97 | 6,763.29 | 1,279.96 | 5,483.33 | 1,598,425.64 |
| 219 | 11/1/2040 | 1,598,425.64 | 6,763.29 | 1,275.58 | 5,487.71 | 1,592,937.93 |
| 220 | 12/1/2040 | 1,592,937.93 | 6,763.29 | 1,271.20 | 5,492.09 | 1,587,445.84 |
| 221 | 1/1/2041 | 1,587,445.84 | 6,763.29 | 1,266.82 | 5,496.47 | 1,581,949.37 |
| 222 | 2/1/2041 | 1,581,949.37 | 6,763.29 | 1,262.44 | 5,500.85 | 1,576,448.52 |
| 223 | 3/1/2041 | 1,576,448.52 | 6,763.29 | 1,258.05 | 5,505.24 | 1,570,943.28 |
| 224 | 4/1/2041 | 1,570,943.28 | 6,763.29 | 1,253.65 | 5,509.64 | 1,565,433.64 |
| 225 | 5/1/2041 | 1,565,433.64 | 6,763.29 | 1,249.26 | 5,514.03 | 1,559,919.61 |
| 226 | 6/1/2041 | 1,559,919.61 | 6,763.29 | 1,244.85 | 5,518.44 | 1,554,401.17 |
| 227 | 7/1/2041 | 1,554,401.17 | 6,763.29 | 1,240.45 | 5,522.84 | 1,548,878.33 |
| 228 | 8/1/2041 | 1,548,878.33 | 6,763.29 | 1,236.04 | 5,527.25 | 1,543,351.08 |
| 229 | 9/1/2041 | 1,543,351.08 | 6,763.29 | 1,231.63 | 5,531.66 | 1,537,819.42 |
| 230 | 10/1/2041 | 1,537,819.42 | 6,763.29 | 1,227.22 | 5,536.07 | 1,532,283.35 |
| 231 | 11/1/2041 | 1,532,283.35 | 6,763.29 | 1,222.80 | 5,540.49 | 1,526,742.86 |
| 232 | 12/1/2041 | 1,526,742.86 | 6,763.29 | 1,218.38 | 5,544.91 | 1,521,197.95 |
| 233 | 1/1/2042 | 1,521,197.95 | 6,763.29 | 1,213.95 | 5,549.34 | 1,515,648.61 |
| 234 | 2/1/2042 | 1,515,648.61 | 6,763.29 | 1,209.53 | 5,553.76 | 1,510,094.85 |
| 235 | 3/1/2042 | 1,510,094.85 | 6,763.29 | 1,205.09 | 5,558.20 | 1,504,536.65 |
| 236 | 4/1/2042 | 1,504,536.65 | 6,763.29 | 1,200.66 | 5,562.63 | 1,498,974.02 |
| 237 | 5/1/2042 | 1,498,974.02 | 6,763.29 | 1,196.22 | 5,567.07 | 1,493,406.95 |
| 238 | 6/1/2042 | 1,493,406.95 | 6,763.29 | 1,191.78 | 5,571.51 | 1,487,835.44 |
| 239 | 7/1/2042 | 1,487,835.44 | 6,763.29 | 1,187.33 | 5,575.96 | 1,482,259.48 |
| 240 | 8/1/2042 | 1,482,259.48 | 6,763.29 | 1,182.88 | 5,580.41 | 1,476,679.07 |
| 241 | 9/1/2042 | 1,476,679.07 | 6,763.29 | 1,178.43 | 5,584.86 | 1,471,094.21 |
| 242 | 10/1/2042 | 1,471,094.21 | 6,763.29 | 1,173.97 | 5,589.32 | 1,465,504.89 |
| 243 | 11/1/2042 | 1,465,504.89 | 6,763.29 | 1,169.51 | 5,593.78 | 1,459,911.11 |
| 244 | 12/1/2042 | 1,459,911.11 | 6,763.29 | 1,165.05 | 5,598.24 | 1,454,312.87 |
| 245 | 1/1/2043 | 1,454,312.87 | 6,763.29 | 1,160.58 | 5,602.71 | 1,448,710.16 |
| 246 | 2/1/2043 | 1,448,710.16 | 6,763.29 | 1,156.11 | 5,607.18 | 1,443,102.98 |
| 247 | 3/1/2043 | 1,443,102.98 | 6,763.29 | 1,151.63 | 5,611.66 | 1,437,491.32 |
| 248 | 4/1/2043 | 1,437,491.32 | 6,763.29 | 1,147.15 | 5,616.14 | 1,431,875.18 |
| 249 | 5/1/2043 | 1,431,875.18 | 6,763.29 | 1,142.67 | 5,620.62 | 1,426,254.56 |
| 250 | 6/1/2043 | 1,426,254.56 | 6,763.29 | 1,138.19 | 5,625.10 | 1,420,629.46 |
| 251 | 7/1/2043 | 1,420,629.46 | 6,763.29 | 1,133.70 | 5,629.59 | 1,414,999.87 |

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|----------|-----------|----------------|
| 252 | 8/1/2043 | 1,414,999.87 | 6,763.29 | 1,129.21 | 5,634.08 | 1,409,365.79 |
| 253 | 9/1/2043 | 1,409,365.79 | 6,763.29 | 1,124.71 | 5,638.58 | 1,403,727.21 |
| 254 | 10/1/2043 | 1,403,727.21 | 6,763.29 | 1,120.21 | 5,643.08 | 1,398,084.13 |
| 255 | 11/1/2043 | 1,398,084.13 | 6,763.29 | 1,115.71 | 5,647.58 | 1,392,436.55 |
| 256 | 12/1/2043 | 1,392,436.55 | 6,763.29 | 1,111.20 | 5,652.09 | 1,386,784.46 |
| 257 | 1/1/2044 | 1,386,784.46 | 6,763.29 | 1,106.69 | 5,656.60 | 1,381,127.86 |
| 258 | 2/1/2044 | 1,381,127.86 | 6,763.29 | 1,102.17 | 5,661.12 | 1,375,466.74 |
| 259 | 3/1/2044 | 1,375,466.74 | 6,763.29 | 1,097.66 | 5,665.63 | 1,369,801.11 |
| 260 | 4/1/2044 | 1,369,801.11 | 6,763.29 | 1,093.14 | 5,670.15 | 1,364,130.96 |
| 261 | 5/1/2044 | 1,364,130.96 | 6,763.29 | 1,088.61 | 5,674.68 | 1,358,456.28 |
| 262 | 6/1/2044 | 1,358,456.28 | 6,763.29 | 1,084.08 | 5,679.21 | 1,352,777.07 |
| 263 | 7/1/2044 | 1,352,777.07 | 6,763.29 | 1,079.55 | 5,683.74 | 1,347,093.33 |
| 264 | 8/1/2044 | 1,347,093.33 | 6,763.29 | 1,075.01 | 5,688.28 | 1,341,405.05 |
| 265 | 9/1/2044 | 1,341,405.05 | 6,763.29 | 1,070.47 | 5,692.82 | 1,335,712.23 |
| 266 | 10/1/2044 | 1,335,712.23 | 6,763.29 | 1,065.93 | 5,697.36 | 1,330,014.87 |
| 267 | 11/1/2044 | 1,330,014.87 | 6,763.29 | 1,061.39 | 5,701.90 | 1,324,312.97 |
| 268 | 12/1/2044 | 1,324,312.97 | 6,763.29 | 1,056.83 | 5,706.46 | 1,318,606.51 |
| 269 | 1/1/2045 | 1,318,606.51 | 6,763.29 | 1,052.28 | 5,711.01 | 1,312,895.50 |
| 270 | 2/1/2045 | 1,312,895.50 | 6,763.29 | 1,047.72 | 5,715.57 | 1,307,179.93 |
| 271 | 3/1/2045 | 1,307,179.93 | 6,763.29 | 1,043.16 | 5,720.13 | 1,301,459.80 |
| 272 | 4/1/2045 | 1,301,459.80 | 6,763.29 | 1,038.60 | 5,724.69 | 1,295,735.11 |
| 273 | 5/1/2045 | 1,295,735.11 | 6,763.29 | 1,034.03 | 5,729.26 | 1,290,005.85 |
| 274 | 6/1/2045 | 1,290,005.85 | 6,763.29 | 1,029.46 | 5,733.83 | 1,284,272.02 |
| 275 | 7/1/2045 | 1,284,272.02 | 6,763.29 | 1,024.88 | 5,738.41 | 1,278,533.61 |
| 276 | 8/1/2045 | 1,278,533.61 | 6,763.29 | 1,020.30 | 5,742.99 | 1,272,790.62 |
| 277 | 9/1/2045 | 1,272,790.62 | 6,763.29 | 1,015.72 | 5,747.57 | 1,267,043.05 |
| 278 | 10/1/2045 | 1,267,043.05 | 6,763.29 | 1,011.13 | 5,752.16 | 1,261,290.89 |
| 279 | 11/1/2045 | 1,261,290.89 | 6,763.29 | 1,006.54 | 5,756.75 | 1,255,534.14 |
| 280 | 12/1/2045 | 1,255,534.14 | 6,763.29 | 1,001.95 | 5,761.34 | 1,249,772.80 |
| 281 | 1/1/2046 | 1,249,772.80 | 6,763.29 | 997.35 | 5,765.94 | 1,244,006.86 |
| 282 | 2/1/2046 | 1,244,006.86 | 6,763.29 | 992.75 | 5,770.54 | 1,238,236.32 |
| 283 | 3/1/2046 | 1,238,236.32 | 6,763.29 | 988.14 | 5,775.15 | 1,232,461.17 |
| 284 | 4/1/2046 | 1,232,461.17 | 6,763.29 | 983.53 | 5,779.76 | 1,226,681.41 |
| 285 | 5/1/2046 | 1,226,681.41 | 6,763.29 | 978.92 | 5,784.37 | 1,220,897.04 |
| 286 | 6/1/2046 | 1,220,897.04 | 6,763.29 | 974.31 | 5,788.98 | 1,215,108.06 |
| 287 | 7/1/2046 | 1,215,108.06 | 6,763.29 | 969.69 | 5,793.60 | 1,209,314.46 |
| 288 | 8/1/2046 | 1,209,314.46 | 6,763.29 | 965.06 | 5,798.23 | 1,203,516.23 |
| 289 | 9/1/2046 | 1,203,516.23 | 6,763.29 | 960.44 | 5,802.85 | 1,197,713.38 |
| 290 | 10/1/2046 | 1,197,713.38 | 6,763.29 | 955.81 | 5,807.48 | 1,191,905.90 |
| 291 | 11/1/2046 | 1,191,905.90 | 6,763.29 | 951.17 | 5,812.12 | 1,186,093.78 |
| 292 | 12/1/2046 | 1,186,093.78 | 6,763.29 | 946.53 | 5,816.76 | 1,180,277.02 |
| 293 | 1/1/2047 | 1,180,277.02 | 6,763.29 | 941.89 | 5,821.40 | 1,174,455.62 |
| 294 | 2/1/2047 | 1,174,455.62 | 6,763.29 | 937.24 | 5,826.05 | 1,168,629.57 |
| 295 | 3/1/2047 | 1,168,629.57 | 6,763.29 | 932.60 | 5,830.69 | 1,162,798.88 |
| 296 | 4/1/2047 | 1,162,798.88 | 6,763.29 | 927.94 | 5,835.35 | 1,156,963.53 |
| 297 | 5/1/2047 | 1,156,963.53 | 6,763.29 | 923.29 | 5,840.00 | 1,151,123.53 |
| 298 | 6/1/2047 | 1,151,123.53 | 6,763.29 | 918.63 | 5,844.66 | 1,145,278.87 |
| 299 | 7/1/2047 | 1,145,278.87 | 6,763.29 | 913.96 | 5,849.33 | 1,139,429.54 |
| 300 | 8/1/2047 | 1,139,429.54 | 6,763.29 | 909.29 | 5,854.00 | 1,133,575.54 |
| 301 | 9/1/2047 | 1,133,575.54 | 6,763.29 | 904.62 | 5,858.67 | 1,127,716.87 |
| 302 | 10/1/2047 | 1,127,716.87 | 6,763.29 | 899.95 | 5,863.34 | 1,121,853.53 |
| 303 | 11/1/2047 | 1,121,853.53 | 6,763.29 | 895.27 | 5,868.02 | 1,115,985.51 |
| 304 | 12/1/2047 | 1,115,985.51 | 6,763.29 | 890.58 | 5,872.71 | 1,110,112.80 |
| 305 | 1/1/2048 | 1,110,112.80 | 6,763.29 | 885.90 | 5,877.39 | 1,104,235.41 |
| 306 | 2/1/2048 | 1,104,235.41 | 6,763.29 | 881.21 | 5,882.08 | 1,098,353.33 |
| 307 | 3/1/2048 | 1,098,353.33 | 6,763.29 | 876.51 | 5,886.78 | 1,092,466.55 |
| 308 | 4/1/2048 | 1,092,466.55 | 6,763.29 | 871.82 | 5,891.47 | 1,086,575.08 |
| 309 | 5/1/2048 | 1,086,575.08 | 6,763.29 | 867.11 | 5,896.18 | 1,080,678.90 |
| 310 | 6/1/2048 | 1,080,678.90 | 6,763.29 | 862.41 | 5,900.88 | 1,074,778.02 |
| 311 | 7/1/2048 | 1,074,778.02 | 6,763.29 | 857.70 | 5,905.59 | 1,068,872.43 |
| 312 | 8/1/2048 | 1,068,872.43 | 6,763.29 | 852.99 | 5,910.30 | 1,062,962.13 |
| 313 | 9/1/2048 | 1,062,962.13 | 6,763.29 | 848.27 | 5,915.02 | 1,057,047.11 |
| 314 | 10/1/2048 | 1,057,047.11 | 6,763.29 | 843.55 | 5,919.74 | 1,051,127.37 |
| 315 | 11/1/2048 | 1,051,127.37 | 6,763.29 | 838.83 | 5,924.46 | 1,045,202.91 |
| 316 | 12/1/2048 | 1,045,202.91 | 6,763.29 | 834.10 | 5,929.19 | 1,039,273.72 |

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|----------|-----------|----------------|
| 317 | 1/1/2049 | 1,039,273.72 | 6,763.29 | 829.37 | 5,933.92 | 1,033,339.80 |
| 318 | 2/1/2049 | 1,033,339.80 | 6,763.29 | 824.63 | 5,938.66 | 1,027,401.14 |
| 319 | 3/1/2049 | 1,027,401.14 | 6,763.29 | 819.89 | 5,943.40 | 1,021,457.74 |
| 320 | 4/1/2049 | 1,021,457.74 | 6,763.29 | 815.15 | 5,948.14 | 1,015,509.60 |
| 321 | 5/1/2049 | 1,015,509.60 | 6,763.29 | 810.40 | 5,952.89 | 1,009,556.71 |
| 322 | 6/1/2049 | 1,009,556.71 | 6,763.29 | 805.65 | 5,957.64 | 1,003,599.07 |
| 323 | 7/1/2049 | 1,003,599.07 | 6,763.29 | 800.90 | 5,962.39 | 997,636.68 |
| 324 | 8/1/2049 | 997,636.68 | 6,763.29 | 796.14 | 5,967.15 | 991,669.53 |
| 325 | 9/1/2049 | 991,669.53 | 6,763.29 | 791.38 | 5,971.91 | 985,697.62 |
| 326 | 10/1/2049 | 985,697.62 | 6,763.29 | 786.61 | 5,976.68 | 979,720.94 |
| 327 | 11/1/2049 | 979,720.94 | 6,763.29 | 781.84 | 5,981.45 | 973,739.49 |
| 328 | 12/1/2049 | 973,739.49 | 6,763.29 | 777.07 | 5,986.22 | 967,753.27 |
| 329 | 1/1/2050 | 967,753.27 | 6,763.29 | 772.29 | 5,991.00 | 961,762.27 |
| 330 | 2/1/2050 | 961,762.27 | 6,763.29 | 767.51 | 5,995.78 | 955,766.49 |
| 331 | 3/1/2050 | 955,766.49 | 6,763.29 | 762.73 | 6,000.56 | 949,765.93 |
| 332 | 4/1/2050 | 949,765.93 | 6,763.29 | 757.94 | 6,005.35 | 943,760.58 |
| 333 | 5/1/2050 | 943,760.58 | 6,763.29 | 753.14 | 6,010.15 | 937,750.43 |
| 334 | 6/1/2050 | 937,750.43 | 6,763.29 | 748.35 | 6,014.94 | 931,735.49 |
| 335 | 7/1/2050 | 931,735.49 | 6,763.29 | 743.55 | 6,019.74 | 925,715.75 |
| 336 | 8/1/2050 | 925,715.75 | 6,763.29 | 738.74 | 6,024.55 | 919,691.20 |
| 337 | 9/1/2050 | 919,691.20 | 6,763.29 | 733.94 | 6,029.35 | 913,661.85 |
| 338 | 10/1/2050 | 913,661.85 | 6,763.29 | 729.12 | 6,034.17 | 907,627.68 |
| 339 | 11/1/2050 | 907,627.68 | 6,763.29 | 724.31 | 6,038.98 | 901,588.70 |
| 340 | 12/1/2050 | 901,588.70 | 6,763.29 | 719.49 | 6,043.80 | 895,544.90 |
| 341 | 1/1/2051 | 895,544.90 | 6,763.29 | 714.67 | 6,048.62 | 889,496.28 |
| 342 | 2/1/2051 | 889,496.28 | 6,763.29 | 709.84 | 6,053.45 | 883,442.83 |
| 343 | 3/1/2051 | 883,442.83 | 6,763.29 | 705.01 | 6,058.28 | 877,384.55 |
| 344 | 4/1/2051 | 877,384.55 | 6,763.29 | 700.17 | 6,063.12 | 871,321.43 |
| 345 | 5/1/2051 | 871,321.43 | 6,763.29 | 695.34 | 6,067.95 | 865,253.48 |
| 346 | 6/1/2051 | 865,253.48 | 6,763.29 | 690.49 | 6,072.80 | 859,180.68 |
| 347 | 7/1/2051 | 859,180.68 | 6,763.29 | 685.65 | 6,077.64 | 853,103.04 |
| 348 | 8/1/2051 | 853,103.04 | 6,763.29 | 680.80 | 6,082.49 | 847,020.55 |
| 349 | 9/1/2051 | 847,020.55 | 6,763.29 | 675.94 | 6,087.35 | 840,933.20 |
| 350 | 10/1/2051 | 840,933.20 | 6,763.29 | 671.09 | 6,092.20 | 834,841.00 |
| 351 | 11/1/2051 | 834,841.00 | 6,763.29 | 666.22 | 6,097.07 | 828,743.93 |
| 352 | 12/1/2051 | 828,743.93 | 6,763.29 | 661.36 | 6,101.93 | 822,642.00 |
| 353 | 1/1/2052 | 822,642.00 | 6,763.29 | 656.49 | 6,106.80 | 816,535.20 |
| 354 | 2/1/2052 | 816,535.20 | 6,763.29 | 651.62 | 6,111.67 | 810,423.53 |
| 355 | 3/1/2052 | 810,423.53 | 6,763.29 | 646.74 | 6,116.55 | 804,306.98 |
| 356 | 4/1/2052 | 804,306.98 | 6,763.29 | 641.86 | 6,121.43 | 798,185.55 |
| 357 | 5/1/2052 | 798,185.55 | 6,763.29 | 636.97 | 6,126.32 | 792,059.23 |
| 358 | 6/1/2052 | 792,059.23 | 6,763.29 | 632.08 | 6,131.21 | 785,928.02 |
| 359 | 7/1/2052 | 785,928.02 | 6,763.29 | 627.19 | 6,136.10 | 779,791.92 |
| 360 | 8/1/2052 | 779,791.92 | 6,763.29 | 622.29 | 6,141.00 | 773,650.92 |
| 361 | 9/1/2052 | 773,650.92 | 6,763.29 | 617.39 | 6,145.90 | 767,505.02 |
| 362 | 10/1/2052 | 767,505.02 | 6,763.29 | 612.49 | 6,150.80 | 761,354.22 |
| 363 | 11/1/2052 | 761,354.22 | 6,763.29 | 607.58 | 6,155.71 | 755,198.51 |
| 364 | 12/1/2052 | 755,198.51 | 6,763.29 | 602.67 | 6,160.62 | 749,037.89 |
| 365 | 1/1/2053 | 749,037.89 | 6,763.29 | 597.75 | 6,165.54 | 742,872.35 |
| 366 | 2/1/2053 | 742,872.35 | 6,763.29 | 592.83 | 6,170.46 | 736,701.89 |
| 367 | 3/1/2053 | 736,701.89 | 6,763.29 | 587.91 | 6,175.38 | 730,526.51 |
| 368 | 4/1/2053 | 730,526.51 | 6,763.29 | 582.98 | 6,180.31 | 724,346.20 |
| 369 | 5/1/2053 | 724,346.20 | 6,763.29 | 578.05 | 6,185.24 | 718,160.96 |
| 370 | 6/1/2053 | 718,160.96 | 6,763.29 | 573.11 | 6,190.18 | 711,970.78 |
| 371 | 7/1/2053 | 711,970.78 | 6,763.29 | 568.17 | 6,195.12 | 705,775.66 |
| 372 | 8/1/2053 | 705,775.66 | 6,763.29 | 563.23 | 6,200.06 | 699,575.60 |
| 373 | 9/1/2053 | 699,575.60 | 6,763.29 | 558.28 | 6,205.01 | 693,370.59 |
| 374 | 10/1/2053 | 693,370.59 | 6,763.29 | 553.33 | 6,209.96 | 687,160.63 |
| 375 | 11/1/2053 | 687,160.63 | 6,763.29 | 548.37 | 6,214.92 | 680,945.71 |
| 376 | 12/1/2053 | 680,945.71 | 6,763.29 | 543.41 | 6,219.88 | 674,725.83 |
| 377 | 1/1/2054 | 674,725.83 | 6,763.29 | 538.45 | 6,224.84 | 668,500.99 |
| 378 | 2/1/2054 | 668,500.99 | 6,763.29 | 533.48 | 6,229.81 | 662,271.18 |
| 379 | 3/1/2054 | 662,271.18 | 6,763.29 | 528.51 | 6,234.78 | 656,036.40 |
| 380 | 4/1/2054 | 656,036.40 | 6,763.29 | 523.53 | 6,239.76 | 649,796.64 |
| 381 | 5/1/2054 | 649,796.64 | 6,763.29 | 518.55 | 6,244.74 | 643,551.90 |

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|----------|-----------|----------------|
| 382 | 6/1/2054 | 643,551.90 | 6,763.29 | 513.57 | 6,249.72 | 637,302.18 |
| 383 | 7/1/2054 | 637,302.18 | 6,763.29 | 508.58 | 6,254.71 | 631,047.47 |
| 384 | 8/1/2054 | 631,047.47 | 6,763.29 | 503.59 | 6,259.70 | 624,787.77 |
| 385 | 9/1/2054 | 624,787.77 | 6,763.29 | 498.60 | 6,264.69 | 618,523.08 |
| 386 | 10/1/2054 | 618,523.08 | 6,763.29 | 493.60 | 6,269.69 | 612,253.39 |
| 387 | 11/1/2054 | 612,253.39 | 6,763.29 | 488.59 | 6,274.70 | 605,978.69 |
| 388 | 12/1/2054 | 605,978.69 | 6,763.29 | 483.59 | 6,279.70 | 599,698.99 |
| 389 | 1/1/2055 | 599,698.99 | 6,763.29 | 478.57 | 6,284.72 | 593,414.27 |
| 390 | 2/1/2055 | 593,414.27 | 6,763.29 | 473.56 | 6,289.73 | 587,124.54 |
| 391 | 3/1/2055 | 587,124.54 | 6,763.29 | 468.54 | 6,294.75 | 580,829.79 |
| 392 | 4/1/2055 | 580,829.79 | 6,763.29 | 463.52 | 6,299.77 | 574,530.02 |
| 393 | 5/1/2055 | 574,530.02 | 6,763.29 | 458.49 | 6,304.80 | 568,225.22 |
| 394 | 6/1/2055 | 568,225.22 | 6,763.29 | 453.46 | 6,309.83 | 561,915.39 |
| 395 | 7/1/2055 | 561,915.39 | 6,763.29 | 448.42 | 6,314.87 | 555,600.52 |
| 396 | 8/1/2055 | 555,600.52 | 6,763.29 | 443.38 | 6,319.91 | 549,280.61 |
| 397 | 9/1/2055 | 549,280.61 | 6,763.29 | 438.34 | 6,324.95 | 542,955.66 |
| 398 | 10/1/2055 | 542,955.66 | 6,763.29 | 433.29 | 6,330.00 | 536,625.66 |
| 399 | 11/1/2055 | 536,625.66 | 6,763.29 | 428.24 | 6,335.05 | 530,290.61 |
| 400 | 12/1/2055 | 530,290.61 | 6,763.29 | 423.19 | 6,340.10 | 523,950.51 |
| 401 | 1/1/2056 | 523,950.51 | 6,763.29 | 418.13 | 6,345.16 | 517,605.35 |
| 402 | 2/1/2056 | 517,605.35 | 6,763.29 | 413.06 | 6,350.23 | 511,255.12 |
| 403 | 3/1/2056 | 511,255.12 | 6,763.29 | 407.99 | 6,355.30 | 504,899.82 |
| 404 | 4/1/2056 | 504,899.82 | 6,763.29 | 402.92 | 6,360.37 | 498,539.45 |
| 405 | 5/1/2056 | 498,539.45 | 6,763.29 | 397.85 | 6,365.44 | 492,174.01 |
| 406 | 6/1/2056 | 492,174.01 | 6,763.29 | 392.77 | 6,370.52 | 485,803.49 |
| 407 | 7/1/2056 | 485,803.49 | 6,763.29 | 387.68 | 6,375.61 | 479,427.88 |
| 408 | 8/1/2056 | 479,427.88 | 6,763.29 | 382.60 | 6,380.69 | 473,047.19 |
| 409 | 9/1/2056 | 473,047.19 | 6,763.29 | 377.50 | 6,385.79 | 466,661.40 |
| 410 | 10/1/2056 | 466,661.40 | 6,763.29 | 372.41 | 6,390.88 | 460,270.52 |
| 411 | 11/1/2056 | 460,270.52 | 6,763.29 | 367.31 | 6,395.98 | 453,874.54 |
| 412 | 12/1/2056 | 453,874.54 | 6,763.29 | 362.20 | 6,401.09 | 447,473.45 |
| 413 | 1/1/2057 | 447,473.45 | 6,763.29 | 357.09 | 6,406.20 | 441,067.25 |
| 414 | 2/1/2057 | 441,067.25 | 6,763.29 | 351.98 | 6,411.31 | 434,655.94 |
| 415 | 3/1/2057 | 434,655.94 | 6,763.29 | 346.87 | 6,416.42 | 428,239.52 |
| 416 | 4/1/2057 | 428,239.52 | 6,763.29 | 341.75 | 6,421.54 | 421,817.98 |
| 417 | 5/1/2057 | 421,817.98 | 6,763.29 | 336.62 | 6,426.67 | 415,391.31 |
| 418 | 6/1/2057 | 415,391.31 | 6,763.29 | 331.49 | 6,431.80 | 408,959.51 |
| 419 | 7/1/2057 | 408,959.51 | 6,763.29 | 326.36 | 6,436.93 | 402,522.58 |
| 420 | 8/1/2057 | 402,522.58 | 6,763.29 | 321.22 | 6,442.07 | 396,080.51 |
| 421 | 9/1/2057 | 396,080.51 | 6,763.29 | 316.08 | 6,447.21 | 389,633.30 |
| 422 | 10/1/2057 | 389,633.30 | 6,763.29 | 310.94 | 6,452.35 | 383,180.95 |
| 423 | 11/1/2057 | 383,180.95 | 6,763.29 | 305.79 | 6,457.50 | 376,723.45 |
| 424 | 12/1/2057 | 376,723.45 | 6,763.29 | 300.63 | 6,462.66 | 370,260.79 |
| 425 | 1/1/2058 | 370,260.79 | 6,763.29 | 295.48 | 6,467.81 | 363,792.98 |
| 426 | 2/1/2058 | 363,792.98 | 6,763.29 | 290.32 | 6,472.97 | 357,320.01 |
| 427 | 3/1/2058 | 357,320.01 | 6,763.29 | 285.15 | 6,478.14 | 350,841.87 |
| 428 | 4/1/2058 | 350,841.87 | 6,763.29 | 279.98 | 6,483.31 | 344,358.56 |
| 429 | 5/1/2058 | 344,358.56 | 6,763.29 | 274.81 | 6,488.48 | 337,870.08 |
| 430 | 6/1/2058 | 337,870.08 | 6,763.29 | 269.63 | 6,493.66 | 331,376.42 |
| 431 | 7/1/2058 | 331,376.42 | 6,763.29 | 264.45 | 6,498.84 | 324,877.58 |
| 432 | 8/1/2058 | 324,877.58 | 6,763.29 | 259.26 | 6,504.03 | 318,373.55 |
| 433 | 9/1/2058 | 318,373.55 | 6,763.29 | 254.07 | 6,509.22 | 311,864.33 |
| 434 | 10/1/2058 | 311,864.33 | 6,763.29 | 248.88 | 6,514.41 | 305,349.92 |
| 435 | 11/1/2058 | 305,349.92 | 6,763.29 | 243.68 | 6,519.61 | 298,830.31 |
| 436 | 12/1/2058 | 298,830.31 | 6,763.29 | 238.47 | 6,524.82 | 292,305.49 |
| 437 | 1/1/2059 | 292,305.49 | 6,763.29 | 233.27 | 6,530.02 | 285,775.47 |
| 438 | 2/1/2059 | 285,775.47 | 6,763.29 | 228.06 | 6,535.23 | 279,240.24 |
| 439 | 3/1/2059 | 279,240.24 | 6,763.29 | 222.84 | 6,540.45 | 272,699.79 |
| 440 | 4/1/2059 | 272,699.79 | 6,763.29 | 217.62 | 6,545.67 | 266,154.12 |
| 441 | 5/1/2059 | 266,154.12 | 6,763.29 | 212.40 | 6,550.89 | 259,603.23 |
| 442 | 6/1/2059 | 259,603.23 | 6,763.29 | 207.17 | 6,556.12 | 253,047.11 |
| 443 | 7/1/2059 | 253,047.11 | 6,763.29 | 201.94 | 6,561.35 | 246,485.76 |
| 444 | 8/1/2059 | 246,485.76 | 6,763.29 | 196.70 | 6,566.59 | 239,919.17 |
| 445 | 9/1/2059 | 239,919.17 | 6,763.29 | 191.46 | 6,571.83 | 233,347.34 |
| 446 | 10/1/2059 | 233,347.34 | 6,763.29 | 186.22 | 6,577.07 | 226,770.27 |

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|----------|-----------|----------------|
| 447 | 11/1/2059 | 226,770.27 | 6,763.29 | 180.97 | 6,582.32 | 220,187.95 |
| 448 | 12/1/2059 | 220,187.95 | 6,763.29 | 175.72 | 6,587.57 | 213,600.38 |
| 449 | 1/1/2060 | 213,600.38 | 6,763.29 | 170.46 | 6,592.83 | 207,007.55 |
| 450 | 2/1/2060 | 207,007.55 | 6,763.29 | 165.20 | 6,598.09 | 200,409.46 |
| 451 | 3/1/2060 | 200,409.46 | 6,763.29 | 159.93 | 6,603.36 | 193,806.10 |
| 452 | 4/1/2060 | 193,806.10 | 6,763.29 | 154.66 | 6,608.63 | 187,197.47 |
| 453 | 5/1/2060 | 187,197.47 | 6,763.29 | 149.39 | 6,613.90 | 180,583.57 |
| 454 | 6/1/2060 | 180,583.57 | 6,763.29 | 144.11 | 6,619.18 | 173,964.39 |
| 455 | 7/1/2060 | 173,964.39 | 6,763.29 | 138.83 | 6,624.46 | 167,339.93 |
| 456 | 8/1/2060 | 167,339.93 | 6,763.29 | 133.54 | 6,629.75 | 160,710.18 |
| 457 | 9/1/2060 | 160,710.18 | 6,763.29 | 128.25 | 6,635.04 | 154,075.14 |
| 458 | 10/1/2060 | 154,075.14 | 6,763.29 | 122.96 | 6,640.33 | 147,434.81 |
| 459 | 11/1/2060 | 147,434.81 | 6,763.29 | 117.66 | 6,645.63 | 140,789.18 |
| 460 | 12/1/2060 | 140,789.18 | 6,763.29 | 112.35 | 6,650.94 | 134,138.24 |
| 461 | 1/1/2061 | 134,138.24 | 6,763.29 | 107.05 | 6,656.24 | 127,482.00 |
| 462 | 2/1/2061 | 127,482.00 | 6,763.29 | 101.73 | 6,661.56 | 120,820.44 |
| 463 | 3/1/2061 | 120,820.44 | 6,763.29 | 96.42 | 6,666.87 | 114,153.57 |
| 464 | 4/1/2061 | 114,153.57 | 6,763.29 | 91.10 | 6,672.19 | 107,481.38 |
| 465 | 5/1/2061 | 107,481.38 | 6,763.29 | 85.77 | 6,677.52 | 100,803.86 |
| 466 | 6/1/2061 | 100,803.86 | 6,763.29 | 80.44 | 6,682.85 | 94,121.01 |
| 467 | 7/1/2061 | 94,121.01 | 6,763.29 | 75.11 | 6,688.18 | 87,432.83 |
| 468 | 8/1/2061 | 87,432.83 | 6,763.29 | 69.77 | 6,693.52 | 80,739.31 |
| 469 | 9/1/2061 | 80,739.31 | 6,763.29 | 64.43 | 6,698.86 | 74,040.45 |
| 470 | 10/1/2061 | 74,040.45 | 6,763.29 | 59.09 | 6,704.20 | 67,336.25 |
| 471 | 11/1/2061 | 67,336.25 | 6,763.29 | 53.74 | 6,709.55 | 60,626.70 |
| 472 | 12/1/2061 | 60,626.70 | 6,763.29 | 48.38 | 6,714.91 | 53,911.79 |
| 473 | 1/1/2062 | 53,911.79 | 6,763.29 | 43.02 | 6,720.27 | 47,191.52 |
| 474 | 2/1/2062 | 47,191.52 | 6,763.29 | 37.66 | 6,725.63 | 40,465.89 |
| 475 | 3/1/2062 | 40,465.89 | 6,763.29 | 32.29 | 6,731.00 | 33,734.89 |
| 476 | 4/1/2062 | 33,734.89 | 6,763.29 | 26.92 | 6,736.37 | 26,998.52 |
| 477 | 5/1/2062 | 26,998.52 | 6,763.29 | 21.55 | 6,741.74 | 20,256.78 |
| 478 | 6/1/2062 | 20,256.78 | 6,763.29 | 16.17 | 6,747.12 | 13,509.66 |
| 479 | 7/1/2062 | 13,509.66 | 6,763.29 | 10.78 | 6,752.51 | 6,757.15 |
| 480 | 8/1/2062 | 6,757.15 | 6,762.54 | 5.39 | 6,757.15 | - |

SECURED PROMISSORY NOTE
PASS – Market Rate Loan
(1000-1024 Market Street, San Francisco, CA)

Principal Amount: \$4,886,616

San Francisco, CA

Date: _____, 2022

FOR VALUE RECEIVED, the undersigned, **SAN CRISTINA, 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 Four Million Eight Hundred Eighty Six Thousand Six Hundred Sixteen and No/100 Dollars (\$4,886,616.00) (the “Market Rate Loan Amount”), or so much of the Market Rate Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“**Note**”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder dated as of [____], 2022 as it may be amended from time to time (the “**Agreement**”), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain PASS Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (San Cristina) dated as of the date of this Note, made by Maker for the benefit of Holder. 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. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 3.87289% per annum, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each.

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 Market Rate Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America for the month immediately preceding the month in which the Event of Default has occurred, plus four percent (4%), which rate will automatically be reduced if it is higher than the maximum rate allowed by law, commencing on the date of 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 Market Rate Loan Amount. Maker must make payments of principal and interest in monthly installments (each, a "Payment") equal to the amount specified by the amortization schedule attached as Exhibit A. 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 Market Rate Loan. The unpaid principal balance of the Market Rate Loan, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the fortieth (40th) anniversary of the First Payment Date as defined in Section 6.5 (the "Maturity Date"). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the PASS 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 as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County (the "First Payment Date"). On or after the tenth anniversary of the First Payment Date, this Note may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if this Note is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if this Note is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if this Note is prepaid on or after the twelfth anniversary of the First Payment Date. This Note may not be prepaid unless the BMR Loan, and in Holder's sole discretion, the Deferred Loan and Consolidated Loan are also all paid in full. Maker shall provide Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from a prepayment of this Note including,

but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

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, including without limitation, the BMR Note the Deferred Note, and the Consolidated Note.

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 Market Rate Loan (along with the BMR Loan, Deferred Loan, and Consolidated 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 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 PASS Deed of Trust), waste or negligent or intentional damage to the collateral for the Market Rate Loan.

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.

[SIGNATURE ON THE NEXT PAGE]

“MAKER”
SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit
corporation (d/b/a, HomeRise), its sole member/manager

By: _____
Name: Rick Aubry
Its: Chief Executive Officer

Exhibit A
Amortization Schedule

EXHIBIT A

Project Name: San Cristina
Sponsor: HomeRise

| | |
|-----------------|--------------|
| Loan Amount | 4,886,616.00 |
| Rate | 3.87289% |
| Term | 40 |
| Amortization | 40 |
| Monthly Payment | 20,038.45 |

MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest (Cost of Funds) | Interest (Admin Fees) | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|--------------------------|-----------------------|-----------|----------------|
| 1 | 9/1/2022 | 4,886,616.00 | 20,038.45 | 11,698.93 | 4,072.18 | 4,267.34 | 4,882,348.66 |
| 2 | 10/1/2022 | 4,882,348.66 | 20,038.45 | 11,688.71 | 4,068.62 | 4,281.12 | 4,878,067.54 |
| 3 | 11/1/2022 | 4,878,067.54 | 20,038.45 | 11,678.46 | 4,065.06 | 4,294.93 | 4,873,772.61 |
| 4 | 12/1/2022 | 4,873,772.61 | 20,038.45 | 11,668.18 | 4,061.47 | 4,308.80 | 4,869,463.81 |
| 5 | 1/1/2023 | 4,869,463.81 | 20,038.45 | 11,657.86 | 4,057.89 | 4,322.70 | 4,865,141.11 |
| 6 | 2/1/2023 | 4,865,141.11 | 20,038.45 | 11,647.51 | 4,054.29 | 4,336.65 | 4,860,804.46 |
| 7 | 3/1/2023 | 4,860,804.46 | 20,038.45 | 11,637.13 | 4,050.67 | 4,350.65 | 4,856,453.81 |
| 8 | 4/1/2023 | 4,856,453.81 | 20,038.45 | 11,626.71 | 4,047.05 | 4,364.69 | 4,852,089.12 |
| 9 | 5/1/2023 | 4,852,089.12 | 20,038.45 | 11,616.27 | 4,043.40 | 4,378.78 | 4,847,710.34 |
| 10 | 6/1/2023 | 4,847,710.34 | 20,038.45 | 11,605.78 | 4,039.76 | 4,392.91 | 4,843,317.43 |
| 11 | 7/1/2023 | 4,843,317.43 | 20,038.45 | 11,595.27 | 4,036.09 | 4,407.09 | 4,838,910.34 |
| 12 | 8/1/2023 | 4,838,910.34 | 20,038.45 | 11,584.71 | 4,032.43 | 4,421.31 | 4,834,489.03 |
| 13 | 9/1/2023 | 4,834,489.03 | 20,038.45 | 11,574.13 | 4,028.74 | 4,435.58 | 4,830,053.45 |
| 14 | 10/1/2023 | 4,830,053.45 | 20,038.45 | 11,563.51 | 4,025.04 | 4,449.90 | 4,825,603.55 |
| 15 | 11/1/2023 | 4,825,603.55 | 20,038.45 | 11,552.86 | 4,021.33 | 4,464.26 | 4,821,139.29 |
| 16 | 12/1/2023 | 4,821,139.29 | 20,038.45 | 11,542.17 | 4,017.62 | 4,478.66 | 4,816,660.63 |
| 17 | 1/1/2024 | 4,816,660.63 | 20,038.45 | 11,531.45 | 4,013.88 | 4,493.12 | 4,812,167.51 |
| 18 | 2/1/2024 | 4,812,167.51 | 20,038.45 | 11,520.69 | 4,010.14 | 4,507.62 | 4,807,659.89 |
| 19 | 3/1/2024 | 4,807,659.89 | 20,038.45 | 11,509.90 | 4,006.38 | 4,522.17 | 4,803,137.72 |
| 20 | 4/1/2024 | 4,803,137.72 | 20,038.45 | 11,499.07 | 4,002.62 | 4,536.76 | 4,798,600.96 |
| 21 | 5/1/2024 | 4,798,600.96 | 20,038.45 | 11,488.21 | 3,998.83 | 4,551.41 | 4,794,049.55 |
| 22 | 6/1/2024 | 4,794,049.55 | 20,038.45 | 11,477.31 | 3,995.05 | 4,566.09 | 4,789,483.46 |
| 23 | 7/1/2024 | 4,789,483.46 | 20,038.45 | 11,466.38 | 3,991.24 | 4,580.83 | 4,784,902.63 |
| 24 | 8/1/2024 | 4,784,902.63 | 20,038.45 | 11,455.42 | 3,987.41 | 4,595.62 | 4,780,307.01 |
| 25 | 9/1/2024 | 4,780,307.01 | 20,038.45 | 11,444.41 | 3,983.59 | 4,610.45 | 4,775,696.56 |
| 26 | 10/1/2024 | 4,775,696.56 | 20,038.45 | 11,433.38 | 3,979.74 | 4,625.33 | 4,771,071.23 |
| 27 | 11/1/2024 | 4,771,071.23 | 20,038.45 | 11,422.30 | 3,975.90 | 4,640.25 | 4,766,430.98 |
| 28 | 12/1/2024 | 4,766,430.98 | 20,038.45 | 11,411.19 | 3,972.03 | 4,655.23 | 4,761,775.75 |
| 29 | 1/1/2025 | 4,761,775.75 | 20,038.45 | 11,400.05 | 3,968.14 | 4,670.26 | 4,757,105.49 |
| 30 | 2/1/2025 | 4,757,105.49 | 20,038.45 | 11,388.87 | 3,964.25 | 4,685.33 | 4,752,420.16 |
| 31 | 3/1/2025 | 4,752,420.16 | 20,038.45 | 11,377.65 | 3,960.35 | 4,700.45 | 4,747,719.71 |
| 32 | 4/1/2025 | 4,747,719.71 | 20,038.45 | 11,366.40 | 3,956.43 | 4,715.62 | 4,743,004.09 |
| 33 | 5/1/2025 | 4,743,004.09 | 20,038.45 | 11,355.11 | 3,952.50 | 4,730.84 | 4,738,273.25 |
| 34 | 6/1/2025 | 4,738,273.25 | 20,038.45 | 11,343.78 | 3,948.56 | 4,746.11 | 4,733,527.14 |
| 35 | 7/1/2025 | 4,733,527.14 | 20,038.45 | 11,332.42 | 3,944.60 | 4,761.43 | 4,728,765.71 |
| 36 | 8/1/2025 | 4,728,765.71 | 20,038.45 | 11,321.02 | 3,940.64 | 4,776.79 | 4,723,988.92 |
| 37 | 9/1/2025 | 4,723,988.92 | 20,038.45 | 11,309.58 | 3,936.66 | 4,792.21 | 4,719,196.71 |
| 38 | 10/1/2025 | 4,719,196.71 | 20,038.45 | 11,298.11 | 3,932.66 | 4,807.68 | 4,714,389.03 |
| 39 | 11/1/2025 | 4,714,389.03 | 20,038.45 | 11,286.60 | 3,928.66 | 4,823.19 | 4,709,565.84 |
| 40 | 12/1/2025 | 4,709,565.84 | 20,038.45 | 11,275.05 | 3,924.64 | 4,838.76 | 4,704,727.08 |
| 41 | 1/1/2026 | 4,704,727.08 | 20,038.45 | 11,263.47 | 3,920.61 | 4,854.37 | 4,699,872.71 |
| 42 | 2/1/2026 | 4,699,872.71 | 20,038.45 | 11,251.85 | 3,916.56 | 4,870.04 | 4,695,002.67 |
| 43 | 3/1/2026 | 4,695,002.67 | 20,038.45 | 11,240.19 | 3,912.50 | 4,885.76 | 4,690,116.91 |
| 44 | 4/1/2026 | 4,690,116.91 | 20,038.45 | 11,228.49 | 3,908.43 | 4,901.53 | 4,685,215.38 |
| 45 | 5/1/2026 | 4,685,215.38 | 20,038.45 | 11,216.76 | 3,904.34 | 4,917.35 | 4,680,298.03 |
| 46 | 6/1/2026 | 4,680,298.03 | 20,038.45 | 11,204.98 | 3,900.25 | 4,933.22 | 4,675,364.81 |
| 47 | 7/1/2026 | 4,675,364.81 | 20,038.45 | 11,193.17 | 3,896.14 | 4,949.14 | 4,670,415.67 |
| 48 | 8/1/2026 | 4,670,415.67 | 20,038.45 | 11,181.33 | 3,892.01 | 4,965.11 | 4,665,450.56 |
| 49 | 9/1/2026 | 4,665,450.56 | 20,038.45 | 11,169.44 | 3,887.87 | 4,981.14 | 4,660,469.42 |
| 50 | 10/1/2026 | 4,660,469.42 | 20,038.45 | 11,157.51 | 3,883.73 | 4,997.21 | 4,655,472.21 |
| 51 | 11/1/2026 | 4,655,472.21 | 20,038.45 | 11,145.55 | 3,879.56 | 5,013.34 | 4,650,458.87 |
| 52 | 12/1/2026 | 4,650,458.87 | 20,038.45 | 11,133.55 | 3,875.38 | 5,029.52 | 4,645,429.35 |
| 53 | 1/1/2027 | 4,645,429.35 | 20,038.45 | 11,121.51 | 3,871.19 | 5,045.75 | 4,640,383.60 |
| 54 | 2/1/2027 | 4,640,383.60 | 20,038.45 | 11,109.43 | 3,866.98 | 5,062.04 | 4,635,321.56 |
| 55 | 3/1/2027 | 4,635,321.56 | 20,038.45 | 11,097.31 | 3,862.77 | 5,078.37 | 4,630,243.19 |
| 56 | 4/1/2027 | 4,630,243.19 | 20,038.45 | 11,085.15 | 3,858.54 | 5,094.76 | 4,625,148.43 |
| 57 | 5/1/2027 | 4,625,148.43 | 20,038.45 | 11,072.95 | 3,854.29 | 5,111.21 | 4,620,037.22 |
| 58 | 6/1/2027 | 4,620,037.22 | 20,038.45 | 11,060.72 | 3,850.03 | 5,127.70 | 4,614,909.52 |

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest (Cost of Funds) | Interest (Admin Fees) | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|--------------------------|-----------------------|-----------|----------------|
| 59 | 7/1/2027 | 4,614,909.52 | 20,038.45 | 11,048.44 | 3,845.76 | 5,144.25 | 4,609,765.27 |
| 60 | 8/1/2027 | 4,609,765.27 | 20,038.45 | 11,036.12 | 3,841.47 | 5,160.86 | 4,604,604.41 |
| 61 | 9/1/2027 | 4,604,604.41 | 20,038.45 | 11,023.77 | 3,837.17 | 5,177.51 | 4,599,426.90 |
| 62 | 10/1/2027 | 4,599,426.90 | 20,038.45 | 11,011.37 | 3,832.86 | 5,194.22 | 4,594,232.68 |
| 63 | 11/1/2027 | 4,594,232.68 | 20,038.45 | 10,998.94 | 3,828.52 | 5,210.99 | 4,589,021.69 |
| 64 | 12/1/2027 | 4,589,021.69 | 20,038.45 | 10,986.46 | 3,824.19 | 5,227.80 | 4,583,793.89 |
| 65 | 1/1/2028 | 4,583,793.89 | 20,038.45 | 10,973.95 | 3,819.82 | 5,244.68 | 4,578,549.21 |
| 66 | 2/1/2028 | 4,578,549.21 | 20,038.45 | 10,961.39 | 3,815.46 | 5,261.60 | 4,573,287.61 |
| 67 | 3/1/2028 | 4,573,287.61 | 20,038.45 | 10,948.79 | 3,811.08 | 5,278.58 | 4,568,009.03 |
| 68 | 4/1/2028 | 4,568,009.03 | 20,038.45 | 10,936.16 | 3,806.67 | 5,295.62 | 4,562,713.41 |
| 69 | 5/1/2028 | 4,562,713.41 | 20,038.45 | 10,923.48 | 3,802.26 | 5,312.71 | 4,557,400.70 |
| 70 | 6/1/2028 | 4,557,400.70 | 20,038.45 | 10,910.76 | 3,797.83 | 5,329.86 | 4,552,070.84 |
| 71 | 7/1/2028 | 4,552,070.84 | 20,038.45 | 10,898.00 | 3,793.39 | 5,347.06 | 4,546,723.78 |
| 72 | 8/1/2028 | 4,546,723.78 | 20,038.45 | 10,885.20 | 3,788.93 | 5,364.32 | 4,541,359.46 |
| 73 | 9/1/2028 | 4,541,359.46 | 20,038.45 | 10,872.36 | 3,784.46 | 5,381.63 | 4,535,977.83 |
| 74 | 10/1/2028 | 4,535,977.83 | 20,038.45 | 10,859.47 | 3,779.98 | 5,399.00 | 4,530,578.83 |
| 75 | 11/1/2028 | 4,530,578.83 | 20,038.45 | 10,846.55 | 3,775.48 | 5,416.42 | 4,525,162.41 |
| 76 | 12/1/2028 | 4,525,162.41 | 20,038.45 | 10,833.58 | 3,770.97 | 5,433.90 | 4,519,728.51 |
| 77 | 1/1/2029 | 4,519,728.51 | 20,038.45 | 10,820.57 | 3,766.44 | 5,451.44 | 4,514,277.07 |
| 78 | 2/1/2029 | 4,514,277.07 | 20,038.45 | 10,807.52 | 3,761.90 | 5,469.03 | 4,508,808.04 |
| 79 | 3/1/2029 | 4,508,808.04 | 20,038.45 | 10,794.42 | 3,757.34 | 5,486.69 | 4,503,321.35 |
| 80 | 4/1/2029 | 4,503,321.35 | 20,038.45 | 10,781.29 | 3,752.77 | 5,504.39 | 4,497,816.96 |
| 81 | 5/1/2029 | 4,497,816.96 | 20,038.45 | 10,768.11 | 3,748.18 | 5,522.16 | 4,492,294.80 |
| 82 | 6/1/2029 | 4,492,294.80 | 20,038.45 | 10,754.89 | 3,743.58 | 5,539.98 | 4,486,754.82 |
| 83 | 7/1/2029 | 4,486,754.82 | 20,038.45 | 10,741.63 | 3,738.96 | 5,557.86 | 4,481,196.96 |
| 84 | 8/1/2029 | 4,481,196.96 | 20,038.45 | 10,728.32 | 3,734.33 | 5,575.80 | 4,475,621.16 |
| 85 | 9/1/2029 | 4,475,621.16 | 20,038.45 | 10,714.97 | 3,729.69 | 5,593.79 | 4,470,027.37 |
| 86 | 10/1/2029 | 4,470,027.37 | 20,038.45 | 10,701.58 | 3,725.02 | 5,611.85 | 4,464,415.52 |
| 87 | 11/1/2029 | 4,464,415.52 | 20,038.45 | 10,688.15 | 3,720.34 | 5,629.96 | 4,458,785.56 |
| 88 | 12/1/2029 | 4,458,785.56 | 20,038.45 | 10,674.67 | 3,715.65 | 5,648.13 | 4,453,137.43 |
| 89 | 1/1/2030 | 4,453,137.43 | 20,038.45 | 10,661.14 | 3,710.95 | 5,666.36 | 4,447,471.07 |
| 90 | 2/1/2030 | 4,447,471.07 | 20,038.45 | 10,647.58 | 3,706.23 | 5,684.64 | 4,441,786.43 |
| 91 | 3/1/2030 | 4,441,786.43 | 20,038.45 | 10,633.97 | 3,701.49 | 5,702.99 | 4,436,083.44 |
| 92 | 4/1/2030 | 4,436,083.44 | 20,038.45 | 10,620.32 | 3,696.73 | 5,721.40 | 4,430,362.04 |
| 93 | 5/1/2030 | 4,430,362.04 | 20,038.45 | 10,606.62 | 3,691.97 | 5,739.86 | 4,424,622.18 |
| 94 | 6/1/2030 | 4,424,622.18 | 20,038.45 | 10,592.88 | 3,687.18 | 5,758.39 | 4,418,863.79 |
| 95 | 7/1/2030 | 4,418,863.79 | 20,038.45 | 10,579.09 | 3,682.39 | 5,776.97 | 4,413,086.82 |
| 96 | 8/1/2030 | 4,413,086.82 | 20,038.45 | 10,565.26 | 3,677.57 | 5,795.62 | 4,407,291.20 |
| 97 | 9/1/2030 | 4,407,291.20 | 20,038.45 | 10,551.39 | 3,672.74 | 5,814.32 | 4,401,476.88 |
| 98 | 10/1/2030 | 4,401,476.88 | 20,038.45 | 10,537.47 | 3,667.89 | 5,833.09 | 4,395,643.79 |
| 99 | 11/1/2030 | 4,395,643.79 | 20,038.45 | 10,523.50 | 3,663.04 | 5,851.91 | 4,389,791.88 |
| 100 | 12/1/2030 | 4,389,791.88 | 20,038.45 | 10,509.49 | 3,658.16 | 5,870.80 | 4,383,921.08 |
| 101 | 1/1/2031 | 4,383,921.08 | 20,038.45 | 10,495.44 | 3,653.26 | 5,889.75 | 4,378,031.33 |
| 102 | 2/1/2031 | 4,378,031.33 | 20,038.45 | 10,481.34 | 3,648.35 | 5,908.76 | 4,372,122.57 |
| 103 | 3/1/2031 | 4,372,122.57 | 20,038.45 | 10,467.19 | 3,643.43 | 5,927.83 | 4,366,194.74 |
| 104 | 4/1/2031 | 4,366,194.74 | 20,038.45 | 10,453.00 | 3,638.49 | 5,946.96 | 4,360,247.78 |
| 105 | 5/1/2031 | 4,360,247.78 | 20,038.45 | 10,438.76 | 3,633.54 | 5,966.15 | 4,354,281.63 |
| 106 | 6/1/2031 | 4,354,281.63 | 20,038.45 | 10,424.48 | 3,628.56 | 5,985.41 | 4,348,296.22 |
| 107 | 7/1/2031 | 4,348,296.22 | 20,038.45 | 10,410.15 | 3,623.58 | 6,004.72 | 4,342,291.50 |
| 108 | 8/1/2031 | 4,342,291.50 | 20,038.45 | 10,395.77 | 3,618.58 | 6,024.10 | 4,336,267.40 |
| 109 | 9/1/2031 | 4,336,267.40 | 20,038.45 | 10,381.35 | 3,613.56 | 6,043.54 | 4,330,223.86 |
| 110 | 10/1/2031 | 4,330,223.86 | 20,038.45 | 10,366.88 | 3,608.52 | 6,063.05 | 4,324,160.81 |
| 111 | 11/1/2031 | 4,324,160.81 | 20,038.45 | 10,352.37 | 3,603.46 | 6,082.62 | 4,318,078.19 |
| 112 | 12/1/2031 | 4,318,078.19 | 20,038.45 | 10,337.80 | 3,598.40 | 6,102.25 | 4,311,975.94 |
| 113 | 1/1/2032 | 4,311,975.94 | 20,038.45 | 10,323.19 | 3,593.32 | 6,121.94 | 4,305,854.00 |
| 114 | 2/1/2032 | 4,305,854.00 | 20,038.45 | 10,308.54 | 3,588.21 | 6,141.70 | 4,299,712.30 |
| 115 | 3/1/2032 | 4,299,712.30 | 20,038.45 | 10,293.83 | 3,583.10 | 6,161.52 | 4,293,550.78 |
| 116 | 4/1/2032 | 4,293,550.78 | 20,038.45 | 10,279.08 | 3,577.96 | 6,181.41 | 4,287,369.37 |
| 117 | 5/1/2032 | 4,287,369.37 | 20,038.45 | 10,264.28 | 3,572.81 | 6,201.36 | 4,281,168.01 |
| 118 | 6/1/2032 | 4,281,168.01 | 20,038.45 | 10,249.44 | 3,567.64 | 6,221.37 | 4,274,946.64 |
| 119 | 7/1/2032 | 4,274,946.64 | 20,038.45 | 10,234.54 | 3,562.46 | 6,241.45 | 4,268,705.19 |
| 120 | 8/1/2032 | 4,268,705.19 | 20,038.45 | 10,219.60 | 3,557.25 | 6,261.60 | 4,262,443.59 |
| 121 | 9/1/2032 | 4,262,443.59 | 20,038.45 | 10,204.61 | 3,552.04 | 6,281.80 | 4,256,161.79 |
| 122 | 10/1/2032 | 4,256,161.79 | 20,038.45 | 10,189.57 | 3,546.80 | 6,302.08 | 4,249,859.71 |
| 123 | 11/1/2032 | 4,249,859.71 | 20,038.45 | 10,174.48 | 3,541.55 | 6,322.42 | 4,243,537.29 |
| 124 | 12/1/2032 | 4,243,537.29 | 20,038.45 | 10,159.35 | 3,536.28 | 6,342.82 | 4,237,194.47 |
| 125 | 1/1/2033 | 4,237,194.47 | 20,038.45 | 10,144.16 | 3,531.00 | 6,363.29 | 4,230,831.18 |

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest (Cost of Funds) | Interest (Admin Fees) | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|--------------------------|-----------------------|-----------|----------------|
| 126 | 2/1/2033 | 4,230,831.18 | 20,038.45 | 10,128.93 | 3,525.69 | 6,383.83 | 4,224,447.35 |
| 127 | 3/1/2033 | 4,224,447.35 | 20,038.45 | 10,113.64 | 3,520.38 | 6,404.43 | 4,218,042.92 |
| 128 | 4/1/2033 | 4,218,042.92 | 20,038.45 | 10,098.31 | 3,515.04 | 6,425.10 | 4,211,617.82 |
| 129 | 5/1/2033 | 4,211,617.82 | 20,038.45 | 10,082.93 | 3,509.68 | 6,445.84 | 4,205,171.98 |
| 130 | 6/1/2033 | 4,205,171.98 | 20,038.45 | 10,067.50 | 3,504.31 | 6,466.64 | 4,198,705.34 |
| 131 | 7/1/2033 | 4,198,705.34 | 20,038.45 | 10,052.02 | 3,498.92 | 6,487.51 | 4,192,217.83 |
| 132 | 8/1/2033 | 4,192,217.83 | 20,038.45 | 10,036.48 | 3,493.52 | 6,508.45 | 4,185,709.38 |
| 133 | 9/1/2033 | 4,185,709.38 | 20,038.45 | 10,020.90 | 3,488.09 | 6,529.46 | 4,179,179.92 |
| 134 | 10/1/2033 | 4,179,179.92 | 20,038.45 | 10,005.27 | 3,482.65 | 6,550.53 | 4,172,629.39 |
| 135 | 11/1/2033 | 4,172,629.39 | 20,038.45 | 9,989.59 | 3,477.19 | 6,571.67 | 4,166,057.72 |
| 136 | 12/1/2033 | 4,166,057.72 | 20,038.45 | 9,973.85 | 3,471.72 | 6,592.88 | 4,159,464.84 |
| 137 | 1/1/2034 | 4,159,464.84 | 20,038.45 | 9,958.07 | 3,466.22 | 6,614.16 | 4,152,850.68 |
| 138 | 2/1/2034 | 4,152,850.68 | 20,038.45 | 9,942.24 | 3,460.70 | 6,635.51 | 4,146,215.17 |
| 139 | 3/1/2034 | 4,146,215.17 | 20,038.45 | 9,926.35 | 3,455.18 | 6,656.92 | 4,139,558.25 |
| 140 | 4/1/2034 | 4,139,558.25 | 20,038.45 | 9,910.41 | 3,449.63 | 6,678.41 | 4,132,879.84 |
| 141 | 5/1/2034 | 4,132,879.84 | 20,038.45 | 9,894.42 | 3,444.07 | 6,699.96 | 4,126,179.88 |
| 142 | 6/1/2034 | 4,126,179.88 | 20,038.45 | 9,878.38 | 3,438.49 | 6,721.58 | 4,119,458.30 |
| 143 | 7/1/2034 | 4,119,458.30 | 20,038.45 | 9,862.29 | 3,432.88 | 6,743.28 | 4,112,715.02 |
| 144 | 8/1/2034 | 4,112,715.02 | 20,038.45 | 9,846.15 | 3,427.26 | 6,765.04 | 4,105,949.98 |
| 145 | 9/1/2034 | 4,105,949.98 | 20,038.45 | 9,829.95 | 3,421.63 | 6,786.87 | 4,099,163.11 |
| 146 | 10/1/2034 | 4,099,163.11 | 20,038.45 | 9,813.70 | 3,415.97 | 6,808.78 | 4,092,354.33 |
| 147 | 11/1/2034 | 4,092,354.33 | 20,038.45 | 9,797.40 | 3,410.30 | 6,830.75 | 4,085,523.58 |
| 148 | 12/1/2034 | 4,085,523.58 | 20,038.45 | 9,781.05 | 3,404.60 | 6,852.80 | 4,078,670.78 |
| 149 | 1/1/2035 | 4,078,670.78 | 20,038.45 | 9,764.64 | 3,398.90 | 6,874.91 | 4,071,795.87 |
| 150 | 2/1/2035 | 4,071,795.87 | 20,038.45 | 9,748.18 | 3,393.17 | 6,897.10 | 4,064,898.77 |
| 151 | 3/1/2035 | 4,064,898.77 | 20,038.45 | 9,731.67 | 3,387.42 | 6,919.36 | 4,057,979.41 |
| 152 | 4/1/2035 | 4,057,979.41 | 20,038.45 | 9,715.11 | 3,381.65 | 6,941.69 | 4,051,037.72 |
| 153 | 5/1/2035 | 4,051,037.72 | 20,038.45 | 9,698.49 | 3,375.86 | 6,964.10 | 4,044,073.62 |
| 154 | 6/1/2035 | 4,044,073.62 | 20,038.45 | 9,681.82 | 3,370.06 | 6,986.57 | 4,037,087.05 |
| 155 | 7/1/2035 | 4,037,087.05 | 20,038.45 | 9,665.09 | 3,364.24 | 7,009.12 | 4,030,077.93 |
| 156 | 8/1/2035 | 4,030,077.93 | 20,038.45 | 9,648.31 | 3,358.40 | 7,031.74 | 4,023,046.19 |
| 157 | 9/1/2035 | 4,023,046.19 | 20,038.45 | 9,631.47 | 3,352.54 | 7,054.44 | 4,015,991.75 |
| 158 | 10/1/2035 | 4,015,991.75 | 20,038.45 | 9,614.59 | 3,346.66 | 7,077.20 | 4,008,914.55 |
| 159 | 11/1/2035 | 4,008,914.55 | 20,038.45 | 9,597.64 | 3,340.76 | 7,100.05 | 4,001,814.50 |
| 160 | 12/1/2035 | 4,001,814.50 | 20,038.45 | 9,580.64 | 3,334.85 | 7,122.96 | 3,994,691.54 |
| 161 | 1/1/2036 | 3,994,691.54 | 20,038.45 | 9,563.59 | 3,328.91 | 7,145.95 | 3,987,545.59 |
| 162 | 2/1/2036 | 3,987,545.59 | 20,038.45 | 9,546.48 | 3,322.96 | 7,169.01 | 3,980,376.58 |
| 163 | 3/1/2036 | 3,980,376.58 | 20,038.45 | 9,529.32 | 3,316.98 | 7,192.15 | 3,973,184.43 |
| 164 | 4/1/2036 | 3,973,184.43 | 20,038.45 | 9,512.10 | 3,310.99 | 7,215.36 | 3,965,969.07 |
| 165 | 5/1/2036 | 3,965,969.07 | 20,038.45 | 9,494.83 | 3,304.97 | 7,238.65 | 3,958,730.42 |
| 166 | 6/1/2036 | 3,958,730.42 | 20,038.45 | 9,477.50 | 3,298.94 | 7,262.01 | 3,951,468.41 |
| 167 | 7/1/2036 | 3,951,468.41 | 20,038.45 | 9,460.11 | 3,292.89 | 7,285.45 | 3,944,182.96 |
| 168 | 8/1/2036 | 3,944,182.96 | 20,038.45 | 9,442.67 | 3,286.82 | 7,308.96 | 3,936,874.00 |
| 169 | 9/1/2036 | 3,936,874.00 | 20,038.45 | 9,425.17 | 3,280.73 | 7,332.55 | 3,929,541.45 |
| 170 | 10/1/2036 | 3,929,541.45 | 20,038.45 | 9,407.62 | 3,274.61 | 7,356.22 | 3,922,185.23 |
| 171 | 11/1/2036 | 3,922,185.23 | 20,038.45 | 9,390.01 | 3,268.48 | 7,379.96 | 3,914,805.27 |
| 172 | 12/1/2036 | 3,914,805.27 | 20,038.45 | 9,372.34 | 3,262.34 | 7,403.77 | 3,907,401.50 |
| 173 | 1/1/2037 | 3,907,401.50 | 20,038.45 | 9,354.61 | 3,256.17 | 7,427.67 | 3,899,973.83 |
| 174 | 2/1/2037 | 3,899,973.83 | 20,038.45 | 9,336.83 | 3,249.98 | 7,451.64 | 3,892,522.19 |
| 175 | 3/1/2037 | 3,892,522.19 | 20,038.45 | 9,318.99 | 3,243.77 | 7,475.69 | 3,885,046.50 |
| 176 | 4/1/2037 | 3,885,046.50 | 20,038.45 | 9,301.09 | 3,237.54 | 7,499.82 | 3,877,546.68 |
| 177 | 5/1/2037 | 3,877,546.68 | 20,038.45 | 9,283.14 | 3,231.29 | 7,524.02 | 3,870,022.66 |
| 178 | 6/1/2037 | 3,870,022.66 | 20,038.45 | 9,265.12 | 3,225.02 | 7,548.31 | 3,862,474.35 |
| 179 | 7/1/2037 | 3,862,474.35 | 20,038.45 | 9,247.05 | 3,218.73 | 7,572.67 | 3,854,901.68 |
| 180 | 8/1/2037 | 3,854,901.68 | 20,038.45 | 9,228.92 | 3,212.42 | 7,597.11 | 3,847,304.57 |
| 181 | 9/1/2037 | 3,847,304.57 | 20,038.45 | 9,210.74 | 3,206.08 | 7,621.63 | 3,839,682.94 |
| 182 | 10/1/2037 | 3,839,682.94 | 20,038.45 | 9,192.49 | 3,199.73 | 7,646.23 | 3,832,036.71 |
| 183 | 11/1/2037 | 3,832,036.71 | 20,038.45 | 9,174.18 | 3,193.37 | 7,670.90 | 3,824,365.81 |
| 184 | 12/1/2037 | 3,824,365.81 | 20,038.45 | 9,155.82 | 3,186.97 | 7,695.66 | 3,816,670.15 |
| 185 | 1/1/2038 | 3,816,670.15 | 20,038.45 | 9,137.39 | 3,180.56 | 7,720.50 | 3,808,949.65 |
| 186 | 2/1/2038 | 3,808,949.65 | 20,038.45 | 9,118.91 | 3,174.13 | 7,745.41 | 3,801,204.24 |
| 187 | 3/1/2038 | 3,801,204.24 | 20,038.45 | 9,100.37 | 3,167.67 | 7,770.41 | 3,793,433.83 |
| 188 | 4/1/2038 | 3,793,433.83 | 20,038.45 | 9,081.77 | 3,161.19 | 7,795.49 | 3,785,638.34 |
| 189 | 5/1/2038 | 3,785,638.34 | 20,038.45 | 9,063.10 | 3,154.70 | 7,820.65 | 3,777,817.69 |
| 190 | 6/1/2038 | 3,777,817.69 | 20,038.45 | 9,044.38 | 3,148.18 | 7,845.89 | 3,769,971.80 |
| 191 | 7/1/2038 | 3,769,971.80 | 20,038.45 | 9,025.60 | 3,141.64 | 7,871.21 | 3,762,100.59 |
| 192 | 8/1/2038 | 3,762,100.59 | 20,038.45 | 9,006.75 | 3,135.08 | 7,896.62 | 3,754,203.97 |

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest (Cost of Funds) | Interest (Admin Fees) | Principal | Ending Balance |
|--------|-----------|----------------------|--------------------|-----------------------------|--------------------------|-----------|-------------------|
| 193 | 9/1/2038 | 3,754,203.97 | 20,038.45 | 8,987.85 | 3,128.50 | 7,922.10 | 3,746,281.87 |
| 194 | 10/1/2038 | 3,746,281.87 | 20,038.45 | 8,968.88 | 3,121.90 | 7,947.67 | 3,738,334.20 |
| 195 | 11/1/2038 | 3,738,334.20 | 20,038.45 | 8,949.85 | 3,115.28 | 7,973.32 | 3,730,360.88 |
| 196 | 12/1/2038 | 3,730,360.88 | 20,038.45 | 8,930.76 | 3,108.64 | 7,999.05 | 3,722,361.83 |
| 197 | 1/1/2039 | 3,722,361.83 | 20,038.45 | 8,911.61 | 3,101.97 | 8,024.87 | 3,714,336.96 |
| 198 | 2/1/2039 | 3,714,336.96 | 20,038.45 | 8,892.40 | 3,095.28 | 8,050.77 | 3,706,286.19 |
| 199 | 3/1/2039 | 3,706,286.19 | 20,038.45 | 8,873.13 | 3,088.57 | 8,076.75 | 3,698,209.44 |
| 200 | 4/1/2039 | 3,698,209.44 | 20,038.45 | 8,853.79 | 3,081.84 | 8,102.82 | 3,690,106.62 |
| 201 | 5/1/2039 | 3,690,106.62 | 20,038.45 | 8,834.39 | 3,075.09 | 8,128.97 | 3,681,977.65 |
| 202 | 6/1/2039 | 3,681,977.65 | 20,038.45 | 8,814.93 | 3,068.32 | 8,155.20 | 3,673,822.45 |
| 203 | 7/1/2039 | 3,673,822.45 | 20,038.45 | 8,795.41 | 3,061.52 | 8,181.52 | 3,665,640.93 |
| 204 | 8/1/2039 | 3,665,640.93 | 20,038.45 | 8,775.82 | 3,054.70 | 8,207.93 | 3,657,433.00 |
| 205 | 9/1/2039 | 3,657,433.00 | 20,038.45 | 8,756.17 | 3,047.86 | 8,234.42 | 3,649,198.58 |
| 206 | 10/1/2039 | 3,649,198.58 | 20,038.45 | 8,736.46 | 3,040.99 | 8,261.00 | 3,640,937.58 |
| 207 | 11/1/2039 | 3,640,937.58 | 20,038.45 | 8,716.68 | 3,034.11 | 8,287.66 | 3,632,649.92 |
| 208 | 12/1/2039 | 3,632,649.92 | 20,038.45 | 8,696.84 | 3,027.20 | 8,314.41 | 3,624,335.51 |
| 209 | 1/1/2040 | 3,624,335.51 | 20,038.45 | 8,676.93 | 3,020.28 | 8,341.24 | 3,615,994.27 |
| 210 | 2/1/2040 | 3,615,994.27 | 20,038.45 | 8,656.96 | 3,013.33 | 8,368.16 | 3,607,626.11 |
| 211 | 3/1/2040 | 3,607,626.11 | 20,038.45 | 8,636.93 | 3,006.35 | 8,395.17 | 3,599,230.94 |
| 212 | 4/1/2040 | 3,599,230.94 | 20,038.45 | 8,616.83 | 2,999.36 | 8,422.26 | 3,590,808.68 |
| 213 | 5/1/2040 | 3,590,808.68 | 20,038.45 | 8,596.67 | 2,992.34 | 8,449.44 | 3,582,359.24 |
| 214 | 6/1/2040 | 3,582,359.24 | 20,038.45 | 8,576.44 | 2,985.30 | 8,476.71 | 3,573,882.53 |
| 215 | 7/1/2040 | 3,573,882.53 | 20,038.45 | 8,556.14 | 2,978.24 | 8,504.07 | 3,565,378.46 |
| 216 | 8/1/2040 | 3,565,378.46 | 20,038.45 | 8,535.78 | 2,971.15 | 8,531.52 | 3,556,846.94 |
| 217 | 9/1/2040 | 3,556,846.94 | 20,038.45 | 8,515.36 | 2,964.04 | 8,559.05 | 3,548,287.89 |
| 218 | 10/1/2040 | 3,548,287.89 | 20,038.45 | 8,494.87 | 2,956.90 | 8,586.68 | 3,539,701.21 |
| 219 | 11/1/2040 | 3,539,701.21 | 20,038.45 | 8,474.31 | 2,949.75 | 8,614.39 | 3,531,086.82 |
| 220 | 12/1/2040 | 3,531,086.82 | 20,038.45 | 8,453.69 | 2,942.57 | 8,642.19 | 3,522,444.63 |
| 221 | 1/1/2041 | 3,522,444.63 | 20,038.45 | 8,433.00 | 2,935.37 | 8,670.08 | 3,513,774.55 |
| 222 | 2/1/2041 | 3,513,774.55 | 20,038.45 | 8,412.24 | 2,928.15 | 8,698.06 | 3,505,076.49 |
| 223 | 3/1/2041 | 3,505,076.49 | 20,038.45 | 8,391.42 | 2,920.89 | 8,726.14 | 3,496,350.35 |
| 224 | 4/1/2041 | 3,496,350.35 | 20,038.45 | 8,370.52 | 2,913.63 | 8,754.30 | 3,487,596.05 |
| 225 | 5/1/2041 | 3,487,596.05 | 20,038.45 | 8,349.57 | 2,906.33 | 8,782.55 | 3,478,813.50 |
| 226 | 6/1/2041 | 3,478,813.50 | 20,038.45 | 8,328.54 | 2,899.01 | 8,810.90 | 3,470,002.60 |
| 227 | 7/1/2041 | 3,470,002.60 | 20,038.45 | 8,307.45 | 2,891.67 | 8,839.33 | 3,461,163.27 |
| 228 | 8/1/2041 | 3,461,163.27 | 20,038.45 | 8,286.28 | 2,884.31 | 8,867.86 | 3,452,295.41 |
| 229 | 9/1/2041 | 3,452,295.41 | 20,038.45 | 8,265.05 | 2,876.92 | 8,896.48 | 3,443,398.93 |
| 230 | 10/1/2041 | 3,443,398.93 | 20,038.45 | 8,243.76 | 2,869.49 | 8,925.20 | 3,434,473.73 |
| 231 | 11/1/2041 | 3,434,473.73 | 20,038.45 | 8,222.39 | 2,862.06 | 8,954.00 | 3,425,519.73 |
| 232 | 12/1/2041 | 3,425,519.73 | 20,038.45 | 8,200.95 | 2,854.60 | 8,982.90 | 3,416,536.83 |
| 233 | 1/1/2042 | 3,416,536.83 | 20,038.45 | 8,179.45 | 2,847.11 | 9,011.89 | 3,407,524.94 |
| 234 | 2/1/2042 | 3,407,524.94 | 20,038.45 | 8,157.87 | 2,839.60 | 9,040.98 | 3,398,483.96 |
| 235 | 3/1/2042 | 3,398,483.96 | 20,038.45 | 8,136.23 | 2,832.07 | 9,070.15 | 3,389,413.81 |
| 236 | 4/1/2042 | 3,389,413.81 | 20,038.45 | 8,114.51 | 2,824.51 | 9,099.43 | 3,380,314.38 |
| 237 | 5/1/2042 | 3,380,314.38 | 20,038.45 | 8,092.73 | 2,816.92 | 9,128.80 | 3,371,185.58 |
| 238 | 6/1/2042 | 3,371,185.58 | 20,038.45 | 8,070.87 | 2,809.32 | 9,158.26 | 3,362,027.32 |
| 239 | 7/1/2042 | 3,362,027.32 | 20,038.45 | 8,048.95 | 2,801.68 | 9,187.82 | 3,352,839.50 |
| 240 | 8/1/2042 | 3,352,839.50 | 20,038.45 | 8,026.95 | 2,794.03 | 9,217.47 | 3,343,622.03 |
| 241 | 9/1/2042 | 3,343,622.03 | 20,038.45 | 8,004.88 | 2,786.35 | 9,247.22 | 3,334,374.81 |
| 242 | 10/1/2042 | 3,334,374.81 | 20,038.45 | 7,982.74 | 2,778.65 | 9,277.06 | 3,325,097.75 |
| 243 | 11/1/2042 | 3,325,097.75 | 20,038.45 | 7,960.53 | 2,770.92 | 9,307.00 | 3,315,790.75 |
| 244 | 12/1/2042 | 3,315,790.75 | 20,038.45 | 7,938.25 | 2,763.16 | 9,337.04 | 3,306,453.71 |
| 245 | 1/1/2043 | 3,306,453.71 | 20,038.45 | 7,915.90 | 2,755.38 | 9,367.17 | 3,297,086.54 |
| 246 | 2/1/2043 | 3,297,086.54 | 20,038.45 | 7,893.47 | 2,747.57 | 9,397.41 | 3,287,689.13 |
| 247 | 3/1/2043 | 3,287,689.13 | 20,038.45 | 7,870.97 | 2,739.75 | 9,427.73 | 3,278,261.40 |
| 248 | 4/1/2043 | 3,278,261.40 | 20,038.45 | 7,848.40 | 2,731.89 | 9,458.16 | 3,268,803.24 |
| 249 | 5/1/2043 | 3,268,803.24 | 20,038.45 | 7,825.76 | 2,724.00 | 9,488.69 | 3,259,314.55 |
| 250 | 6/1/2043 | 3,259,314.55 | 20,038.45 | 7,803.04 | 2,716.10 | 9,519.31 | 3,249,795.24 |
| 251 | 7/1/2043 | 3,249,795.24 | 20,038.45 | 7,780.25 | 2,708.17 | 9,550.03 | 3,240,245.21 |
| 252 | 8/1/2043 | 3,240,245.21 | 20,038.45 | 7,757.39 | 2,700.20 | 9,580.86 | 3,230,664.35 |
| 253 | 9/1/2043 | 3,230,664.35 | 20,038.45 | 7,734.45 | 2,692.22 | 9,611.78 | 3,221,052.57 |
| 254 | 10/1/2043 | 3,221,052.57 | 20,038.45 | 7,711.44 | 2,684.21 | 9,642.80 | 3,211,409.77 |
| 255 | 11/1/2043 | 3,211,409.77 | 20,038.45 | 7,688.36 | 2,676.17 | 9,673.92 | 3,201,735.85 |
| 256 | 12/1/2043 | 3,201,735.85 | 20,038.45 | 7,665.20 | 2,668.11 | 9,705.14 | 3,192,030.71 |
| 257 | 1/1/2044 | 3,192,030.71 | 20,038.45 | 7,641.96 | 2,660.03 | 9,736.46 | 3,182,294.25 |
| 258 | 2/1/2044 | 3,182,294.25 | 20,038.45 | 7,618.65 | 2,651.91 | 9,767.89 | 3,172,526.36 |
| 259 | 3/1/2044 | 3,172,526.36 | 20,038.45 | 7,595.27 | 2,643.77 | 9,799.41 | 3,162,726.95 |

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest (Cost of Funds) | Interest (Admin Fees) | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|--------------------------|-----------------------|-----------|----------------|
| 260 | 4/1/2044 | 3,162,726.95 | 20,038.45 | 7,571.81 | 2,635.60 | 9,831.04 | 3,152,895.91 |
| 261 | 5/1/2044 | 3,152,895.91 | 20,038.45 | 7,548.27 | 2,627.41 | 9,862.77 | 3,143,033.14 |
| 262 | 6/1/2044 | 3,143,033.14 | 20,038.45 | 7,524.66 | 2,619.19 | 9,894.60 | 3,133,138.54 |
| 263 | 7/1/2044 | 3,133,138.54 | 20,038.45 | 7,500.97 | 2,610.95 | 9,926.53 | 3,123,212.01 |
| 264 | 8/1/2044 | 3,123,212.01 | 20,038.45 | 7,477.20 | 2,602.68 | 9,958.57 | 3,113,253.44 |
| 265 | 9/1/2044 | 3,113,253.44 | 20,038.45 | 7,453.36 | 2,594.38 | 9,990.71 | 3,103,262.73 |
| 266 | 10/1/2044 | 3,103,262.73 | 20,038.45 | 7,429.44 | 2,586.06 | 10,022.95 | 3,093,239.78 |
| 267 | 11/1/2044 | 3,093,239.78 | 20,038.45 | 7,405.45 | 2,577.70 | 10,055.30 | 3,083,184.48 |
| 268 | 12/1/2044 | 3,083,184.48 | 20,038.45 | 7,381.37 | 2,569.33 | 10,087.75 | 3,073,096.73 |
| 269 | 1/1/2045 | 3,073,096.73 | 20,038.45 | 7,357.22 | 2,560.92 | 10,120.31 | 3,062,976.42 |
| 270 | 2/1/2045 | 3,062,976.42 | 20,038.45 | 7,333.00 | 2,552.48 | 10,152.97 | 3,052,823.45 |
| 271 | 3/1/2045 | 3,052,823.45 | 20,038.45 | 7,308.69 | 2,544.02 | 10,185.74 | 3,042,637.71 |
| 272 | 4/1/2045 | 3,042,637.71 | 20,038.45 | 7,284.30 | 2,535.53 | 10,218.62 | 3,032,419.09 |
| 273 | 5/1/2045 | 3,032,419.09 | 20,038.45 | 7,259.84 | 2,527.01 | 10,251.60 | 3,022,167.49 |
| 274 | 6/1/2045 | 3,022,167.49 | 20,038.45 | 7,235.30 | 2,518.47 | 10,284.68 | 3,011,882.81 |
| 275 | 7/1/2045 | 3,011,882.81 | 20,038.45 | 7,210.67 | 2,509.91 | 10,317.87 | 3,001,564.94 |
| 276 | 8/1/2045 | 3,001,564.94 | 20,038.45 | 7,185.97 | 2,501.31 | 10,351.17 | 2,991,213.77 |
| 277 | 9/1/2045 | 2,991,213.77 | 20,038.45 | 7,161.19 | 2,492.68 | 10,384.58 | 2,980,829.19 |
| 278 | 10/1/2045 | 2,980,829.19 | 20,038.45 | 7,136.33 | 2,484.02 | 10,418.10 | 2,970,411.09 |
| 279 | 11/1/2045 | 2,970,411.09 | 20,038.45 | 7,111.39 | 2,475.34 | 10,451.72 | 2,959,959.37 |
| 280 | 12/1/2045 | 2,959,959.37 | 20,038.45 | 7,086.36 | 2,466.64 | 10,485.45 | 2,949,473.92 |
| 281 | 1/1/2046 | 2,949,473.92 | 20,038.45 | 7,061.26 | 2,457.90 | 10,519.29 | 2,938,954.63 |
| 282 | 2/1/2046 | 2,938,954.63 | 20,038.45 | 7,036.08 | 2,449.13 | 10,553.24 | 2,928,401.39 |
| 283 | 3/1/2046 | 2,928,401.39 | 20,038.45 | 7,010.81 | 2,440.34 | 10,587.30 | 2,917,814.09 |
| 284 | 4/1/2046 | 2,917,814.09 | 20,038.45 | 6,985.47 | 2,431.51 | 10,621.47 | 2,907,192.62 |
| 285 | 5/1/2046 | 2,907,192.62 | 20,038.45 | 6,960.04 | 2,422.66 | 10,655.75 | 2,896,536.87 |
| 286 | 6/1/2046 | 2,896,536.87 | 20,038.45 | 6,934.53 | 2,413.78 | 10,690.14 | 2,885,846.73 |
| 287 | 7/1/2046 | 2,885,846.73 | 20,038.45 | 6,908.93 | 2,404.88 | 10,724.64 | 2,875,122.09 |
| 288 | 8/1/2046 | 2,875,122.09 | 20,038.45 | 6,883.26 | 2,395.93 | 10,759.26 | 2,864,362.83 |
| 289 | 9/1/2046 | 2,864,362.83 | 20,038.45 | 6,857.50 | 2,386.97 | 10,793.98 | 2,853,568.85 |
| 290 | 10/1/2046 | 2,853,568.85 | 20,038.45 | 6,831.66 | 2,377.97 | 10,828.82 | 2,842,740.03 |
| 291 | 11/1/2046 | 2,842,740.03 | 20,038.45 | 6,805.73 | 2,368.95 | 10,863.77 | 2,831,876.26 |
| 292 | 12/1/2046 | 2,831,876.26 | 20,038.45 | 6,779.72 | 2,359.90 | 10,898.83 | 2,820,977.43 |
| 293 | 1/1/2047 | 2,820,977.43 | 20,038.45 | 6,753.63 | 2,350.82 | 10,934.00 | 2,810,043.43 |
| 294 | 2/1/2047 | 2,810,043.43 | 20,038.45 | 6,727.45 | 2,341.71 | 10,969.29 | 2,799,074.14 |
| 295 | 3/1/2047 | 2,799,074.14 | 20,038.45 | 6,701.19 | 2,332.57 | 11,004.69 | 2,788,069.45 |
| 296 | 4/1/2047 | 2,788,069.45 | 20,038.45 | 6,674.85 | 2,323.39 | 11,040.21 | 2,777,029.24 |
| 297 | 5/1/2047 | 2,777,029.24 | 20,038.45 | 6,648.42 | 2,314.19 | 11,075.84 | 2,765,953.40 |
| 298 | 6/1/2047 | 2,765,953.40 | 20,038.45 | 6,621.90 | 2,304.96 | 11,111.59 | 2,754,841.81 |
| 299 | 7/1/2047 | 2,754,841.81 | 20,038.45 | 6,595.30 | 2,295.70 | 11,147.45 | 2,743,694.36 |
| 300 | 8/1/2047 | 2,743,694.36 | 20,038.45 | 6,568.61 | 2,286.41 | 11,183.43 | 2,732,510.93 |
| 301 | 9/1/2047 | 2,732,510.93 | 20,038.45 | 6,541.84 | 2,277.09 | 11,219.52 | 2,721,291.41 |
| 302 | 10/1/2047 | 2,721,291.41 | 20,038.45 | 6,514.98 | 2,267.74 | 11,255.73 | 2,710,035.68 |
| 303 | 11/1/2047 | 2,710,035.68 | 20,038.45 | 6,488.03 | 2,258.36 | 11,292.06 | 2,698,743.62 |
| 304 | 12/1/2047 | 2,698,743.62 | 20,038.45 | 6,460.99 | 2,248.96 | 11,328.50 | 2,687,415.12 |
| 305 | 1/1/2048 | 2,687,415.12 | 20,038.45 | 6,433.87 | 2,239.52 | 11,365.06 | 2,676,050.06 |
| 306 | 2/1/2048 | 2,676,050.06 | 20,038.45 | 6,406.66 | 2,230.05 | 11,401.74 | 2,664,648.32 |
| 307 | 3/1/2048 | 2,664,648.32 | 20,038.45 | 6,379.37 | 2,220.54 | 11,438.54 | 2,653,209.78 |
| 308 | 4/1/2048 | 2,653,209.78 | 20,038.45 | 6,351.98 | 2,211.01 | 11,475.46 | 2,641,734.32 |
| 309 | 5/1/2048 | 2,641,734.32 | 20,038.45 | 6,324.51 | 2,201.45 | 11,512.49 | 2,630,221.83 |
| 310 | 6/1/2048 | 2,630,221.83 | 20,038.45 | 6,296.95 | 2,191.85 | 11,549.65 | 2,618,672.18 |
| 311 | 7/1/2048 | 2,618,672.18 | 20,038.45 | 6,269.30 | 2,182.22 | 11,586.93 | 2,607,085.25 |
| 312 | 8/1/2048 | 2,607,085.25 | 20,038.45 | 6,241.56 | 2,172.57 | 11,624.32 | 2,595,460.93 |
| 313 | 9/1/2048 | 2,595,460.93 | 20,038.45 | 6,213.73 | 2,162.88 | 11,661.84 | 2,583,799.09 |
| 314 | 10/1/2048 | 2,583,799.09 | 20,038.45 | 6,185.81 | 2,153.16 | 11,699.48 | 2,572,099.61 |
| 315 | 11/1/2048 | 2,572,099.61 | 20,038.45 | 6,157.80 | 2,143.42 | 11,737.23 | 2,560,362.38 |
| 316 | 12/1/2048 | 2,560,362.38 | 20,038.45 | 6,129.70 | 2,133.63 | 11,775.12 | 2,548,587.26 |
| 317 | 1/1/2049 | 2,548,587.26 | 20,038.45 | 6,101.51 | 2,123.82 | 11,813.12 | 2,536,774.14 |
| 318 | 2/1/2049 | 2,536,774.14 | 20,038.45 | 6,073.23 | 2,113.98 | 11,851.24 | 2,524,922.90 |
| 319 | 3/1/2049 | 2,524,922.90 | 20,038.45 | 6,044.85 | 2,104.11 | 11,889.49 | 2,513,033.41 |
| 320 | 4/1/2049 | 2,513,033.41 | 20,038.45 | 6,016.39 | 2,094.19 | 11,927.87 | 2,501,105.54 |
| 321 | 5/1/2049 | 2,501,105.54 | 20,038.45 | 5,987.83 | 2,084.26 | 11,966.36 | 2,489,139.18 |
| 322 | 6/1/2049 | 2,489,139.18 | 20,038.45 | 5,959.19 | 2,074.28 | 12,004.98 | 2,477,134.20 |
| 323 | 7/1/2049 | 2,477,134.20 | 20,038.45 | 5,930.45 | 2,064.27 | 12,043.73 | 2,465,090.47 |
| 324 | 8/1/2049 | 2,465,090.47 | 20,038.45 | 5,901.61 | 2,054.24 | 12,082.60 | 2,453,007.87 |
| 325 | 9/1/2049 | 2,453,007.87 | 20,038.45 | 5,872.68 | 2,044.18 | 12,121.59 | 2,440,886.28 |
| 326 | 10/1/2049 | 2,440,886.28 | 20,038.45 | 5,843.66 | 2,034.08 | 12,160.71 | 2,428,725.57 |

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest (Cost of Funds) | Interest (Admin Fees) | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|--------------------------|-----------------------|-----------|----------------|
| 327 | 11/1/2049 | 2,428,725.57 | 20,038.45 | 5,814.55 | 2,023.94 | 12,199.96 | 2,416,525.61 |
| 328 | 12/1/2049 | 2,416,525.61 | 20,038.45 | 5,785.34 | 2,013.77 | 12,239.34 | 2,404,286.27 |
| 329 | 1/1/2050 | 2,404,286.27 | 20,038.45 | 5,756.04 | 2,003.57 | 12,278.84 | 2,392,007.43 |
| 330 | 2/1/2050 | 2,392,007.43 | 20,038.45 | 5,726.65 | 1,993.33 | 12,318.47 | 2,379,688.96 |
| 331 | 3/1/2050 | 2,379,688.96 | 20,038.45 | 5,697.15 | 1,983.08 | 12,358.22 | 2,367,330.74 |
| 332 | 4/1/2050 | 2,367,330.74 | 20,038.45 | 5,667.57 | 1,972.77 | 12,398.11 | 2,354,932.63 |
| 333 | 5/1/2050 | 2,354,932.63 | 20,038.45 | 5,637.89 | 1,962.44 | 12,438.12 | 2,342,494.51 |
| 334 | 6/1/2050 | 2,342,494.51 | 20,038.45 | 5,608.11 | 1,952.08 | 12,478.26 | 2,330,016.25 |
| 335 | 7/1/2050 | 2,330,016.25 | 20,038.45 | 5,578.23 | 1,941.68 | 12,518.54 | 2,317,497.71 |
| 336 | 8/1/2050 | 2,317,497.71 | 20,038.45 | 5,548.26 | 1,931.25 | 12,558.94 | 2,304,938.77 |
| 337 | 9/1/2050 | 2,304,938.77 | 20,038.45 | 5,518.20 | 1,920.78 | 12,599.47 | 2,292,339.30 |
| 338 | 10/1/2050 | 2,292,339.30 | 20,038.45 | 5,488.03 | 1,910.28 | 12,640.14 | 2,279,699.16 |
| 339 | 11/1/2050 | 2,279,699.16 | 20,038.45 | 5,457.77 | 1,899.75 | 12,680.93 | 2,267,018.23 |
| 340 | 12/1/2050 | 2,267,018.23 | 20,038.45 | 5,427.41 | 1,889.18 | 12,721.86 | 2,254,296.37 |
| 341 | 1/1/2051 | 2,254,296.37 | 20,038.45 | 5,396.95 | 1,878.58 | 12,762.92 | 2,241,533.45 |
| 342 | 2/1/2051 | 2,241,533.45 | 20,038.45 | 5,366.40 | 1,867.94 | 12,804.11 | 2,228,729.34 |
| 343 | 3/1/2051 | 2,228,729.34 | 20,038.45 | 5,335.75 | 1,857.27 | 12,845.43 | 2,215,883.91 |
| 344 | 4/1/2051 | 2,215,883.91 | 20,038.45 | 5,304.99 | 1,846.57 | 12,886.89 | 2,202,997.02 |
| 345 | 5/1/2051 | 2,202,997.02 | 20,038.45 | 5,274.14 | 1,835.83 | 12,928.48 | 2,190,068.54 |
| 346 | 6/1/2051 | 2,190,068.54 | 20,038.45 | 5,243.19 | 1,825.06 | 12,970.20 | 2,177,098.34 |
| 347 | 7/1/2051 | 2,177,098.34 | 20,038.45 | 5,212.14 | 1,814.25 | 13,012.06 | 2,164,086.28 |
| 348 | 8/1/2051 | 2,164,086.28 | 20,038.45 | 5,180.98 | 1,803.41 | 13,054.06 | 2,151,032.22 |
| 349 | 9/1/2051 | 2,151,032.22 | 20,038.45 | 5,149.73 | 1,792.53 | 13,096.19 | 2,137,936.03 |
| 350 | 10/1/2051 | 2,137,936.03 | 20,038.45 | 5,118.38 | 1,781.61 | 13,138.46 | 2,124,797.57 |
| 351 | 11/1/2051 | 2,124,797.57 | 20,038.45 | 5,086.92 | 1,770.67 | 13,180.86 | 2,111,616.71 |
| 352 | 12/1/2051 | 2,111,616.71 | 20,038.45 | 5,055.37 | 1,759.68 | 13,223.40 | 2,098,393.31 |
| 353 | 1/1/2052 | 2,098,393.31 | 20,038.45 | 5,023.71 | 1,748.66 | 13,266.08 | 2,085,127.23 |
| 354 | 2/1/2052 | 2,085,127.23 | 20,038.45 | 4,991.95 | 1,737.61 | 13,308.89 | 2,071,818.34 |
| 355 | 3/1/2052 | 2,071,818.34 | 20,038.45 | 4,960.09 | 1,726.51 | 13,351.85 | 2,058,466.49 |
| 356 | 4/1/2052 | 2,058,466.49 | 20,038.45 | 4,928.12 | 1,715.39 | 13,394.94 | 2,045,071.55 |
| 357 | 5/1/2052 | 2,045,071.55 | 20,038.45 | 4,896.05 | 1,704.23 | 13,438.17 | 2,031,633.38 |
| 358 | 6/1/2052 | 2,031,633.38 | 20,038.45 | 4,863.88 | 1,693.03 | 13,481.54 | 2,018,151.84 |
| 359 | 7/1/2052 | 2,018,151.84 | 20,038.45 | 4,831.61 | 1,681.79 | 13,525.05 | 2,004,626.79 |
| 360 | 8/1/2052 | 2,004,626.79 | 20,038.45 | 4,799.23 | 1,670.52 | 13,568.70 | 1,991,058.09 |
| 361 | 9/1/2052 | 1,991,058.09 | 20,038.45 | 4,766.74 | 1,659.22 | 13,612.49 | 1,977,445.60 |
| 362 | 10/1/2052 | 1,977,445.60 | 20,038.45 | 4,734.15 | 1,647.87 | 13,656.43 | 1,963,789.17 |
| 363 | 11/1/2052 | 1,963,789.17 | 20,038.45 | 4,701.46 | 1,636.49 | 13,700.50 | 1,950,088.67 |
| 364 | 12/1/2052 | 1,950,088.67 | 20,038.45 | 4,668.66 | 1,625.07 | 13,744.72 | 1,936,343.95 |
| 365 | 1/1/2053 | 1,936,343.95 | 20,038.45 | 4,635.75 | 1,613.62 | 13,789.08 | 1,922,554.87 |
| 366 | 2/1/2053 | 1,922,554.87 | 20,038.45 | 4,602.74 | 1,602.13 | 13,833.58 | 1,908,721.29 |
| 367 | 3/1/2053 | 1,908,721.29 | 20,038.45 | 4,569.62 | 1,590.60 | 13,878.23 | 1,894,843.06 |
| 368 | 4/1/2053 | 1,894,843.06 | 20,038.45 | 4,536.40 | 1,579.03 | 13,923.02 | 1,880,920.04 |
| 369 | 5/1/2053 | 1,880,920.04 | 20,038.45 | 4,503.06 | 1,567.44 | 13,967.95 | 1,866,952.09 |
| 370 | 6/1/2053 | 1,866,952.09 | 20,038.45 | 4,469.62 | 1,555.80 | 14,013.03 | 1,852,939.06 |
| 371 | 7/1/2053 | 1,852,939.06 | 20,038.45 | 4,436.08 | 1,544.11 | 14,058.26 | 1,838,880.80 |
| 372 | 8/1/2053 | 1,838,880.80 | 20,038.45 | 4,402.42 | 1,532.40 | 14,103.63 | 1,824,777.17 |
| 373 | 9/1/2053 | 1,824,777.17 | 20,038.45 | 4,368.65 | 1,520.65 | 14,149.15 | 1,810,628.02 |
| 374 | 10/1/2053 | 1,810,628.02 | 20,038.45 | 4,334.78 | 1,508.86 | 14,194.81 | 1,796,433.21 |
| 375 | 11/1/2053 | 1,796,433.21 | 20,038.45 | 4,300.80 | 1,497.02 | 14,240.63 | 1,782,192.58 |
| 376 | 12/1/2053 | 1,782,192.58 | 20,038.45 | 4,266.70 | 1,485.16 | 14,286.59 | 1,767,905.99 |
| 377 | 1/1/2054 | 1,767,905.99 | 20,038.45 | 4,232.50 | 1,473.25 | 14,332.70 | 1,753,573.29 |
| 378 | 2/1/2054 | 1,753,573.29 | 20,038.45 | 4,198.19 | 1,461.31 | 14,378.95 | 1,739,194.34 |
| 379 | 3/1/2054 | 1,739,194.34 | 20,038.45 | 4,163.76 | 1,449.33 | 14,425.36 | 1,724,768.98 |
| 380 | 4/1/2054 | 1,724,768.98 | 20,038.45 | 4,129.23 | 1,437.30 | 14,471.92 | 1,710,297.06 |
| 381 | 5/1/2054 | 1,710,297.06 | 20,038.45 | 4,094.58 | 1,425.25 | 14,518.62 | 1,695,778.44 |
| 382 | 6/1/2054 | 1,695,778.44 | 20,038.45 | 4,059.82 | 1,413.15 | 14,565.48 | 1,681,212.96 |
| 383 | 7/1/2054 | 1,681,212.96 | 20,038.45 | 4,024.95 | 1,401.01 | 14,612.49 | 1,666,600.47 |
| 384 | 8/1/2054 | 1,666,600.47 | 20,038.45 | 3,989.97 | 1,388.83 | 14,659.65 | 1,651,940.82 |
| 385 | 9/1/2054 | 1,651,940.82 | 20,038.45 | 3,954.87 | 1,376.62 | 14,706.96 | 1,637,233.86 |
| 386 | 10/1/2054 | 1,637,233.86 | 20,038.45 | 3,919.66 | 1,364.36 | 14,754.43 | 1,622,479.43 |
| 387 | 11/1/2054 | 1,622,479.43 | 20,038.45 | 3,884.34 | 1,352.06 | 14,802.05 | 1,607,677.38 |
| 388 | 12/1/2054 | 1,607,677.38 | 20,038.45 | 3,848.90 | 1,339.73 | 14,849.82 | 1,592,827.56 |
| 389 | 1/1/2055 | 1,592,827.56 | 20,038.45 | 3,813.35 | 1,327.35 | 14,897.75 | 1,577,929.81 |
| 390 | 2/1/2055 | 1,577,929.81 | 20,038.45 | 3,777.68 | 1,314.94 | 14,945.83 | 1,562,983.98 |
| 391 | 3/1/2055 | 1,562,983.98 | 20,038.45 | 3,741.90 | 1,302.49 | 14,994.06 | 1,547,989.92 |
| 392 | 4/1/2055 | 1,547,989.92 | 20,038.45 | 3,706.00 | 1,290.00 | 15,042.45 | 1,532,947.47 |
| 393 | 5/1/2055 | 1,532,947.47 | 20,038.45 | 3,669.99 | 1,277.46 | 15,091.00 | 1,517,856.47 |

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest (Cost of Funds) | Interest (Admin Fees) | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|--------------------------|-----------------------|-----------|----------------|
| 394 | 6/1/2055 | 1,517,856.47 | 20,038.45 | 3,633.86 | 1,264.88 | 15,139.71 | 1,502,716.76 |
| 395 | 7/1/2055 | 1,502,716.76 | 20,038.45 | 3,597.62 | 1,252.26 | 15,188.57 | 1,487,528.19 |
| 396 | 8/1/2055 | 1,487,528.19 | 20,038.45 | 3,561.25 | 1,239.61 | 15,237.59 | 1,472,290.60 |
| 397 | 9/1/2055 | 1,472,290.60 | 20,038.45 | 3,524.77 | 1,226.91 | 15,286.77 | 1,457,003.83 |
| 398 | 10/1/2055 | 1,457,003.83 | 20,038.45 | 3,488.18 | 1,214.17 | 15,336.10 | 1,441,667.73 |
| 399 | 11/1/2055 | 1,441,667.73 | 20,038.45 | 3,451.46 | 1,201.39 | 15,385.60 | 1,426,282.13 |
| 400 | 12/1/2055 | 1,426,282.13 | 20,038.45 | 3,414.63 | 1,188.56 | 15,435.26 | 1,410,846.87 |
| 401 | 1/1/2056 | 1,410,846.87 | 20,038.45 | 3,377.67 | 1,175.71 | 15,485.07 | 1,395,361.80 |
| 402 | 2/1/2056 | 1,395,361.80 | 20,038.45 | 3,340.60 | 1,162.80 | 15,535.05 | 1,379,826.75 |
| 403 | 3/1/2056 | 1,379,826.75 | 20,038.45 | 3,303.41 | 1,149.85 | 15,585.19 | 1,364,241.56 |
| 404 | 4/1/2056 | 1,364,241.56 | 20,038.45 | 3,266.10 | 1,136.86 | 15,635.49 | 1,348,606.07 |
| 405 | 5/1/2056 | 1,348,606.07 | 20,038.45 | 3,228.66 | 1,123.84 | 15,685.95 | 1,332,920.12 |
| 406 | 6/1/2056 | 1,332,920.12 | 20,038.45 | 3,191.11 | 1,110.77 | 15,736.57 | 1,317,183.55 |
| 407 | 7/1/2056 | 1,317,183.55 | 20,038.45 | 3,153.44 | 1,097.65 | 15,787.36 | 1,301,396.19 |
| 408 | 8/1/2056 | 1,301,396.19 | 20,038.45 | 3,115.64 | 1,084.50 | 15,838.31 | 1,285,557.88 |
| 409 | 9/1/2056 | 1,285,557.88 | 20,038.45 | 3,077.72 | 1,071.30 | 15,889.43 | 1,269,668.45 |
| 410 | 10/1/2056 | 1,269,668.45 | 20,038.45 | 3,039.68 | 1,058.06 | 15,940.71 | 1,253,727.74 |
| 411 | 11/1/2056 | 1,253,727.74 | 20,038.45 | 3,001.52 | 1,044.77 | 15,992.16 | 1,237,735.58 |
| 412 | 12/1/2056 | 1,237,735.58 | 20,038.45 | 2,963.23 | 1,031.45 | 16,043.77 | 1,221,691.81 |
| 413 | 1/1/2057 | 1,221,691.81 | 20,038.45 | 2,924.82 | 1,018.08 | 16,095.55 | 1,205,596.26 |
| 414 | 2/1/2057 | 1,205,596.26 | 20,038.45 | 2,886.29 | 1,004.66 | 16,147.50 | 1,189,448.76 |
| 415 | 3/1/2057 | 1,189,448.76 | 20,038.45 | 2,847.63 | 991.21 | 16,199.61 | 1,173,249.15 |
| 416 | 4/1/2057 | 1,173,249.15 | 20,038.45 | 2,808.85 | 977.70 | 16,251.90 | 1,156,997.25 |
| 417 | 5/1/2057 | 1,156,997.25 | 20,038.45 | 2,769.94 | 964.16 | 16,304.35 | 1,140,692.90 |
| 418 | 6/1/2057 | 1,140,692.90 | 20,038.45 | 2,730.90 | 950.58 | 16,356.97 | 1,124,335.93 |
| 419 | 7/1/2057 | 1,124,335.93 | 20,038.45 | 2,691.74 | 936.95 | 16,409.76 | 1,107,926.17 |
| 420 | 8/1/2057 | 1,107,926.17 | 20,038.45 | 2,652.46 | 923.27 | 16,462.72 | 1,091,463.45 |
| 421 | 9/1/2057 | 1,091,463.45 | 20,038.45 | 2,613.05 | 909.55 | 16,515.85 | 1,074,947.60 |
| 422 | 10/1/2057 | 1,074,947.60 | 20,038.45 | 2,573.51 | 895.78 | 16,569.16 | 1,058,378.44 |
| 423 | 11/1/2057 | 1,058,378.44 | 20,038.45 | 2,533.84 | 881.98 | 16,622.63 | 1,041,755.81 |
| 424 | 12/1/2057 | 1,041,755.81 | 20,038.45 | 2,494.04 | 868.13 | 16,676.28 | 1,025,079.53 |
| 425 | 1/1/2058 | 1,025,079.53 | 20,038.45 | 2,454.12 | 854.23 | 16,730.10 | 1,008,349.43 |
| 426 | 2/1/2058 | 1,008,349.43 | 20,038.45 | 2,414.06 | 840.30 | 16,784.09 | 991,565.34 |
| 427 | 3/1/2058 | 991,565.34 | 20,038.45 | 2,373.88 | 826.31 | 16,838.26 | 974,727.08 |
| 428 | 4/1/2058 | 974,727.08 | 20,038.45 | 2,333.57 | 812.27 | 16,892.61 | 957,834.47 |
| 429 | 5/1/2058 | 957,834.47 | 20,038.45 | 2,293.13 | 798.19 | 16,947.13 | 940,887.34 |
| 430 | 6/1/2058 | 940,887.34 | 20,038.45 | 2,252.55 | 784.08 | 17,001.82 | 923,885.52 |
| 431 | 7/1/2058 | 923,885.52 | 20,038.45 | 2,211.85 | 769.91 | 17,056.69 | 906,828.83 |
| 432 | 8/1/2058 | 906,828.83 | 20,038.45 | 2,171.02 | 755.69 | 17,111.74 | 889,717.09 |
| 433 | 9/1/2058 | 889,717.09 | 20,038.45 | 2,130.05 | 741.43 | 17,166.97 | 872,550.12 |
| 434 | 10/1/2058 | 872,550.12 | 20,038.45 | 2,088.95 | 727.13 | 17,222.37 | 855,327.75 |
| 435 | 11/1/2058 | 855,327.75 | 20,038.45 | 2,047.72 | 712.77 | 17,277.96 | 838,049.79 |
| 436 | 12/1/2058 | 838,049.79 | 20,038.45 | 2,006.35 | 698.38 | 17,333.72 | 820,716.07 |
| 437 | 1/1/2059 | 820,716.07 | 20,038.45 | 1,964.86 | 683.93 | 17,389.66 | 803,326.41 |
| 438 | 2/1/2059 | 803,326.41 | 20,038.45 | 1,923.22 | 669.44 | 17,445.79 | 785,880.62 |
| 439 | 3/1/2059 | 785,880.62 | 20,038.45 | 1,881.46 | 654.90 | 17,502.09 | 768,378.53 |
| 440 | 4/1/2059 | 768,378.53 | 20,038.45 | 1,839.56 | 640.31 | 17,558.58 | 750,819.95 |
| 441 | 5/1/2059 | 750,819.95 | 20,038.45 | 1,797.52 | 625.68 | 17,615.25 | 733,204.70 |
| 442 | 6/1/2059 | 733,204.70 | 20,038.45 | 1,755.35 | 611.00 | 17,672.10 | 715,532.60 |
| 443 | 7/1/2059 | 715,532.60 | 20,038.45 | 1,713.04 | 596.28 | 17,729.13 | 697,803.47 |
| 444 | 8/1/2059 | 697,803.47 | 20,038.45 | 1,670.59 | 581.51 | 17,786.35 | 680,017.12 |
| 445 | 9/1/2059 | 680,017.12 | 20,038.45 | 1,628.01 | 566.68 | 17,843.76 | 662,173.36 |
| 446 | 10/1/2059 | 662,173.36 | 20,038.45 | 1,585.29 | 551.81 | 17,901.35 | 644,272.01 |
| 447 | 11/1/2059 | 644,272.01 | 20,038.45 | 1,542.44 | 536.89 | 17,959.12 | 626,312.89 |
| 448 | 12/1/2059 | 626,312.89 | 20,038.45 | 1,499.44 | 521.93 | 18,017.08 | 608,295.81 |
| 449 | 1/1/2060 | 608,295.81 | 20,038.45 | 1,456.31 | 506.91 | 18,075.23 | 590,220.58 |
| 450 | 2/1/2060 | 590,220.58 | 20,038.45 | 1,413.03 | 491.85 | 18,133.57 | 572,087.01 |
| 451 | 3/1/2060 | 572,087.01 | 20,038.45 | 1,369.62 | 476.74 | 18,192.09 | 553,894.92 |
| 452 | 4/1/2060 | 553,894.92 | 20,038.45 | 1,326.07 | 461.58 | 18,250.80 | 535,644.12 |
| 453 | 5/1/2060 | 535,644.12 | 20,038.45 | 1,282.37 | 446.37 | 18,309.71 | 517,334.41 |
| 454 | 6/1/2060 | 517,334.41 | 20,038.45 | 1,238.54 | 431.11 | 18,368.80 | 498,965.61 |
| 455 | 7/1/2060 | 498,965.61 | 20,038.45 | 1,194.56 | 415.81 | 18,428.08 | 480,537.53 |
| 456 | 8/1/2060 | 480,537.53 | 20,038.45 | 1,150.44 | 400.45 | 18,487.56 | 462,049.97 |
| 457 | 9/1/2060 | 462,049.97 | 20,038.45 | 1,106.18 | 385.04 | 18,547.23 | 443,502.74 |
| 458 | 10/1/2060 | 443,502.74 | 20,038.45 | 1,061.78 | 369.58 | 18,607.09 | 424,895.65 |
| 459 | 11/1/2060 | 424,895.65 | 20,038.45 | 1,017.23 | 354.08 | 18,667.14 | 406,228.51 |
| 460 | 12/1/2060 | 406,228.51 | 20,038.45 | 972.54 | 338.53 | 18,727.38 | 387,501.13 |

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

| Period | Date | Beginning Balance | Monthly Payment | Interest (Cost of Funds) | Interest (Admin Fees) | Principal | Ending Balance |
|--------|-----------|-------------------|-----------------|--------------------------|-----------------------|-----------|----------------|
| 461 | 1/1/2061 | 387,501.13 | 20,038.45 | 927.71 | 322.91 | 18,787.83 | 368,713.30 |
| 462 | 2/1/2061 | 368,713.30 | 20,038.45 | 882.73 | 307.26 | 18,848.46 | 349,864.84 |
| 463 | 3/1/2061 | 349,864.84 | 20,038.45 | 837.60 | 291.56 | 18,909.29 | 330,955.55 |
| 464 | 4/1/2061 | 330,955.55 | 20,038.45 | 792.33 | 275.80 | 18,970.32 | 311,985.23 |
| 465 | 5/1/2061 | 311,985.23 | 20,038.45 | 746.92 | 259.98 | 19,031.55 | 292,953.68 |
| 466 | 6/1/2061 | 292,953.68 | 20,038.45 | 701.35 | 244.13 | 19,092.97 | 273,860.71 |
| 467 | 7/1/2061 | 273,860.71 | 20,038.45 | 655.64 | 228.22 | 19,154.59 | 254,706.12 |
| 468 | 8/1/2061 | 254,706.12 | 20,038.45 | 609.79 | 212.25 | 19,216.41 | 235,489.71 |
| 469 | 9/1/2061 | 235,489.71 | 20,038.45 | 563.78 | 196.24 | 19,278.43 | 216,211.28 |
| 470 | 10/1/2061 | 216,211.28 | 20,038.45 | 517.63 | 180.17 | 19,340.65 | 196,870.63 |
| 471 | 11/1/2061 | 196,870.63 | 20,038.45 | 471.32 | 164.06 | 19,403.07 | 177,467.56 |
| 472 | 12/1/2061 | 177,467.56 | 20,038.45 | 424.87 | 147.89 | 19,465.69 | 158,001.87 |
| 473 | 1/1/2062 | 158,001.87 | 20,038.45 | 378.27 | 131.67 | 19,528.51 | 138,473.36 |
| 474 | 2/1/2062 | 138,473.36 | 20,038.45 | 331.52 | 115.39 | 19,591.54 | 118,881.82 |
| 475 | 3/1/2062 | 118,881.82 | 20,038.45 | 284.61 | 99.07 | 19,654.77 | 99,227.05 |
| 476 | 4/1/2062 | 99,227.05 | 20,038.45 | 237.56 | 82.69 | 19,718.20 | 79,508.85 |
| 477 | 5/1/2062 | 79,508.85 | 20,038.45 | 190.35 | 66.26 | 19,781.84 | 59,727.01 |
| 478 | 6/1/2062 | 59,727.01 | 20,038.45 | 142.99 | 49.77 | 19,845.69 | 39,881.32 |
| 479 | 7/1/2062 | 39,881.32 | 20,038.45 | 95.48 | 33.23 | 19,909.74 | 19,971.58 |
| 480 | 8/1/2062 | 19,971.58 | 20,036.04 | 47.81 | 16.65 | 19,971.58 | (0.00) |

SECURED PROMISSORY NOTE
PASS – Deferred Loan
(1000-1024 Market Street, San Francisco, CA)

Principal Amount: \$441,320.00

San Francisco, CA

Date: _____, 2022

FOR VALUE RECEIVED, the undersigned **SAN CRISTINA, 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 Four Hundred Forty One Thousand Three Hundred Twenty and No/100 Dollars (\$441,320.00) (the “Deferred Loan Amount”), or so much of the Deferred Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note (“**Note**”) is given under the terms of an Amended and Restated Loan Agreement by and between Maker and Holder dated as of [_____] , 2022 as it may be amended from time to time (the “**Agreement**”), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain PASS Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (San Cristina) dated as of the date of this Note, made by Maker for the benefit of Holder. 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. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 0.95763% per annum, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each.

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 Deferred Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America, for the month immediately preceding the month in which the Event of Default is occurred, plus four percent (4%), which rate will automatically be reduced if it is higher than the maximum rate allowed by law, commencing on the date the Deferred Loan Amount is disbursed 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 Deferred Loan Amount. Provided that no uncured Event of Default exists under any City Document, the entire principal balance of the Deferred Loan, together with all interest and unpaid fees and costs incurred (all together, the "Payment"), will be due and payable on the date that is the fortieth (40th) anniversary of the First Month Date as defined in Section 6.5 (the "Maturity Date"). If the Maturity Date falls on a weekend or holiday, it will be deemed to fall on the next succeeding business day. Any 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 Deferred Loan.

5. Security. Maker's obligations under this Note are secured by the PASS 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 as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County (the "First Month Date"). On or after the tenth anniversary of the First Month Date, this Note may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if this Note is prepaid prior to the eleventh anniversary of the First Month Date; (ii) 1% of the total amount being prepaid if this Note is prepaid on or after the eleventh anniversary of the First Month Date and prior to the twelfth anniversary of the First Month Date; or (iii) no prepayment premium if this Note is prepaid on or after the twelfth anniversary of the First Month Date. This Note may not be prepaid unless the BMR Loan, Market Rate Loan, and the Consolidated Loan are also all paid in full. Maker shall provide Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from prepayment of this Note including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

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, including without limitation, the BMR Note, Market Rate Note, and the Consolidated Note.

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 Deferred Loan (along with the BMR Loan, Market Rate Loan, and the Consolidated 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 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 PASS Deed of Trust), waste or negligent or intentional damage to the collateral for the Deferred Loan.

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.

[SIGNATURE ON THE NEXT PAGE]

“MAKER”

SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit
corporation (d/b/a, HomeRise), its sole member/manager

By: _____
Name: Rick Aubry
Its: Chief Executive Officer

EXHIBIT N
Form of PASS Deed of Trust

Free Recording Requested Pursuant to
Government Code Section 27383

When recorded, mail to:
Mayor's Office of Housing and Community Development
of the City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Director
APN: Lot 001, Block 0350
Address: 1000-1024 Market Street, San Francisco, CA

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

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**
(Property Address: 1000-1024 Market Street, San Francisco, CA)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (“Deed of Trust”) is made as of _____, 2022, by SAN CRISTINA, L.P., a California limited partnership (“Trustor”), whose address is P.O. Box 237, San Francisco, CA 94104, to **OLD REPUBLIC TITLE COMPANY**, a California corporation (“Trustee”), whose address is 275 Battery Street, Suite 1500, San Francisco, California, 94111 for the benefit of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development (“Beneficiary”). This Deed of Trust is executed pursuant to an Amended and Restated Loan Agreement by and between Trustor and Beneficiary dated as of the date of this Deed of Trust, as it may be amended from time to time (the “Agreement”), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the “Property”):

(a) that real property situated in the City and County of San Francisco, State of California, described in **Exhibit A** attached hereto and incorporated herein by reference (the “Land”), on which Trustor intends to rehabilitate a 58-unit single room occupancy residential hotel, affordable to low-income households, on the Land, including two ground floor commercial spaces (the “Commercial Space”), which is collectively known as the San Cristina (together, the “Project”); and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the “Improvements”); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions, and any guarantees thereof (“Leases”) relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(e) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(f) all Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(g) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(h) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

(i) all rents, revenues, issues, royalties, proceeds, profits, income, reimbursements, royalties, receipts and similar items, including prepaid rent and security deposits, in whatever form (including, but not limited to, cash, checks, money orders, credit card receipts or other instruments for the payment of money) paid or payable in connection

with the Property (“Rents”), from the Land and the Improvements, subject to: (i) Trustor's right to collect and retain the same as they become due and payable; and (ii) Beneficiary's rights under **Section 3 below**; and

(j) all intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(k) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

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 Amended and Restated 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, and the promissory notes dated as of the date of this Deed of Trust, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the “Notes”) and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the Notes in the original principal amount of up to approximately Eight Million Twenty Four Thousand and No/100 Dollars (\$8,024,000), with interest, according to the terms and of the Agreement and the Notes; 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.

3. Assignment of Rents.

(a) Assignment as Additional Security. Trustor hereby irrevocably grants, transfers, and assigns to Beneficiary all of its right, title, and interest in and to the Rents as additional security for the Secured Obligations. Subject to the provisions of subsection 3(d) below, Beneficiary hereby confers upon Trustor a license (“License”) to collect and retain the Rents as they become due and payable, so long as no Event of Default exists and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without

notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

(b) Collection and Application of Rents. Subject to the License granted to Trustor under subsection 3(a) above, Beneficiary has the right, power, and authority to collect any and all Rents. Subject to the License granted to Trustor under subsection 3(a) above, Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

1. Demand, receive, and enforce payment of any and all Rents; or
2. Give receipts, releases, and satisfactions for any and all Rents; or
3. Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property. In Beneficiary's sole discretion, it may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under this Deed of Trust. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder.

(c) Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Real Property and Improvements, Beneficiary is not and shall not be deemed to be:

1. A "mortgagee in possession" for any purpose; or
2. Responsible for performing any of the obligations of the lessor under any lease; or
3. Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property; or
4. Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

(d) Election by Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, at its option, may exercise its rights under this Section or otherwise provided under applicable law (including, but not limited to, under Section 2938 of the California Civil Code).

4. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law, including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided, then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest

equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

5. Security Agreement and Fixture Filing.

(a) Grant of Security Interest. Without limiting any of the other provisions of this Deed of Trust, to secure the payment, performance and observance of the Secured Obligations, Trustor, as debtor (referred to in this Section 5 as “Debtor”), expressly grants to Beneficiary, as secured party (referred to in this Section 5 as “Secured Party”), a continuing security interest in all the Property (including now and hereafter existing) to the full extent that any portion of the Property may be subject to the Uniform Commercial Code. For purposes of this Section 5, “Collateral” means the personal property (tangible or intangible) and fixtures included in the Property.

(b) Debtor’s Covenants, Representations, and Warranties.

(i) Debtor covenants and agrees with Secured Party that:

(1) In addition to any other remedies granted in this Deed of Trust to Secured Party or Trustee (including specifically, but not limited to, the right to proceed against the Property in accordance with the rights and remedies in respect of the Property that is real property under the Uniform Commercial Code), Secured Party may, if an Event of Defaults occurs and is continuing, proceed under the Uniform Commercial Code as to all or any part of the Collateral, and shall have and may exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code.

(2) Without limiting the foregoing, Secured Party shall have the right upon any public sale or sales, and, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor. Debtor further agrees to allow Secured Party to use or occupy the Property, without charge, for the purpose of effecting any of Secured Party's remedies in respect of the Collateral.

(3) To the extent permitted by applicable law, Debtor waives all claims, damages, and demands against Secured Party arising out of the repossession, retention, or sale of the Collateral, except for claims, damages, and demands due to the active gross negligence or willful misconduct of Secured Party in dealing with such Collateral. Trustor agrees that Secured Party need not give more than five (5) days' notice of the time and place of any public sale or of the time at which a private sale will take place and that such notice is reasonable notification of such matters. Secured Party may disclaim any warranties that might arise in connection with the sale, lease, license, or other disposition of the Collateral and have no obligation to provide any warranties at such time. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(4) To the extent permitted by law, Debtor hereby specifically waives all rights of redemption, stay, or appraisal which it has or may have under any law now existing or hereafter enacted.

(ii) Debtor hereby authorizes Secured Party to file financing and continuation statements with respect to the Collateral as Secured Party may reasonably require.

(iii) Debtor hereby represents and warrants that no financing statement is on file in any public office except as authorized by Secured Party. Debtor will at its own cost and expense, upon demand, furnish to Secured Party such further information and will execute and deliver to Secured Party financing statements and other documents in form reasonably satisfactory to Secured Party and will do all such acts that Secured Party may at any time or from time to time reasonably require to establish and maintain a perfected security interest in the Collateral as security for the Secured Obligations, subject only to liens or encumbrances approved by or benefiting Secured Party. Debtor will pay the actual expense of filing or recording such financing statements or other documents, and this instrument, as and where reasonably required by Secured Party.

(iv) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all rents, royalties, issues and profits, and all inventory accounts, accounts receivable and other revenues of the Property.

(c) Fixture Filing. Certain of the Collateral is or will become “fixtures” (as that term is defined in the Uniform Commercial Code). This Deed of Trust, upon being filed for record in the real estate records of San Francisco County, shall operate also as a financing statement and fixture filing upon such of the Collateral that is or may become fixtures under the Uniform Commercial Code. Debtor's name and type and jurisdiction of entity are set forth in the introductory paragraph hereof. Debtor's address is set forth above. Debtor's EIN Number is 27-6279832. Secured Party's name and mailing address are set above.

6. Insurance and Condemnation Proceeds.

(a) Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all

other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Notes and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

7. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Notes for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Notes to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(e) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers, and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(f) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and

assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Notes, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(g) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

8. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods ("Event of Default"):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor. Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("Notice of Default"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Notes and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("Notice of Sale") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall

deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

9. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

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

“TRUSTOR:”

SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit
corporation (d/b/a, HomeRise), its sole member/manager

By: _____
Name: Rick Aubry
Its: Chief Executive Officer

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A
Legal Description of the Land

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

BEGINNING at the point formed by the intersection of the Southerly line of Golden Gate Avenue with the Westerly line of Taylor street; running thence Westerly along said line of Golden Gate Avenue 152 feet and 6 inches; thence at a right angle Southerly 53 feet and 9-1/2 inches; thence Southeasterly 46 feet and 5-3/4 inches to the Northwesterly line of Market Street, at a point distant thereon 154 feet and 5-1/2 inches Southwesterly from the Westerly line of Taylor Street; thence Northeasterly along said line of Market Street 154 feet and 5-1/2 inches to the Westerly line of Taylor Street; thence Northerly along said line of Taylor Street 1 foot and 6-3/4 inches to the point of beginning.

Being a portion of 50 Vara Block No. 229.

Assessor's Lot 001; Block 0350

Street Address:

1000-1024 Market Street, San Francisco, CA

EXHIBIT A

EXHIBIT O
PASS Program Regulations

Mayor's Office of Housing and Community Development
City and County of San Francisco



London N. Breed
Mayor

Kate Hartley
Director

PRESERVATION AND SEISMIC SAFETY (PASS) PROGRAM REGULATIONS

The purpose of these Program Regulations (the “**Regulations**”) is to implement the Preservation and Seismic Safety Program (“**PASS**” or the “**Program**”) for the City and County of San Francisco (the “**City**”). Chapter 66 of the City’s Administrative Code (“**Chapter 66**”) delegates to the Mayor’s Office of Housing and Community Development (“**MOHCD**”) the authority to promulgate these Regulations for the purpose of ensuring efficient and transparent administration of the Program.

1. GENERAL INFORMATION

- 1.1. **Defined Terms.** Any capitalized terms not defined herein have the meanings given in Chapter 66. With respect to defined terms, words used in the present tense include the future, words stated in the masculine gender include the feminine and neuter, and the singular number includes the plural and the plural, the singular.
- 1.2. **Effective Date, Amendments.** These Regulations are effective as of March 15, 2019 and may be amended at the discretion of the Director of MOHCD (the “**Director**”). Any such amendments shall be drafted in consultation with the City Attorney’s Office and shall not become effective until approved by the Citywide Affordable Housing Loan Committee (the “**Loan Committee**”). Such amendments must also be reported to the City’s General Obligation Bond Oversight Committee at the first meeting of that committee following the effective date of the amendment.
- 1.3. **Publication.** The Director shall publish these Regulations, as amended from time to time, on MOHCD’s website and in such other public places as the Director may deem appropriate, and shall provide these Regulations to persons requesting a written copy hereof.
- 1.4. **Source and Availability of Funds.** The funds used to provide Loans under the Program are held in the Preservation and Seismic Safety Program Fund established pursuant to Chapter 66 (the “**Fund**”). The Fund is capitalized with (a) proceeds of general obligation bonds issued from time to time by the City (the “**Bonds**”), (b) certain payments received in connection with loans of Bond proceeds under the Program (“**Loans**”), and (c) net proceeds of any Secondary Market Transfers as described in §11 below. These funds may be issued directly to Borrowers (as defined in §2.2 below) in the form of Loans or may be used to take out interim sources of Loan funds (e.g., lines of credit or bond anticipation notes).
- 1.5. **Term Sheet.** The contents of these Regulations are summarized for reference in the term sheet attached hereto as **EXHIBIT A**.

2. LOAN TERMS AND CONDITIONS

All Loans shall be either Market Rate Loans (“**MR Loans**”), Below Market Rate Loans (“**BMR Loans**”), or Deferred Loans (as such term is defined in Chapter 66, “**Deferred Loans**”), each of which shall be structured and administered as described below. For the purposes of these Regulations, “**Property**” means any legal parcel(s) of real property and improvements eligible for a Loan under the Program, and subject to a Declaration of Restrictions, as provided hereunder, and “**Project**” means the improvements on such Property.

2.1. Eligible Properties. The proceeds of Loans may be used to cover costs associated with (i) the acquisition, improvement, and/or rehabilitation of at-risk multi-unit residential buildings; (ii) the conversion of such buildings to permanent affordable housing; and (iii) financing the cost of needed seismic, fire, health, and safety upgrades or other major rehabilitation for habitability of such structures and for unreinforced masonry buildings. Proceeds of a Loan shall not be used to finance new construction of a building or acquisition of a building without improvement and/or rehabilitation of such building. Mixed-use Properties are eligible to receive Loans, provided that the majority of the improvements thereon (as determined by square footage or dollar value) are used for residential purposes. MOHCD may issue to a particular Property any number of MR Loans, BMR Loans, and Deferred Loans (as such term is defined in Chapter 66) in any combination thereof.

All residential units at Properties must fully conform with City Planning Code requirements applicable to the Property, including zoning, building code compliance, and any relevant neighborhood plan controls. Where there are tenants living in unpermitted units and the units meet minimum livability standards according to Chapter 5 of the San Francisco Housing Code of 2016, Loans may be used to bring such units into compliance with permitting requirements.

A Project defined as a “Residential Hotel” under Chapter 41 of the City’s Administrative Code is eligible to receive a Loan; a Project defined as a “Tourist Hotel” under that chapter is not eligible to receive a Loan.

2.2. Eligible Borrowers. Recipients of Loans (“**Borrowers**”) may be either for-profit or not-for-profit enterprises. However, MOHCD may grant preference to not-for-profit entities when allocating Loan funds. Also, as part of the Loan underwriting process, MOHCD will evaluate all prospective Borrowers based on the enterprise risk criteria described in §6.1 below.

Eligible Borrowers may be organized as special-purpose, single-asset entities. In such cases, MOHCD may look to the entity or entities that ultimately own or control the Borrower (the “**Sponsors**”) when assessing enterprise risk, seeking financial guarantees, or for other purposes.

2.3. Interest Rates. For the purposes of this §2.3, “**Cost of Funds**” for a given Loan means the true interest cost applicable to the Bond proceeds funding that Loan. MR Loans shall bear a rate of interest that, when coupled with the annual administrative fees charged by the City, yields a total return to the City that equals their Cost of Funds, plus 100 basis points. BMR Loans and Deferred Loans shall bear a rate of interest that yields at least one-third of their Cost of Funds.

MOHCD will maintain a list of estimated interest rates for Loans based on the true interest cost applicable to recent general obligation bond issuances and will provide rate locks and/or forward commitments for approved Loans as needed.

2.4. Loan Term, Amortization, Prepayments. Loans issued to finance a Project during the construction and/or stabilization phase (“**Acquisition/Construction Loans**”) shall mature and complete amortization no later than 36 months from the date upon which they are funded (“**Closing**”). Loans issued to finance a Project beyond such construction and/or stabilization phase

(“**Permanent Loans**”) shall mature and complete amortization no later than 40 years from Closing.

With the exception of Deferred Loans, all Permanent Loans shall be fully amortizing. Construction Loans may be structured with bullet maturities.

Prepayments of Acquisition/Construction Loans are subject to a prepayment penalty to be determined during the application process, while Permanent Loans may be prepaid subject to yield maintenance requirements (also determined during the application process) after 10 years or prepaid at par after 12 years.

2.5. Security, Lien Position. All Loans shall be fully secured by a first-position lien against the fee interest in the Property and any improvements financed with Loan proceeds. When applicable, MOHCD may agree to secure its Loan against the leasehold interest if all other loans and agreements are also to be recorded against the Leasehold interest. No junior loans may mature prior to a Loan.

2.6. Additional City/OCII Funding. Loans may be combined with other financing from the City or the Office of Community Investment and Infrastructure (“**OCII**”), including grants and subordinate gap loans, as necessary and subject to availability.

3. AFFORDABILITY RESTRICTIONS

For the purposes of these Regulations, “**Household**” means the tenant or tenants occupying a given unit at a Property, and income restrictions are stated in terms of Area Median Income (“**AMI**”), which means the area median income as published annually by MOHCD, derived from the Income Limits determined by the U.S. Department of Housing and Urban Development for the San Francisco area, adjusted solely for Household size, but not high housing cost area, also referred to as “unadjusted median income.”

In general, all Properties financed by Loans shall be subject to an agreement to be executed by the Borrower and recorded against the Property as a condition precedent to receiving the Loan in order to permanently restrict rents at the Property at affordable levels (a “**Declaration of Restrictions**”). Each Declaration of Restrictions must (a) be recorded in first position on title, (b) be senior to all deeds of trust, (c) restrict all units to Households earning no more than 120% of AMI at turnover, and (d) require that the Project’s combined average rents are no higher than 80% of AMI. MOHCD reserves the right to require deeper affordability (e.g., lower AMI caps) on any Property. The term of each Declaration of Restrictions shall be sufficient to ensure that units acquired, improved, or rehabilitated under the Program remain affordable (a) in the case of units financed by MR Loans, for the original term of the Loan (regardless of whether the Loan is prepaid) and (b) in the case of units financed by BMR Loans or Deferred Loans, for as long as all or any portion of the buildings financed with the Loan operate as multi-family residential facilities.

Notwithstanding the foregoing, for Properties financed by MR Loans with no current or previous funding from a BMR Loan or Deferred Loan, MOHCD may grant an exemption from the requirement to record a Declaration of Restrictions (an “**Exemption**”) if the Applicant executes a legally binding agreement to ensure that (a) the majority of any Loan proceeds will be used to finance the cost of needed seismic, fire, health, and safety upgrades or other major rehabilitation critical to maintaining habitability at the Property or (b) at the time of Closing and for at least ten years thereafter, the Property will be wholly owned and operated by a non-profit entity approved by MOHCD.

As a condition precedent to Loan approval, Borrowers of MR Loans for Properties not subject to City-imposed affordability restrictions must agree to refrain from passing through to tenants (as a capital

improvements rent increase or otherwise) the cost of rehabilitation efforts financed with funds from such Loans.

For Properties that have received a combination of MR Loan, BMR Loan or Deferred Loan financing, all affordability restrictions applicable to BMR Loans or Deferred Loans shall apply to the entire Property.

4. CITY CONTRACTING AND OTHER REQUIREMENTS

All Loans shall be subject to the requirements described below and explained in greater detail in the Loan Agreement (as defined in §8 below), Declaration of Restrictions, and any other Loan-related documents to which the City is a party (collectively the “**Loan Documents**”).

4.1. City Contracting Requirements. As a condition precedent to receiving a Loan, all Borrowers must agree to comply with all City contracting requirements, including but not limited to (a) health insurance requirements, (b) the Local Business Enterprise and Non-Discrimination in Contracting Program in Administrative Code Section 14B, (c) the First Source Hiring Program in Administrative Code Section 83, and (d) the highest general prevailing rate of wages as determined in accordance with Administrative Code Section 6.22E or other applicable City and state¹ laws. These requirements are described in detail in the document attached hereto as **EXHIBIT B**, the provisions of which (as amended from time to time) are incorporated by reference herein and shall be incorporated into the Loan Documents.

4.2. Property/Liability Insurance. As a condition precedent to receipt of a Loan, the Borrower shall obtain and agree to maintain insurance in the types, coverages, and amounts determined by the City’s Risk Manager and the Director. These insurance-related requirements are described in detail in the document attached hereto as **EXHIBIT C**, the provisions of which (as amended from time to time) are incorporated by reference herein and shall be incorporated into the Loan Documents.

4.3. Anti-Displacement Policy and Relocation Requirements. As a matter of policy, tenants must not be evicted or otherwise permanently displaced as a result of a Project’s participation in the Program. If Program-financed construction will require residential tenants to be temporarily relocated, Borrowers must facilitate and cover all costs associated with such relocation. As a condition precedent to Closing, Borrowers will be required to demonstrate their willingness, preparation, and ability to undertake necessary relocation by submitting to MOHCD a relocation budget and a detailed relocation plan the provisions of which are consistent with the following:

- Residential tenants shall not incur costs related to relocation but will continue to pay rent for their original unit.
- The Borrower shall dedicate staff or provide a relocation consultant to provide advisory services to residential tenants during the relocation process.
- Notice shall be given to all tenants (residential and commercial) 90 days and 30 days prior to commencement of relocation.
- For residential tenants, adequate temporary housing will be provided that is in decent, safe, and sanitary condition and of comparable size to a tenant’s units at the Project.
- In lieu of physical relocation, any commercial tenants shall be offered a temporary suspension of rent due plus a negotiated lump sum to ensure that the business is able to withstand relocation.
- Relocation and rent-concession agreements must be documented and signed by all applicable parties prior to commencement of construction.

¹ For example, Section 1720(a)(1) of the California Labor Code provides that a construction project is subject to prevailing wage requirements if it is “paid for in whole or in part out of public funds...”

5. PROGRAM COSTS

All Loans shall be subject to certain upfront costs, annual costs, reimbursement requirements, and indemnification requirements as described below.

5.1. Underwriting Deposit. Upon submission of the application for a Loan described in §7.1 below (the “**Application**”), the Borrower must pay a non-refundable deposit in the amount of \$5,000 to cover the cost of the underwriting process (the “**Underwriting Deposit**”). If the Loan closes, MOHCD will deduct the amount of the Underwriting Deposit from the City’s Origination Fee collected at Closing (See §5.2 below). MOHCD may waive the required Underwriting Deposit for Projects receiving gap financing from the City or OCII.

The terms and conditions associated with MOHCD’s administration of the Underwriting Deposit (including provisions related to forfeiture) are further described in the Deposit and Indemnification Agreement associated with each Project.

5.2. Origination Fee. MOHCD receives compensation for underwriting and closing Loans by charging an up-front fee equal to the greater of \$15,000 or 1.25% of the total Loan funds disbursed. This fee must be paid in full at Closing.

5.3. City Attorney Expenses. The City Attorney’s Office bills MOHCD for staff time and resources associated with its work as lender counsel (“**CAO Expenses**”). MOHCD will include in its closing invoice to the Borrower a separate line item (in addition to the Origination Fee) in the amount of \$15,000 to offset any CAO Expenses billed to MOHCD.

5.4. Compliance Monitoring Fee. MOHCD charges an annual fee to monitor a Project’s compliance with the Loan Documents (the “**Compliance Monitoring Fee**”). The initial installment of the Compliance Monitoring Fee for all Projects, which must be paid in full at Closing to cover the first year of monitoring, is the greater of 0.05% (5 basis points) of the total Loan funds disbursed or \$2,500. Thereafter, the Compliance Monitoring Fee for the coming year for each Loan, which is due on the anniversary of the Closing date, is \$2,500. For Properties subject to City-imposed affordability restrictions, the Compliance Monitoring Fee is payable annually in advance for the duration of such restrictions. For Properties not subject to such restrictions, the Compliance Monitoring Fee is payable annually in advance through Loan maturity or prepayment. MOHCD will not refund any portion of a previously collected Compliance Monitoring Fee in the event of Loan prepayment.

5.5. Loan Servicing Fee. MOHCD charges an annual fee in the amount of \$2,500 to cover the cost of collecting and processing monthly Loan payments and conducting other Loan servicing functions (the “**Loan Servicing Fee**”). The first installment of the Loan Servicing Fee for all Projects, which covers the first year of servicing, must be paid in full at Closing. Thereafter, the Loan Servicing Fee for the coming year is due annually in advance on the anniversary of the Closing date through Loan maturity or prepayment. MOHCD will not refund any portion of a previously collected Loan Servicing Fee in the event of Loan prepayment. For MR Loans, the interest rate includes the cost of this fee (see §2.3 above).

5.6. Reimbursement and Indemnification. In exchange for participation in the Program, the Borrower must reimburse the City for expenses reasonably incurred in connection with preparation for Closing, including but not limited to: architectural and engineering review, appraisal and appraisal review, environmental review, inspections, documentation fees, legal fees (including CAO Expenses), mortgage taxes, transfer taxes, all recording costs and filing fees, all license and permit fees, and all title and other insurance premiums (collectively, “**City Expenses**”). For Loans that have closed, MOHCD assumes that City Expenses are reimbursed by the fees and charges collected pursuant to §§5.1-5.3 above and will not seek additional reimbursement for City Expenses from the Borrower. However, where a Loan has failed to close and MOHCD is no longer

committed to closing that Loan (e.g., a Loan declared null and void pursuant to §8 below), the Borrower must reimburse the City for City Expenses within 30 days after the City's written demand for the same.

In case any action at law or in equity, including an action for declaratory relief, is brought against the Borrower to enforce the provisions of the Loan Documents, the Borrower must pay reasonable attorney's fees and other reasonable expenses incurred by the City or its agents in connection with such action.

The Borrower must also defend and indemnify and hold the City harmless for any costs incurred by the City related to any claim, lawsuit, liability, or loss in connection with a Loan, regardless of whether the Borrower is negligent.

The City reserves the right to require a personal or corporate guaranty (e.g., from a parent company) in order to strengthen the indemnification and expense reimbursement obligations described above.

Additional terms and conditions associated with the Borrower's indemnification and reimbursement obligations to the City are described in the Deposit and Indemnification Agreement negotiated and executed in connection with the Application.

6. UNDERWRITING CRITERIA

The following criteria shall apply to MOHCD's underwriting of Loans:

6.1. Enterprise Risk. MOHCD will assess each prospective Borrower's enterprise-level risk based on the entity's capacity for both project management and asset management. In general, the Borrower's project manager must have experience with at least one comparable, successfully completed project or be assisted by a consultant or other staff person with such experience. When relying on a consultant, the consultant's resume should demonstrate that the consultant has successfully managed all aspects of at least two comparable development projects in the recent past. The Borrower must demonstrate that all project management staff assigned to a Project (whether internal staff or consultants) have adequate time to commit to the Project.

Regarding asset management, the Borrower must provide information requested by MOHCD describing asset management staffing plans and demonstrate its ability to manage the financial performance and capital needs of its existing and future assets. MOHCD will use the information provided to verify that the Borrower's approach to asset management meets the City's stewardship expectations, particularly with regard to timely performance of capital needs assessments, maintaining adequate replacement reserves, and timely collection of tenant rents.

6.2. Due Diligence Items. In connection with each Application, MOHCD will request, and the Borrower shall promptly provide, all documentation necessary to establish a Project's creditworthiness. Standard due diligence items include the following:

- Appraisal, ordered by MOHCD, providing the following values for the Property—
 - an "as-is" market value for the Property and
 - an "as-rehabilitated and restricted" market value for the Property assuming (a) completion of Property rehabilitation and (b) implementation of any MOHCD rent restrictions;
- Phase I Environmental Site Assessment Report and, if necessary based on the findings of the Phase I, a Phase II Environmental Site Assessment Report;
- Physical Needs Assessment ("PNA");
- Zoning analysis, detailing current and future zoning and accounting for future entitlements and other requirements;

- Project description;
- Project pro forma and cash flow analysis;
- Full Project development budget;
- Detailed acquisition and predevelopment budget;
- 3 years of audited financials plus the most recent unaudited financials for the Sponsor;
- List of contingent liabilities;
- Proposed project schedule;
- Evidence of insurance;
- ALTA survey; and
- Organizational documents for the Sponsor and Borrower.

6.3. Loan-to-Value Ratio. All Projects must demonstrate, via a cash flow analysis covering the Loan term, a loan-to-value ratio (“LTV”) that does not exceed the lesser of (a) 90% of appraised value or (b) 80% of total development costs. For the purposes of calculating a Project’s LTV, the Project’s value must be substantiated by a MOHCD-approved appraisal. MOHCD reserves the right to decline an Application due to an unreasonable acquisition price. As described in §3.2 above, appraisals submitted in connection with Applications must show both an “as-is” market value for the Property and an “as-rehabilitated and restricted” market value for the Property.

6.4. Debt Service Coverage Ratio. All Projects must demonstrate, via a cash flow analysis covering the Loan term, a debt service coverage ratio (“DSC”) of at least 1.10x. DSC will be calculated by dividing net operating income, which is defined as Project revenue less expenses and required reserve deposits, by Loan payments.

6.5. Reserve Requirements. MOHCD requires all Projects to set aside reserves in separate interest-bearing accounts as described below.

6.5.1. Operating Reserves; Capitalized Amounts and Annual Deposits. In connection with Closing, Projects must reserve in an Operating Reserve Account an amount equal to at least 25% of budgeted operating expenses for the first full year of operations (including hard debt service).

No annual deposits are required unless the balance in the Operating Reserve Account drops below 25% of the prior year’s operating expenses (including hard debt service), in which case the Borrower must, if practicable, deposit into the account an amount equal to the greater of (a) 25% of budgeted operating expenses for the next full year of operations (including hard debt service) or (b) the Operating Reserve Account deposit required at Closing. Any such required payments would be made from cash flow that remains after all other required payments are made (e.g., hard debt service, other reserve payments).

6.5.2. Replacement Reserves; Capitalized Amounts and Annual Deposits. In connection with Closing, Projects must reserve in a Replacement Reserve Account an amount equal to the greater of (a) of \$2,000 per unit or (b) the amount necessary to pay all replacement costs for the 10 years following Closing, as specified in an approved PNA (taking into account the scope of work planned in connection with Closing).

MOHCD requires annual deposits into the Replacement Reserve Account equal to the greater of (a) the amount needed according to an approved 20-year PNA or (b) the amounts listed in the following table:

| Number of Units at the Project (including commercial units) | Per-Unit Per-Year Replacement Reserve Deposits (including commercial units) |
|---|---|
| <10 | \$400 |
| 11-25 | \$375 |
| >25 | \$350 |

In addition to the deposits listed above, any property taxes that were included in a Project's development budget and later refunded by the City's tax collector must be deposited into the Project's Replacement Reserve Account.

6.5.3. Capitalized Vacancy Reserves. In connection with Closing, Projects must reserve in a Vacancy Reserve Account an amount equal to the monthly rent for commercial and residential units that are vacant at acquisition multiplied by the number of months such units will remain vacant during predevelopment, rehabilitation, and marketing/lease-up.

6.5.4. Other Reserves. MOHCD reserves the right to require additional reserves in connection with the Loan underwriting process.

6.6. Key Operating Assumptions. Key operating assumptions in the MOHCD pro forma operating budget for each Project include the following:

6.6.1. Vacancy Allowance. Budgets typically assume annual economic vacancy equal to 5% of residential rental income and 20% of commercial rental income. MOHCD may increase or decrease the residential vacancy percentage based on the five most recent years of audited financial data. MOHCD may reduce the commercial vacancy percentage to as low as 5% upon demonstration of a long-term, stable tenant and/or strong market conditions that would facilitate rapid lease-up should the commercial space become vacant; conversely, MOHCD may increase this percentage to account for a weak market.

6.6.2. Construction Contingency. Budgets must assume a contingency set-aside for unforeseen conditions and minor errors and omissions related to any construction equal to 15% of a Project's total construction budget.

6.6.3. Income and Expense Growth. Budgets must assume no more than 2.5% annual growth in operating income and no less than 3.5% annual growth in operating expenses.

7. LOAN APPROVAL PROCESS

The process of approving Applications submitted to MOHCD shall proceed as described below.

7.1. Application. To initiate the Loan approval process, prospective Borrowers must submit an Application to MOHCD. Application information and forms shall be made available by the Director and published on MOHCD's website, or such other convenient location as may be determined by the Director. The Application package will indicate procedures for returning a completed Application, and the expected time frame for the processing thereof.

The elements of a typical Application package include the following:

- An Application for Program Financing Form;
- A MOHCD Pro Forma workbook;
- A Deposit and Indemnification Agreement;
- An organizational chart for the Project (including the hierarchical relationships, ownership percentages, official names, entity types, and state of formation for all entities that have ownership and/or control interests in the Borrower entity as of Application submission or will have such interests as of Closing);
- A narrative description of experience with similar projects (for the Sponsor as well as its partners);
- A draft Distribution List with contact information for known transaction parties; and
- A check for the Underwriting Deposit as described in **§5.1** above.

7.2. Preliminary Approval/Denial. Following Application submission, MOHCD staff will review the Application for consistency with these Regulations and MOHCD’s policy priorities, resolve any follow-up inquiries with the Borrower, and present the Application to the Director for evaluation. The Director will either approve or deny the Application (respectively, “**Preliminary Approval**” or “**Preliminary Denial**”). Preliminary Approval is merely MOHCD’s preliminary finding that, based on the information provided in the Application (in original form or as subsequently amended), the proposed financing (1) is generally feasible, (2) can be executed in a manner consistent with these Regulations, and (3) is recommended for approval by the Loan Committee (as applicable).

Preliminary Approval DOES NOT (1) represent any commitment by the City to proceed with the proposed financing; (2) authorize any gap financing by MOHCD, OCII, or the City; (3) signify that the Project complies with the planning, zoning, subdivision, or building, laws or ordinances of the City; or (4) suggest that MOHCD, the City, or any officer or agent of MOHCD or the City will grant any other approval, consent, or permit that may be required in connection with a given Project.

Any Preliminary Denials will be in writing and will state the basis for denial. Borrowers may appeal Preliminary Denials to the Director within 10 days of being notified of such denials; any Preliminary Denial not appealed within this 10-day timeframe shall be considered a Final Denial (and thus subject to the terms of §7.3 below). Any appeals of Preliminary Denials must be submitted in writing; the Director’s subsequent denial of any such appeal shall also be considered a Final Denial.

7.3. Final Approval/Denial. Following Preliminary Approval, Applications shall be submitted to the Loan Committee for evaluation and final approval or denial as described below. Regardless of whether an Application meets all of the eligibility criteria in these Regulations, the Loan Committee may, in its discretion, choose to deny the Application (also a “**Final Denial**”) or to approve the application (a) with modifications (e.g., a lower Loan amount than requested by the Applicant), (b) subject to certain conditions, or (c) without conditions (each, a “**Final Approval**”).

Notwithstanding the foregoing, with respect to Loans for Projects that have already received a funding commitment from MOHCD’s Small Sites Program (“**SSP**”), or any successor Acquisition Program (collectively with SSP, “**Acquisition Program**”), Final Approval or Final Denial may be issued pursuant to the Acquisition Program Guidelines.

Final Denials are not subject to appeal; Applicants who wish to submit an Application for reconsideration following a Final Denial must compensate the City for its costs associated with the denied Application and complete the entire Application process again (including, without limitation, payment of an additional Underwriting Deposit).

8. LOAN CLOSING AND DISBURSEMENTS

Following Loan approval, MOHCD will oversee the Closing and disbursement processes. MOHCD staff will work with Applicants and other relevant transaction parties in good faith to complete any remaining due diligence, attend regular closing calls, finalize legal documents, and proceed as quickly as practicable to Closing and disbursement of Loan funds (“**Disbursement**”).

Unless otherwise agreed by MOHCD and the Borrower in writing, the Borrower shall establish an escrow account with the title company issuing the title policy associated with the Project, or any other escrow agent the Borrower chooses, subject to MOHCD approval (the “**Escrow/Title Agent**”). The parties shall execute and deliver to the Escrow/Title Agent written instructions consistent with these Regulations and the loan agreement by and between the Borrower and the City to be executed in connection with the Loan (the “**Loan Agreement**”). All conditions precedent to Closing and

Disbursement shall be fully described in the Loan Agreement. In the event the escrow does not close on or before the expiration date of escrow instructions signed by MOHCD, or any other date MOHCD specifies, MOHCD may declare the Application and the Loan Agreement to be null and void.

The Borrower shall timely submit draw requests—in connection with Closing and throughout the construction process, as applicable—in accordance with the Loan Agreement. MOHCD staff will process draws with due dispatch and will monitor construction progress pursuant to the terms of the Loan Agreement.

9. COMPLIANCE MONITORING

MOHCD will monitor the Borrower’s compliance with the Loan Documents and will take such actions as are necessary to enforce provisions of the Loan Documents. Also, as needed, MOHCD staff will work with those departments or individuals designated by the Director to monitor compliance with Chapter 66, and all other applicable federal, state, and local laws. The Compliance Monitoring Fee is intended to cover the cost of this monitoring for each Loan.

10. LOAN SERVICING

MOHCD will receive repayments of Loans, account for all such repayments, provide to the Director annual statements of such accounts for each outstanding Loan, and oversee all other administrative functions related to the maintenance of Loans prior to their maturity or prepayment (“**Loan Servicing**”). MOHCD may retain, from time to time, agents as desirable to conduct some or all of the Loan Servicing operations related to a specific Loan or pool of Loans. The Loan Servicing Fee is intended to cover the cost of Loan Servicing for each Loan, whether conducted by MOHCD or its agents.

11. SECONDARY MARKET TRANSFERS

The City may retain outstanding Loans as assets through their maturity or prepayment or may transfer such Loans to another entity (e.g., via whole-loan sales or securitization) (a “**Secondary Market Transfer**”). MOHCD shall, in consultation with the City Attorney’s Office and other outside advisors as needed, oversee any Secondary Market Transfers and shall ensure that the net proceeds of such transfers are disbursed in a manner consistent with these Regulations, Chapter 66, and other applicable laws and regulations.

12. EXCEPTIONS, WAIVERS

Where consistent with applicable laws and regulations, MOHCD reserves the right to waive any portion of these Regulations, or to make exceptions on a case-by-case basis. Such waivers and/or exceptions shall be granted through the written approval of the Director of MOHCD, in consultation with the Loan Committee.

EXHIBIT A

**PRESERVATION AND SEISMIC SAFETY (PASS)
PROGRAM TERM SHEET**

This program term sheet (the “Term Sheet”) summarizes key provisions of the Preservation and Seismic Safety Program Regulations (the “Regulations”) for the City and County of San Francisco (the “City”). The Regulations describe the terms and conditions applicable to the Preservation and Seismic Safety Program (“PASS” or the “Program”) administered by the Mayor’s Office of Housing and Community Development (“MOHCD”) on behalf of the City. In the case of discrepancies between this Term Sheet and the Regulations, the Regulations shall prevail. Unless otherwise indicated, all section references herein refer to sections in the Regulations. Any capitalized terms not defined herein have the meanings given in the Regulations.

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| General Loan Terms | Eligible Properties | Loans may be used to finance (i) the acquisition, improvement, and/or rehabilitation of at-risk multi-unit residential buildings; (ii) the conversion of such buildings to permanent affordable housing; and (iii) needed seismic, fire, health, and safety upgrades or other major rehabilitation for habitability of such structures. Loan proceeds <u>shall not</u> be used to finance new construction or acquisition of a building without substantial improvement and/or rehabilitation of such building. Mixed-use Properties are eligible to receive Loans, provided that the majority of the existing improvements thereon (as determined by square footage or dollar value) are used for residential purposes. | 2.1 |
| | Interest Rates | Market Rate Loans shall bear a rate of interest that, when coupled with the annual administrative fees charged by the City, yields a total return to the City that equals the true interest cost applicable to the Bond proceeds funding a given Loan, plus 100 basis points. Below Market Rate Loans and Deferred Loans shall bear a rate of interest that yields at least one-third of such true interest cost. | 2.3 |
| | Loan Term, Amortization, Prepayments | Acquisition/Construction Loans shall mature and complete amortization no later than 36 months from the date upon which they are funded (“Closing”). Permanent Loans shall mature no later than 40 years from Closing. With the exception of Deferred Loans, all Permanent Loans must complete amortization no later than 40 years from Closing. Prepayments of Construction Loans are subject to a prepayment penalty to be determined during the application process, while Permanent Loans may be prepaid subject to yield maintenance requirements after 10 years or prepaid at par after 12 years. In general, all Permanent Loans must be fully amortizing. Construction Loans may be structured with bullet maturities. | 2.4 |
| | Security, Lien Position | All Loans shall be fully secured by a first-position lien against the fee interest in the Property and any improvements financed with Loan proceeds. When applicable, MOHCD may agree to secure its Loan against the leasehold interest if all other loans and agreements are also to be recorded against the Leasehold interest. No junior loans may mature prior to a Loan. | 2.5 |
| Affordability Restrictions & Regulatory Requirements | Affordability Restrictions | In general, all Properties financed by Loans shall be subject to a Declaration of Restrictions (“DOR”) recorded against the Property which must (a) be recorded in first position on title, (b) be senior to all deeds of trust, (c) restrict all units to Households earning no more than 120% of AMI at turnover, and (d) require that the Project’s combined average rents are no higher than 80% of AMI. The term of each DOR shall be sufficient to ensure that units remain affordable (a) in the case of Market Rate Loans (“MR Loans”), for the original term of the Loan and (b) in the case of Below Market Rate Loans or Deferred Loans , permanently. Borrowers of MR Loans may seek an exemption from the DOR requirement as described in §3 of the Regulations, but such Borrowers may not pass through to tenants the cost of renovations financed with such Loans. For Properties that have received a combination of MR Loan, BMR Loan, or Deferred Loan financing, all affordability restrictions applicable to BMR Loans or Deferred Loans shall apply to the entire Property. | 3 |
| | Contracting Requirements | Borrowers shall comply with all City contracting requirements, including but not limited to (a) health insurance requirements, (b) the Local Business Enterprise and Non-Discrimination in Contracting Program, (c) the First Source Hiring Program, and (d) the highest general prevailing rate of wages as determined in accordance with applicable City and state laws. These requirements are described in detail in EXHIBIT B of the Regulations. | 4.1; Exh. B |

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| | Insurance Requirements | Borrowers shall obtain and agree to maintain insurance in the types, coverages, and amounts determined by the City’s Risk Manager and the Director. These requirements are described in detail in EXHIBIT C of the Regulations. | 4.2; Exh. C |
| | Displacement and Relocation | Tenants must not be evicted or otherwise involuntarily and permanently displaced as a result of a Project’s participation in the Program. If Program-financed construction will require residential tenants to be temporarily relocated, Borrowers must submit to MOHCD a detailed relocation budget/plan prior to Closing and cover all relocation-related costs. Borrowers must also compensate commercial tenants for construction-related disruptions. | 4.3; 4.4 |
| Program Costs | Underwriting Deposit | Borrowers must pay a non-refundable deposit in the amount of \$5,000. If the Loan closes, MOHCD will deduct the amount of this deposit from the City’s Origination Fee collected at Closing. MOHCD may waive the deposit for Projects receiving gap financing from the City or OCII. | 5.1 |
| | Origination Fee | This fee, which must be paid in full at Closing, is equal to the greater of \$15,000 or 1.25% of the total Loan funds disbursed. | 5.2 |
| | City Attorney Expenses | The City Attorney’s Office bills MOHCD for staff time and resources associated with its work as lender counsel (“CAO Expenses”). These expenses typically range from \$15,000 to \$35,000, depending on the size and complexity of the transaction and the presence of MOHCD or OCII gap financing. MOHCD will include in its closing invoice to the Borrower a separate line item (in addition to the Origination Fee) in the amount of \$15,000 to offset any CAO Expenses billed to MOHCD. | 5.3 |
| | Compliance Monitoring Fee* | The initial installment of this fee for all Loans, which must be paid in full at Closing to cover the first year of monitoring, is the greater of 0.05% (5 basis points) of the total Loan funds disbursed or \$2,500. Thereafter, the fee for the coming year for each Loan, which is due on the anniversary of the Closing date, is \$2,500. For Properties subject to City-imposed affordability restrictions, the fee is payable annually in advance for the duration of the restrictions. For Properties not subject to such restrictions, the fee is payable annually in advance through Loan maturity or prepayment. | 5.4 |
| | Loan Servicing Fee* | The cost of this fee is \$2,500 annually in advance. The first installment of the fee for all Projects, which covers the first year of servicing, must be paid in full at Closing. Thereafter, the fee for the coming year is due on the anniversary of the Closing date through Loan maturity or prepayment. | 5.5 |
| | Reimbursement and Indemnification | The Borrower must reimburse the City for all expenses reasonably incurred in connection with preparation for Closing, including but not limited to: architectural and engineering review, appraisal and appraisal review, environmental review, inspections, documentation fees, legal fees (including CAO Expenses), mortgage taxes, transfer taxes, all recording costs and filing fees, all license and permit fees, and all title and other insurance premiums (collectively, “City Expenses”). For Loans that have closed, MOHCD assumes that City Expenses are reimbursed by the fees and charges described above and will not seek additional reimbursement. However, where a Loan has failed to close and MOHCD is no longer committed to closing that Loan, the Borrower must reimburse the City for City Expenses within 30 days after the City’s written demand for the same. The Borrower is also subject to certain indemnification requirements described in the Regulations and the Deposit and Indemnification Agreement. | 5.6 |
| Underwriting | Enterprise Risk | MOHCD will assess each prospective Borrower’s capacity for both project management and asset management. The Borrower’s project manager must have experience with at least one comparable, successfully completed project or be assisted by a consultant or other staff person with adequate experience. Also, the Borrower must provide asset management staffing plans and demonstrate its ability to manage the financial performance and capital needs of its portfolio. | 6.1 |
| | Loan-to-Value Ratio | Projects must demonstrate, via a cash flow analysis covering the Loan term, a loan-to-value ratio that does not exceed the lesser of (a) 90% of appraised value or (b) 80% of total development costs. | 6.3 |
| | Debt Service Coverage Ratio | Projects must demonstrate, via a cash flow analysis covering the Loan term, a debt service coverage ratio of at least 1.10x. | 6.4 |

*For Market Rate Loans, these fees are included in the interest rate (see “Interest Rates” above).

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| | Operating Reserves | Projects must reserve in an Operating Reserve Account an amount equal to at least 25% of budgeted operating expenses for the first full year of operations (including hard debt service). No annual deposits are required unless the balance in the Operating Reserve Account drops below 25% of the prior year's operating expenses (including hard debt service), in which case the Borrower must, if practicable, deposit into the account an amount equal to the greater of (a) 25% of budgeted operating expenses for the next full year of operations (including hard debt service) or (b) the Operating Reserve Account deposit required at Closing. | 6.5.1 |
| | Replacement Reserves | Projects must reserve in a Replacement Reserve Account an amount equal to the greater of (a) of \$2,000 per unit or (b) the amount necessary to pay all replacement costs for the 10 years following Closing, as specified in an approved physical needs assessment ("PNA") (taking into account the scope of work planned in connection with Closing). MOHCD also requires annual deposits into the Replacement Reserve Account equal to the greater of (a) the amount needed according to an approved 20-year PNA or (b) the following per-unit amounts: <10 units = \$400, 11-25 units = \$375, >25 units = \$350. | 6.5.2 |
| | Vacancy Reserves and Allowance | Projects must reserve in a Vacancy Reserve Account an amount equal to the monthly rent for commercial and residential units that are vacant at acquisition multiplied by the number of months such units will remain vacant during predevelopment, rehabilitation, and marketing/lease-up. Subject to certain exceptions, budgets assume annual economic vacancy equal to 5% of residential rental income and 20% of commercial rental income. | 6.5.3; 6.6.1 |
| | Construction Contingency | Budgets must assume a contingency set-aside for construction costs equal to at least 15% of a Project's total construction budget. | 6.6.2 |
| | Income/Expense Growth | Budgets must assume no more than 2.5% annual growth in operating income and no less than 3.5% annual growth in operating expenses. | 6.6.3 |
| Loan Approval Process | Application | To initiate the underwriting process, prospective Borrowers must submit an Application to MOHCD, the typical elements of which include: (a) an Application for Program Financing Form; (b) a MOHCD Pro Forma workbook; (c) a Deposit and Indemnification Agreement; (d) an organizational chart for the Project; (e) a narrative description of experience with similar projects (for the Sponsor as well as its partners); (f) a draft distribution list; and (g) a check for the Underwriting Deposit. | 7.1 |
| | Preliminary Approval/Denial | Following Application submission, MOHCD staff will review the Application for consistency with the Regulations and MOHCD's policy priorities, resolve any follow-up inquiries with the Borrower, and present the Application to the Director for evaluation. The Director will either approve or deny the Application (respectively, "Preliminary Approval" or "Preliminary Denial"). Any Preliminary Denials will be in writing and will state the basis for denial. Borrowers may appeal Preliminary Denials to the Director within 10 days of being notified of such denials; any Preliminary Denial not appealed within this 10-day timeframe shall be considered final. Any appeals of Preliminary Denials must be submitted in writing; the Director's subsequent denial of any such appeal shall be considered final. | 7.2 |
| | Final Approval/Denial | Following Preliminary Approval, Applications will generally be submitted to the Citywide Affordable Housing Loan Committee (the "Loan Committee") for evaluation and final approval or denial. However, with respect to Loans for Projects that have already received a funding commitment from MOHCD's Small Sites Program ("SSP"), or any successor Acquisition Program (collectively with SSP, "Acquisition Program", final approval or denial may be issued pursuant to the Acquisition Program Guidelines. | 7.3 |

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO MANDATORY CONTRACTING PROVISIONS

The following provisions shall apply to this Regulatory Agreement as if set forth in the body thereof. Capitalized terms used but not defined in this Exhibit shall have the meanings given in this Regulatory Agreement.

1. **Conflict of Interest.** Through its execution of this Agreement, Owner acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

2. **Proprietary or Confidential Information of City.** Owner understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Owner may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Owner agrees that all information disclosed by City to Owner shall be held in confidence and used only in performance of the Agreement. Owner shall exercise the same standard of care to protect such information as a reasonably prudent Owner would use to protect its own proprietary data.

3. **Local Business Enterprise Utilization; Liquidated Damages.**

a. **The LBE Ordinance.** Owner shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Owner's obligations or liabilities, or materially diminish Owner's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Owner's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Owner's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Owner shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. **Enforcement.** If Owner willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Owner shall be liable for liquidated damages in an amount equal to Owner's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Contracts Monitoring Division or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of CMD") may also impose other sanctions against Owner authorized in the LBE Ordinance, including declaring the Owner to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Owner's LBE certification. The Director of CMD will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Owner acknowledges and agrees that any liquidated damages assessed by the Director of the CMD shall be payable to City upon demand. Owner further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Owner on any contract with City. Owner agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of CMD or the Controller upon request.

4. **Nondiscrimination; Penalties.**

a. **Owner Shall Not Discriminate.** In the performance of this Agreement, Owner agrees not to discriminate against any employee, City and County employee working with such Owner or Subcontractor, applicant for employment with such Owner or Subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. **Subcontracts.** Owner shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all Subcontractors to comply with such provisions. Owner's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. **Nondiscrimination in Benefits.** Owner does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. **Condition to Contract.** As a condition to this Agreement, Owner shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contracts Monitoring Division (formerly 'Human Rights Commission').

e. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Owner shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Owner understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Owner and/or deducted from any payments due Owner.

5. **MacBride Principles—Northern Ireland.** Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Owner acknowledges and agrees that he or she has read and understood this section.

6. **Tropical Hardwood and Virgin Redwood Ban.** Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges Owners not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

7. **Drug-Free Workplace Policy.** Owner acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Owner agrees that any violation of this prohibition by Owner, its employees, agents or assigns will be deemed a material breach of this Agreement.

8. **Resource Conservation.** Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Owner to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

9. Compliance with Americans with Disabilities Act. Owner acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through an Owner, must be accessible to the disabled public. Owner shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Owner agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Owner, its employees, agents or assigns will constitute a material breach of this Agreement.

10. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, Owners' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

11. Limitations on Contributions. Through execution of this Agreement, Owner acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Owner acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Owner further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Owner's board of directors; Owner's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Owner; any Subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Owner. Additionally, Owner acknowledges that Owner must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Owner further agrees to provide to City the names of each person, entity or committee described above.

12. Requiring Minimum Compensation for Covered Employees.

a. Owner agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Owner's obligations under the MCO is set forth in this Section. Owner is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Owner to pay Owner's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Owner is obligated to keep informed of the then-current requirements. Any subcontract entered into by Owner shall require the Subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Owner's obligation to ensure that any Subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any Subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Owner.

c. Owner shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Owner shall maintain employee and payroll records as required by the MCO. If Owner fails to do so, it shall be presumed that the Owner paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Owner's job sites and conduct interviews with employees and conduct audits of Owner.

f. Owner's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Owner fails to comply with these requirements. Owner agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Owner's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Owner understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Owner fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Owner fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Owner represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Owner is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Owner later enters into an agreement or agreements that cause Owner to exceed that amount in a fiscal year, Owner shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Owner and this department to exceed \$25,000 in the fiscal year.

13. Requiring Health Benefits for Covered Employees.

Owner agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Owner shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Owner chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Owner is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Owner's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Owner if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Owner fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Owner fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Owner shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Owner shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Owner shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section

against Owner based on the Subcontractor's failure to comply, provided that City has first provided Owner with notice and an opportunity to obtain a cure of the violation.

e. Owner shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Owner's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Owner represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Owner shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Owner shall keep itself informed of the current requirements of the HCAO.

i. Owner shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Owner shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Owner shall allow City to inspect Owner's job sites and have access to Owner's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Owner to ascertain its compliance with HCAO. Owner agrees to cooperate with City when it conducts such audits.

m. If Owner is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Owner later enters into an agreement or agreements that cause Owner's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Owner and the City to be equal to or greater than \$75,000 in the fiscal year.

14. **Prohibition on Political Activity with City Funds.** In accordance with San Francisco Administrative Code Chapter 12.G, Owner may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Owner agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Owner violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Owner from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Owner's use of profit as a violation of this section.

15. **Preservative-treated Wood Containing Arsenic.** Owner may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Owner may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Owner from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

16. **Compliance with Laws.** Owner shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

17. Protection of Private Information. Owner has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, “Nondisclosure of Private Information,” and 12M.3, “Enforcement” of Administrative Code Chapter 12M, “Protection of Private Information,” which are incorporated herein as if fully set forth. Owner agrees that any failure of Owner to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Owner pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Owner.

18. Food Service Waste Reduction Requirements. Owner agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Owner agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Owner agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Owner’s failure to comply with this provision

19. Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code §21.35, any Owner, Subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A Owner, Subcontractor or consultant will be deemed to have submitted a false claim to the City if the Owner, Subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

20. Sugar-Sweetened Beverage Prohibition. The Owner agrees that it will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Agreement.

21. Prevailing Wages. Owner understands and agrees that all provisions of section 1770, et seq., of the California Labor Code are required to be incorporated into every contract for any public work or improvement and are hereby incorporated into this contract. Owner also understands and agrees that all provisions of sections 6.22E and 6.22F of the San Francisco Administrative Code are hereby incorporated into this contract. Owner also understands and agrees that all applicable provisions of the Davis-Bacon Act (40 U.S.C. §§3141 et seq.) are hereby incorporated into this contract.

The Owner shall maintain weekly certified payroll records for submission to the awarding department as required. The Owner shall be responsible for the submission of payroll records of its subcontractors. All certified payroll records shall be accompanied by a statement of compliance signed by the Owner indicating that the payroll records are correct and complete, that the wage rates contained therein are not less than those determined by the Board of Supervisors and that the classifications set forth for each employee conform with the work performed.

All such records as described in this section shall at all times be open to inspection and examination of the duly authorized officers and agents of the City, including representatives of the Office of Labor Standards Enforcement.

EXHIBIT C

INSURANCE REQUIREMENTS

Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below from the date of this Agreement throughout the Compliance Term at no expense to the City:

1. Borrower, Contractors.

(a) to the extent Borrower or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident, injury or illness;

(b) commercial general liability insurance, with limits no less than One Million Dollars (\$1,000,000) combined single limit per occurrence and Two Million Dollars (\$2,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Borrower is conducting any activity on, alteration or improvement to the Site with risk of explosions, collapse, or underground hazards;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Borrower's architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is "Claims made" coverage, Borrower shall assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over Fifty Thousand Dollars (\$50,000) each claim must be reviewed by Risk Management; and

(e) a crime policy or fidelity bond covering Borrower's officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Five Thousand Dollars (\$5,000) each loss, including the City as additional obligee or loss payee;

(f) pollution liability and/or asbestos pollution liability applicable to the work being performed with a limit no less than One Million Dollars (\$1,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) annual aggregate per policy. This coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Borrower's contractor, provided that the policy must be "claims made" coverage and Borrower must require Borrower's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling.

2. Property Insurance.

Borrower must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) Prior to construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all improvements prior to commencement of construction and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such perils, resulting damage and any applicable law, ordinance or regulation;

start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(b) During the course of construction:

(i) Builder's risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder's Risk policy, if the Builder's Risk policy is issued on a declared-project basis; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(ii) Performance and payment bonds of contractors, each in the amount of One Hundred Percent (100%) of contract amounts, naming the City and Borrower as dual obligees or other completion security approved by the City in its sole discretion.

(c) Upon completion of construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor. For rehabilitation/construction projects that are unoccupied by residential or commercial tenants, Tenant must obtain Property Insurance by the date that the project receives a Certificate of Substantial Completion.

(ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Borrower for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City as loss payee.

The following notice is provided in accordance with the provisions of California Civil Code Section 2955.5: Under California law, no lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

3. Commercial Space.

Borrower must require that all nonresidential tenants' liability insurance policies include Borrower and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space in the Project, Borrower must require commercial tenants to maintain insurance as follows:

(a) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(b) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars (\$1,000,000), as appropriate;

(c) special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and

(d) full coverage plate glass insurance covering any plate glass on the commercial space.

4. General Requirements.

(a) General and automobile liability policies of Borrower, contractors, commercial tenants and property managers must include the City, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to the City.

(b) All policies required by this Agreement must be endorsed to provide no less than thirty (30) days' written notice to the City before cancellation or intended non-renewal is effective.

(c) With respect to any property insurance, Borrower hereby waives all rights of subrogation against the City to the extent of any loss covered by Borrower's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Approval of Borrower's insurance by the City will not relieve or decrease the liability of Borrower under this Agreement.

(e) Any and all insurance policies called for herein must contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(f) The City reserves the right to require an increase in insurance coverage in the event the City determines that conditions show cause for an increase, unless Borrower demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Borrower.

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.

(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

Borrower must provide the City with copies of endorsements for each required insurance policy and make each policy available for inspection and copying promptly upon request.

EXHIBIT P
Residual Receipts Policy

Mayor's Office of Housing and Community Development

Residual Receipts Policy

Effective April 1, 2016

INTRODUCTION

The Mayor's Office of Housing and Community Development (MOHCD) typically requires annual payments under the Ground Leases and Loans provided for the purpose of developing or preserving affordable housing to the extent that making payments is feasible and does not jeopardize the long-term affordability or maintenance of safe and secure housing for its residents. Payments may be required under one or a combination of several structures, including amortization, deferral, or payment from residual receipts, depending on the circumstances.

When a development financed by MOHCD is projected to enjoy more income than is needed to pay expenses, service other debt, fully fund its reserves, and make approved payments out of surplus, it is MOHCD's policy that a portion of the remaining "residual" income be directed toward repayment of MOHCD's investment.

MOHCD also permits a modest portion of "residual" income to be distributed by the borrower. Distribution of any portion of "residual receipts" is conditioned on MOHCD's annual determination that certain performance standards and benchmarks have been met.

SUMMARY (see below for detailed requirements)

| | |
|---|--|
| I. Definition of Residual Receipts | As depicted in the approved MOHCD Operating Budget Proforma for each project, the amount remaining in the annual operating budget after calculation of Net Operating Income (Project Income less Project Expenses) and allowable payments of surplus. . |
| II. Annual Residual Receipts Payments Due to MOHCD | Generally, $\frac{2}{3}$ rd s of residual receipts is payable to the City. Larger Tax Credit projects may be eligible to use an alternative $\frac{1}{2}$ - $\frac{1}{2}$ split for up the first 10 years of a new tax credit period, see the Developer Fee Policy for more details. |
| III. When more than one MOHCD contract requires residual payments | The approved MOHCD Operating Budget Proforma is a required exhibit to the last-executed MOHCD contract and must reflect a comprehensive summary of approved cash flow waterfall, listing of all lenders, relative lien positions, underlying loan terms and amounts owed to MOHCD annually across all MOHCD contracts. |
| IV. When a project has other Lenders in addition to MOHCD that require residual payments | The portion to be repaid to each Lender is typically determined by the proportional amount of capital funded under each loan. The approved MOHCD Operating Budget Proforma must include a list of all loans and details about projected amounts owed annually, including how the portion of residual receipts to be paid to each lender will be calculated, if not based on a proportional amount. |
| V. Conditions to Distribution of Residual Receipts to Borrower | Distribution of Residual Receipts may be made only upon: (1) MOHCD approval of Annual Monitoring Report; (2) determination by MOHCD that borrower is not in default; and (3) approval by MOHCD of amount of |

| | |
|---|--|
| | Distribution. |
| VI. Use of Residual Receipts Distributed to the Borrower | MOHCD strongly encourages borrowers to use distributions for activities in San Francisco that would be eligible uses under the CDBG Program Income rules (except to the extent that those rules may prohibit the use of funds for new construction). |
| VII. Uses of Project Income for Services and other Extraordinary Costs Associated with the Project | Any other use of the income derived from housing developed or preserved with MOHCD financing apart from ordinary and routine operating expenses, debt service or required reserves must be approved by the Loan Committee and the Mayor at the time MOHCD financing is committed and approved. |
| MOHCD Repayment Waiver Option | The repayment waiver option has been terminated. |

I. Definition of Residual Receipts

- A. Residual Receipts is the amount remaining in the annual operating budget after calculation of Net Operating Income (Project Income less Project Expenses) and allowable payments from surplus.
- B. The project-specific Funding Agreements and/or Ground Leases define what Project Income entails and which Project Expenses are allowable. In general, the definition of allowable Project Expenses will include mandatory or “hard” debt service payments, minimum or Base Rent owed under a Ground or Land lease, and required annual payments into Reserve accounts. Each MOHCD contract will include a copy of the approved Operating Budget Proforma.
- C. When MOHCD requires repayments from Residual Receipts, the formula usually requires payment of a portion of the available Residual Receipts. The use of a proportional formula makes it is essential to clearly define which uses of surplus cash have been approved for payment prior to the calculation of the amount owed to MOHCD.
- D. The approved uses of any available surplus may also be referred to as the cash flow waterfall. The approved MOHCD Operating Budget Proforma is used to document the approved cash flow waterfall. In general, the following expenses may be a part of a cash flow waterfall:
 - 1. Fees payable to the project, the GP, the LP or the parent entity
 - 2. Fees payable to project funders
 - 3. “Soft” debt repayments to lenders / lessors

Please see the City’s Developer Fee Policy and Operating Fees Policy for a list of allowable fees and any applicable limits.

- E. Limited Partnership Agreements may also provide a narrative summary of the cash flow waterfall. In the event that a Limited Partnership Agreements is found to be inconsistent with the MOHCD Funding Agreement and/or the approved MOHCD Operating Budget Proforma, the MOHCD documents shall control.

II. Annual Residual Receipts Payments due under MOHCD Ground Leases & Loans

Except as recommended by the Loan Committee and approved by the Mayor on a project by project basis, the portion to be paid to the City shall be $\frac{2}{3}$ rds of Residual Receipts. Larger Tax Credit projects may be eligible to use an alternative $\frac{1}{2}$ - $\frac{1}{2}$ split for up the first 10 years of a new tax credit period and the borrower's portion of Residual Receipts shall be considered payment of Deferred Developer Fee. See the Developer Fee Policy for more details.

Any residual receipts payments shall be applied toward the unpaid balance of MOHCD loan/s according to the terms in the Promissory Note and/or Funding Agreement, and toward the payments required under the MOHCD Ground Lease.

III. When more than one MOHCD contract requires residual payments:

Some projects supported by MOHCD may be governed by more than one MOHCD contract. The MOHCD Operating Budget Proforma provides a comprehensive summary of the approved cash flow waterfall, a listing of all lenders, the relative position of each lien, the amounts owed and the relevant repayment terms, and will also reflect the cumulative amount of repayments owed to MOHCD annually across all MOHCD contracts. Projects governed by more than one MOHCD contract that extend or initiate a MOHCD contract after the effective date of this policy will be required to get approval of a new MOHCD Operating Budget Proforma.

IV. When a project has other Lenders in addition to MOHCD that require residual payments

A. If any other project lenders besides MOHCD require repayment from residual receipts, the portion to be repaid to each Lender will typically be determined by the proportional amount of capital supplied under each loan. For example, if a project received a \$2 million loan from MOHCD and a \$3 million loan from another lender, MOHCD would receive $\frac{2}{5}$ ths of the amount available to be repaid, and the other lender would receive $\frac{3}{5}$ ths of the amount available to be repaid. The approved MOHCD Operating Budget Proforma must include a list of all Loans and provide an appropriate amount of detail about the projected amounts owed annually including details about how the portions to be paid to each lender will be calculated. If a project makes an agreement with any other lender/s after executing a MOHCD contract containing the final MOHCD-approved Operating Budget Proforma, prior to making any payments to such other lender/s, the project must request and be approved in writing to amend the MOHCD-approved Operating Budget Proforma to include the new lender/s.

B. During operations, MOHCD will require Residual Receipts payments using MOHCD's method of calculating surplus and any amounts owed to the MOHCD. If there is a difference in the amount calculated to be owed to any other lenders under another lender's repayment calculation method when compared to MOHCD method, then each lender will be paid according to its calculation, so long as doing so would not result in a reduction in the amount payable to MOHCD.

V. Conditions to Distribution of Residual Receipts to Borrower

- A. Distribution of Residual Receipts to the borrower of a MOHCD loan, or lessee of a MOHCD ground lease, may be made only upon:
1. MOHCD approval of the Annual Monitoring Report submitted for that year; and
 2. Determination by MOHCD that the borrower is not in default under terms of the Loan; and

3. Approval by MOHCD of the amount to be distributed.
- B. No distribution of Residual Receipts shall be made under any of the following circumstances:
1. When a written notice of default has been issued by any lender or investor and such default has not been cured; or
 2. When the City determines that the borrower or the borrower's management agent has failed to maintain the housing and its surroundings in a safe and sanitary manner in accordance with local health, building, and housing codes; or
 3. If any operating expense, including debt service on non-City loans remains unpaid; or
 4. If any required reserve account is not fully funded according to the terms of the MOHCD contract/s; or
 5. In the event of any other material failure to comply with the provisions of the MOHCD contract/s.

VI. Use of Residual Receipts Distributed to the Borrower

MOHCD strongly encourages borrowers to use the portion of Residual Receipts that is not applied toward repayment of MOHCD's loan or payment of residual rent under a MOHCD ground lease for activities in San Francisco that would be eligible uses under the CDBG Program Income rules (except to the extent that those rules may prohibit the use of funds for new construction).

VII. Uses of Project Income for Services and other Extraordinary Costs Associated with the Project

- A. With the exception of Residual Receipts retained by a borrower pursuant to this policy, any other use of the income derived from housing developed or preserved with MOHCD financing apart from ordinary and routine operating expenses, debt service or required reserves must be approved by the Loan Committee and the Mayor at the time MOHCD financing is committed and approved.
- B. The Loan Committee may approve variations of this policy on a project-specific basis, including the payment of costs associated with the provision of social, educational, vocational, counseling or other supportive services to residents either as a project expense or out of that portion of Residual Receipts that would otherwise be repaid to the City.

EXHIBIT Q
MOHCD Commercial Underwriting Guidelines

Mayor's Office of Housing and Community Development Commercial Space Underwriting Guidelines

Effective February 2, 2018

A. Applicability

The following Commercial Space Underwriting Guidelines (Guidelines) are intended to assist applicants for capital financing to prepare financing requests to the Mayor's Office of Housing and Community Development (MOHCD). They apply to new construction projects only. These Guidelines will also be used by MOHCD staff for purposes of evaluating funding requests and presenting them to the Citywide Affordable Housing Loan Committee for consideration. The Loan Committee maintains the right to set final terms and conditions for commitment of funds based on the actual circumstances of each project. MOHCD reserves the right to review and approve any requests for variations to these Guidelines. These Guidelines are subject to change.

B. Goals

1. To repay the City for costs related to the development of commercial spaces located within City-funded affordable housing properties.
2. To create vibrant neighborhoods, especially for those experiencing displacement of low-income residents, by facilitating the development of commercial space for Public Benefit and Community Serving Commercial Uses.
3. To recognize the dynamism and relationship to market conditions in commercial real estate that is not found in affordable housing while also mitigating against the market risk inherent in this dynamism.

C. Definitions

1. **Affiliated Entity:** An entity that is either controlled by the Housing Owner, controls the Housing Owner, or is under common control with Housing Owner. Control, as used in the previous sentence, means the ownership, directly or indirectly, of the right to vote in or direct the ordinary operations of the entity.
2. **Commercial Space:** An entire undifferentiated commercial area for Public Benefit Use, Community Serving Commercial Use, or Commercial Use. If the Project is subdivided, then the Commercial Space would be a condominium or air rights parcel, separate from the Residential Space. It is possible to have more than one Commercial Space in a Project because the developer intends different uses (for example, a space finished to Warm Shell and where use will be Public Benefit Use, while another area is finished to Cold Shell and Commercial Use is intended). A Commercial Space may be demised into more than one Individual Tenant Space as appropriate.
3. **Commercial Use:** A land use, typically retail or other sales and services use, with the sole or chief emphasis on making financial gain and that is not a Public Benefit Use or Community Serving Commercial Use as defined below. Commercial Uses shall not include uses that, in MOHCD's sole discretion, are inconsistent with fostering a stable environment for families and children, including, but not limited to, bars, liquor stores,

tobacco product stores, recreational cannabis shops (medical cannabis dispensaries may be permitted in MOHCD's sole discretion, but only to the extent permitted by funding sources and applicable local, state, and federal law) or other uses that cater exclusively to adults.

4. **Commercial Entity:** A legal entity, separate from the Housing Owner, who may either master lease the Commercial Space from the Housing Owner or ground lease the Commercial Space directly from the City, as provided in Permitted Legal Structures, below.
5. **Commercial Project Costs:** The total of all hard and soft costs associated with the development of the Commercial Space.
6. **Community Serving Commercial Use:** A land use, typically retail or other sales and services use, that provides a direct benefit to the community, e.g. a food market with affordable and healthy produce and other goods, community banking, or other neighborhood serving uses that have a demonstrated benefit to the residents of the Project, as determined by MOHCD in its sole discretion.
7. **Commercial Space Master Tenant:** A Commercial Entity that is an Affiliated Entity and that leases the Commercial Space from the Housing Owner and subleases Individual Tenant Space(s) to Individual Commercial Tenant(s).
8. **Housing Owner:** The owner of the residential improvements at the Project.
9. **Cold Shell:** Commercial Space improvements as defined in detail under Item 18.
10. **Individual Commercial Tenant:** An occupant of Commercial Space rented from the Housing Owner or Commercial Entity (depending on legal structure).
11. **Individual Tenant Space:** Demised portion of the Commercial Space for lease to an Individual Commercial Tenant.
12. **Net Commercial Cash Flow:** Commercial Operating Income less the Commercial Operating Expenses for a Lease Year (or portion thereof). **Commercial Operating Expenses** means the reasonable and customary expenses of reasonable operating and routine maintenance and repair expenses incurred by the Housing Owner or Commercial Entity (depending on legal structure) in the operation of the Commercial Space, debt service, and MOHCD-approved reserves. **Commercial Operating Income** means all income and receipts in any form received by the Housing Owner or Commercial Entity (depending on legal structure) from the operation of the Commercial Space, including rents, fees, deposits, and reimbursements.
13. **Project:** A mixed-use, multifamily residential and commercial project built with substantial reliance on City funding, which may include one or more subdivided residential condominium/air rights parcels and commercial condominium/air rights parcels.
14. **Public Benefit Use:** A land use, typically programs or services, that primarily benefits low-income persons, is implemented by one or more 501(c)(3) public benefit

corporations, and has been identified by the City or community as a priority use. Examples include, but are not limited to, childcare centers, adult day health centers, nonprofit office space, public libraries, supportive services for the residents of the affordable housing development, health clinics that serve the local community at no or low cost, arts-related spaces that provide programs, and classes and/or exhibition spaces available to community members at no or low cost.

- 15. Residential Space:** The entire undifferentiated residential area for future demising and occupancy by residential tenants. If the Project is subdivided, then the Residential Space would be a condominium or air rights parcel, separate from the Commercial Space(s).
- 16. Tenant Improvement Allowance:** A budget allowance sized to accommodate the build out of Warm Shell improvements, which MOHCD may approve when the Individual Commercial Tenant/s is unknown at construction loan closing.
- 17. Warm Shell:** Commercial Space improvements as defined in detail under Item 18.
- 18. *Detailed definition of Cold Shell and Warm Shell improvements (see next page)***

| | | |
|---------------------------|---|---|
| <u>Scope/Trade</u> | <u>Cold Shell</u> | <u>Warm Shell (Cold Shell plus the following)</u> (Note: The cost of Warm Shell improvements should be included in the development budget either as a specific scope of work, if known, or as a Tenant Improvement Allowance, subject to MOHCD approval.) |
| Walls/Doors | Exterior/perimeter walls and doors. Exterior/perimeter walls must be finished with gyp and fire taping to Code. No partition walls or doors. | Partition walls and doors to Individual Tenant Space/s. Partition walls, doors and locks for bathrooms based on Individual Commercial Tenants and Code requirements. |
| Finish | Exposed concrete slab with rough-in Plumbing, depressed to allow for anticipated use (floor sinks, drains). Temporary ramps for Certificate of Completion, as required. | Finished floor to minimum specification of Individual Commercial Tenant or exposed slab with clearance to install flooring to level landing at door. Wall and ceiling finish, lighting and finish specialties in bathrooms. |
| Specialties | Code required signage. Exterior commercial signage program developed and approved by Planning and MOHCD. | Bathroom accessories. Exterior signage design, infrastructure, fabrication and installation. |
| Structural | Anchors for drop-ceiling. Anchors must be cast-in slab 4' on center in each direction. Coring or block-out for assumed HVAC rough-in. | Code required ramps and railings to assumed final finish floor and level landing at entrance(s). |
| Elevator | No | As required. |

| | | |
|-------------------|---|---|
| Mechanical | Stub out for heat-pump, space on roof for equipment, and pad (or sidewall where possible). Fire rated shaft for later ducting of restaurant hood(s); supply air / louver on exterior wall. | Venting of bathrooms and all other plumbing fixtures. Ductwork to connect location of heatpump to exterior. Code required smoke control. In the case of an approved restaurant use, minimum of one (1) grease duct plus make up air (MUA) duct to accommodate Type 1 hood. Type 2 hood shaft and venting may be considered. Does not include water heating and all other mechanical equipment. |
| Gas | Stub-out for gas and gas meter in meter room. | Submeters based on establishment of Individual Tenant Space/s. |
| Plumbing | Stub-out for domestic water supply and water meter in meter room. Storm sewer 4". Stub out all plumbing (supply and waste) to bathroom location(s). No finish. | Water meters based on establishment of Individual Commercial Tenant/s. Distribute domestic water, waste and vents to plumbing fixture locations within Individual Tenant Space/s. Finish plumbing. |
| Electrical | 200A-600A 3 phase service. Meter in electrical room with service to Commercial Space. Stub out and conduit on ceiling for mechanical. Perimeter walls to have wall receptacles. Light fixtures in space connected to house meter to meet Certificate of Completion requirements only. Emergency lighting battery back-up. | Submeters based on established Individual Commercial Tenant/s and extension of stub-outs to Individual Tenant Space/s. Installation of sub panel at Individual Tenant Space/s. |
| Telco | Two (2) 2" conduits from MPOE to space for telecom/data/security. Temporary security camera connected to residential system until Commercial Space is occupied. | |

| | | |
|--|---|--|
| <p>Fire Protection/ Alarm</p> | <p>Building Fire Alarm shall be sized and zoned to include Commercial Space. State and Local SFFD Code requirements for Completion and Certificate of Occupancy must be met. Sprinkler shall be installed, activated and monitored.</p> | <p>Zoning of Fire Alarm to Individual Tenant Space/s and re-configuration / programming of main building fire panel.</p> |
| <p>Site Work</p> | <p>No</p> | <p>No</p> |

D. Permitted Legal Structures

a. Each of the following legal structures may be used for a Project, as permitted by MOHCD, taking into account the location of the Project, the community that the Project intends to serve, financing requirements and restrictions, and the capacity and expertise of the developer and Housing Owner. These Guidelines assume MOHCD owns the land on which the Project is located. In the rare scenario in which that is not the case, MOHCD and the Housing Owner will adjust these Guidelines accordingly to achieve the Goals articulated in Paragraph B and the same financing principles related to the use of MOHCD funds.

1. No Subdivision; Single Ground Lease. The real property is not subdivided and the entire property is ground leased to Housing Owner.

a. Direct Leases: Housing Owner leases directly to Individual Commercial Tenant(s); or

b. Commercial Master Lease: Housing Owner leases the Commercial Space to the Commercial Entity (which must be an Affiliated Entity) (the “Commercial Space Master Tenant”). The Commercial Space Master Tenant would then sublease the Individual Tenant Space(s) to Individual Commercial Tenant(s).

2. Subdivision. The real property is subdivided into a separate residential condominium or air rights parcel and a separate commercial condominium or air rights parcel (or subdivided into more than one separate parcels of either use).

a. Single Ground Lease. The real property is subdivided, and the City ground leases the entire property to the Housing Owner.

(i) Direct Leases: Housing Owner retains ownership of the leasehold for the Commercial Space and leases directly to Individual Commercial Tenant(s); or

(ii) Commercial Master Lease: Housing Owner retains ownership of the leasehold for the Commercial Space and leases the Commercial Space to a Commercial Space Master Tenant. The Commercial Space Master Tenant would then sublease the Individual Tenant Space(s) to Individual Commercial Tenant(s).

b. Separate Ground Leases.

(i) The City ground leases the Residential Space to the Housing Owner. The City separately ground leases the Commercial Space to the Commercial Entity. The Commercial Entity may or may not be an Affiliated Entity.

(ii) Where the Commercial Entity is a for-profit company, not related to the Housing Owner, and the Commercial Space will be used for Commercial Use, the City’s strong preference is that the subdivision be in the form of a condominium as opposed to an air rights parcel.

E. Underwriting Guidelines for All Permitted Legal Structures

1. The eligible uses of MOHCD Funds for Commercial Project Costs are:
 - a. Hard Costs: Subject to approval by MOHCD, Borrower may request the use of MOHCD funds for the following:
 - i. Commercial Uses: Cold Shell only. However, MOHCD may provide funding for Warm Shell improvements required to be installed concurrent with residential construction (e.g. restaurant flue shafts with grease ducts and access panels on each floor, drain lines and anchor bolts installed in PT floor and ceiling slabs). If Housing Owner is working with the Commercial Entity or an Individual Commercial Tenant before or during construction, Housing Owner may install ducting to the exterior (roof or louvers on building exterior) as a reimbursable cost to Housing Owner by the Commercial Entity or the Individual Commercial Tenant. Costs for all Cold Shell and Warm Shell improvements must be repaid to MOHCD, in full or in part, through non-housing sources, according to the requirements set forth in Section I below.
 - ii. Community Serving Commercial Uses: Cold Shell and Warm Shell. Borrower is required to seek funding from other City and private sources, such as commercial loans, OEWD or the Child Care Fund, New Market Tax Credits, etc., as appropriate for the proposed use for the purpose of reducing funding required from MOHCD.
 - iii. Public Benefit Uses: Cold Shell and Warm Shell. Borrower is required to seek funding from other City and private sources such as commercial loans, OEWD or the Child Care Fund, New Market Tax Credits, etc. as appropriate for the proposed use, for the purpose of reducing funding required from MOHCD.
 - b. Soft Costs: Subject to MOHCD approval and evaluated based on industry standards and market conditions for comparable projects and uses, including:
 - Construction management and consulting fees for coordination of tenant improvements with shell construction
 - Commercial broker fee
 - Commercial space lease-up reserve
 - Commercial space replacement reserve
 - Commercial space developer fee (see developer fee policy below)
 - Market analysis as is required by MOHCD
 - Future tenant improvements reserve
 - Pro rata share of Project development costs associated with Commercial Space (for example, financing costs and legal fees)

2. Conditions of MOHCD Funds.

- a. Market Analysis: Developer shall provide MOHCD a third party prepared market analysis (e.g. from a broker, appraiser, or market analyst) to determine appropriate terms for Market Rents, Rent Growth, Annual Rent Adjustments, Rent Concessions and/or Tenant Improvement Allowances, Vacancy, Expenses, Expense Growth, Management Fees, Leasing Agent Fees, and Reserves.
- b. Operating Budget. Developer shall provide the Housing Owner's or Commercial Entity's (depending on legal structure) commercial operating budget based on proposed use and market conditions consistent with the third party prepared Market Analysis provided for the project as defined above in 2.a. Commercial rents charged must be sufficient to cover all direct, shared, and allocated costs attributable to commercial use, including, but not limited to: pro-rata share of cleaning, maintenance and utility costs for shared bathrooms and hallways; pro-rata share of maintenance of fire sprinkler and fire alarm systems; pro-rata share of cleaning, maintenance and repair of the trash room; pro-rata share of maintenance and repair of the sidewalk, street trees and bike racks; pro-rata share of hydro-jetting of the sewer laterals; and pro-rata share of back-flow testing of the water lines. Commercial operating expenses shall include all utilities payable by the property for the Commercial Space, commercial property management and asset management fees, commercial operating and replacement reserves, and property taxes and insurance attributable to the Commercial Space.
- c. Leases and Letters of Intent. The Commercial Master Lease and business terms for Direct Leases and subleases are subject to review and approval by MOHCD, in accordance with the Market Analysis and these Guidelines.

F. Commercial Space Developer Fee

1. Commercial Uses: The lesser of \$100,000 or 15% of the non-residential depreciable basis, so long as the sum of the Commercial Space Developer Fee and the Residential Developer Fee do not exceed the developer fee limits allowed by TCAC. A one-time additional \$50,000 incremental fee will be allowed for completion of the condominium or air rights subdivision, subject to MOHCD approval of the subdivision and legal structure. The Commercial Space Developer Fee is payable only from non-MOHCD sources, e.g. commercial loan proceeds or transfer of the leasehold estate in the Commercial Space, etc.
2. Public Benefit Uses and Community Serving Uses: The lesser of \$250,000 or 15% of the non-residential depreciable basis, so long as the sum of the Commercial Space Developer Fee and the Residential Developer Fee do not exceed the developer fee limits allowed by TCAC. A one-time additional \$50,000 in fee will be allowed for completing the condominium or air rights subdivision, subject to MOHCD approval of the subdivision and legal structure. Half of the Commercial Space Developer Fee is payable

only from non-MOHCD sources, e.g. commercial loan proceeds, grants, or transfer of the leasehold estate in the Commercial Space.

3. Commercial Space Developer Fee; Net Developer Fee Maximums. To the extent allowable by TCAC, the Commercial Space Developer Fee is in addition to the net developer fee maximums pursuant to MOHCD Developer Fee Guidelines.

G. Change in Use

Change in use from Public Benefit Use or Community Serving Commercial Use to Commercial Use requires approval by MOHCD and will result in required repayment of the costs of Warm Shell improvements funded by MOHCD loan(s). Repayment will be calculated by amortizing the MOHCD-funded costs over the useful life of the improvements and sized based on the number of years the improvements did not serve a Public Benefit or Community Serving Commercial Use.

H. Single Ground Lease Additional Guidelines

The following ground lease terms apply where the City ground leases the entire property to the Housing Owner, whether or not the property has been subdivided.

1. Direct Lease
 - a. **40% City/60% Housing Owner:** 40% of Net Commercial Cash Flow will be paid by Housing Owner to City in the form of increased ground lease payment of Residual Rent (see MOHCD Policy on Ground Leases for defined terms). Housing Owner will retain 60% of Net Commercial Cash Flow.
 - b. Limit on Commercial Revenue: City recommends tax counsel guidance to avoid issues of unrelated business income.
2. Commercial Master Lease
 - a. **40% City/60% Affiliated Entity:** 40% of Net Commercial Cash Flow will be paid by Commercial Entity to Housing Owner and subsequently paid to City in the form of increased ground lease payment of Residual Rent. 60% of Net Commercial Cash Flow is payable to the Commercial Entity (ie. the Commercial Space Master Tenant). The Commercial Entity must be an Affiliated Entity.
 - b. Limit on Commercial Revenue: City recommends tax counsel guidance to avoid issues of unrelated business income.

I. Separate Ground Leases Additional Guidelines

The following MOHCD commercial loan repayment and commercial ground lease terms apply where the property has been subdivided, the City ground leases the Residential Space to the Housing Owner, and the City ground leases the Commercial Space(s) to the Commercial Entity(ies).

1. Reimbursement to MOHCD of Commercial Project Costs depends on the ownership structure and the type of use, as follows:

- a. Public Benefit Uses, Community Serving Commercial Uses, and Commercial Uses when the Commercial Entity is an Affiliated Entity:

Within the earlier of 90 days after 75% occupancy is achieved for Commercial Space or one year after the issuance of a Temporary Certificate of Occupancy or Certificate of Occupancy for the Commercial Space, the Commercial Entity must obtain a commercial loan commitment to repay MOHCD for all Commercial Project Costs included in MOHCD financing. The terms for any repayment source that requires a lien against the Commercial Space are subject to MOHCD approval. The commercial loan must close within 90 days following the issuance of a loan commitment. In the event that the commercial loan is not large enough to fully repay MOHCD for Commercial Project Costs, MOHCD will retain a second position Deed of Trust against the Commercial Space, securing a Note in the amount of any unpaid balance. Any outstanding balance on a MOHCD commercial loan will be payable upon refinance or transfer of the Commercial Space.

- b. Commercial Uses when the Commercial Entity is an unrelated third-party:

The Commercial Entity must repay MOHCD for all Commercial Project Costs included in MOHCD financing at close of purchase of the leasehold interest in the commercial condominium/air rights parcel and/or execution of the commercial ground lease. The terms for any repayment source that requires a lien against the Commercial Space are subject to MOHCD approval.

2. Commercial Space Ground Lease Payment and Payment on Any Outstanding MOHCD Commercial Loan

- a. Public Benefit Uses & Community Serving Commercial Uses: Annual ground lease payment equal to 40% of Net Commercial Cash Flow. However, if there is an outstanding MOHCD commercial loan, the 40% Net Commercial Cash Flow will first be used to pay down the MOHCD commercial loan and then to the annual ground lease payment. Commercial Entity will retain 60% of Net Commercial Cash Flow.

- b. Commercial Uses: Annual ground lease payment equal to market rent based on current comparable leases. Sizing of Base Rent and Residual Rent to be negotiated. If there is an outstanding MOHCD commercial loan (only applicable when the Commercial Entity is an Affiliated Entity), 40% Net Commercial Cash Flow will be used to pay off the MOHCD commercial loan and then go towards payment of Residual Rent, if applicable. Commercial Entity will retain 60% of Net Commercial Cash Flow.

3. Any transfer or sale of the Housing Owner's or Commercial Owner's ground lease interest in the Commercial Space parcel is subject to MOHCD approval as ground lessor. If the Project was developed as air rights parcels, MOHCD may require that the air rights subdivision be converted to condominiums before the Commercial Space may be transferred to an unaffiliated for-profit entity for Commercial Use.

4. Ground Lease Term: To be negotiated based on Market Analysis (see section E.2.a. for requirements for Market Analysis.)

EXHIBIT R
PASS Debt Service Coverage Certification

Project Name: _____
 Project Owner: _____
 Project Sponsor: _____
 Total Units: _____
 Total Occupied Units: _____
 Percentage Occupied: _____

| INCOME | | Total |
|--|-------------------------------|--------------|
| Residential - Tenant Rents | | |
| Residential - Tenant Assistance Payments (Non-LOSP) | | |
| Residential - LOSP Tenant Assistance Payments | | |
| Commercial Space | | |
| Residential Parking | | |
| Miscellaneous Rent Income | | |
| Supportive Services Income | | |
| Interest Income - Project Operations | | |
| Laundry and Vending | | |
| Tenant Charges | | |
| Miscellaneous Residential Income | | |
| Other Commercial Income | | |
| Withdrawal from Capitalized Reserve (deposit to operating account) | | |
| Other Income | | |
| | Gross Potential Income | |
| Vacancy Loss - Residential - Tenant Rents | | |
| Vacancy Loss - Residential - Tenant Assistance Payments | | |
| Vacancy Loss - Commercial | | |
| | EFFECTIVE GROSS INCOME | |
| | | |
| OPERATING EXPENSES | | |
| Management | | |
| Management Fee | | |
| Asset Management Fee | | |
| | Sub-total | |
| Salaries/Benefits | | |
| Office Salaries | | |
| Manager's Salary | | |
| Health Insurance and Other Benefits | | |

| | | |
|---|------------------|--|
| Other Salaries/Benefits | | |
| Administrative Rent-Free Unit | | |
| | Sub-total | |
| Administration | | |
| Advertising and Marketing | | |
| Office Expenses | | |
| Office Rent | | |
| Legal Expense - Property | | |
| Audit Expense | | |
| Bookkeeping/Accounting Services | | |
| Bad Debts | | |
| Miscellaneous | | |
| | Sub-total | |
| Utilities | | |
| Electricity | | |
| Water | | |
| Gas | | |
| Sewer | | |
| | Sub-total | |
| Taxes and Licenses | | |
| Real Estate Taxes | | |
| Payroll Taxes | | |
| Miscellaneous Taxes, Licenses and Permits | | |
| | Sub-total | |
| Insurance | | |
| Property and Liability Insurance | | |
| Fidelity Bond Insurance | | |
| Worker's Compensation | | |
| Director's & Officers' Liability Insurance | | |
| | Sub-total | |
| Maintenance & Repair | | |
| Payroll | | |
| Supplies | | |
| Contracts | | |
| Garbage and Trash Removal | | |
| Security Payroll/Contract | | |
| HVAC Repairs and Maintenance | | |
| Vehicle and Maintenance Equipment Operation and Repairs | | |
| Miscellaneous Operating and Maintenance Expenses | | |
| | Sub-total | |
| | | |

Exhibit P

| | | |
|---|------------------|--|
| Supportive Services | | |
| Commercial Expenses | | |
| | | |
| TOTAL OPERATING EXPENSES | | |
| | | |
| Reserves/Ground Lease Base Rent/Bond Fees | | |
| Ground Lease Base Rent | | |
| Bond Monitoring Fee | | |
| Replacement Reserve Deposit | | |
| Operating Reserve Deposit | | |
| Other Required Reserve 1 Deposit | | |
| Other Required Reserve 2 Deposit | | |
| Required Reserve Deposit/s, Commercial | | |
| | Sub-total | |
| | | |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) | | |
| | | |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | |
| | | |
| DEBT SERVICE/MUST PAY PAYMENTS | | |
| Hard Debt - First Lender | | |
| Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender) | | |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | | |
| TOTAL HARD DEBT SERVICE | | |
| CASH FLOW (NOI minus DEBT SERVICE) | | |
| DEBT SERVICE COVERAGE RATIO | | |

I certify that the information contained herein is true and accurate.

Authorized signatory: _____

Name: _____

Date: _____

a

Recording requested by:
Old Republic Title
Escrow No: 0227027986



City and County of San Francisco
Joaquin Torres, Assessor-Recorder

Free Recording Requested Pursuant to
Government Code Section 27383

| | | | |
|-----------|-------------------|----------|--------|
| Doc # | 2022083490 | Fees | \$0.00 |
| 8/31/2022 | 4:58:54 PM | Taxes | \$0.00 |
| DS | Electronic | Other | \$0.00 |
| Pages | 13 | Title | 002 |
| Customer | 9001 | SB2 Fees | \$0.00 |
| | | Paid | \$0.00 |

When recorded, mail to:
Mayor's Office of Housing and Community Development
of the City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Director
APN: Lot 001, Block 0350
Address: 1000-1024 Market Street, San Francisco, CA

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

DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(Property Address: 1000-1024 Market Street, San Francisco, CA)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made as of August 31, 2022, by SAN CRISTINA, L.P., a California limited partnership ("Trustor"), whose address is P.O. Box 237, San Francisco, CA 94104, to **OLD REPUBLIC TITLE COMPANY**, a California corporation ("Trustee"), whose address is 275 Battery Street, Suite 1500, San Francisco, California 94111, for the benefit of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development ("Beneficiary"). This Deed of Trust is executed pursuant to an Amended and Restated Loan Agreement by and between Trustor and Beneficiary dated as of the date of this Deed of Trust, as it may be amended from time to time (the "Agreement"), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the "Property"):

(a) that real property situated in the City and County of San Francisco, State of California, described in **Exhibit A** attached hereto and incorporated herein by reference (the "Land"), on which Trustor intends to rehabilitate a 58-unit single room occupancy residential hotel, affordable to low-income households, on the Land, including two ground floor commercial spaces (the "Commercial Space"), which is collectively known as the San Cristina (together, the "Project") ; and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "Improvements"); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions, and any guarantees thereof ("Leases") relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(e) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(f) all Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(g) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(h) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

(i) all rents, revenues, issues, royalties, proceeds, profits, income, reimbursements, royalties, receipts and similar items, including prepaid rent and security deposits, in whatever form (including, but not limited to, cash, checks, money orders, credit card receipts or other instruments for the payment of money) paid or payable in connection

with the Property (“Rents”), from the Land and the Improvements, subject to: (i) Trustor's right to collect and retain the same as they become due and payable; and (ii) Beneficiary's rights under **Section 3 below**; and

(j) all intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(k) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

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 Amended and Restated 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, and the amended and restated promissory note dated as of the date of this Deed of Trust, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the “Note”) and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the Note in the original principal amount of Two Million Seven Hundred Sixty Four Thousand Thirty Six and No/100 Dollars (\$2,764,036), with interest, 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.

3. Assignment of Rents.

(a) Assignment as Additional Security. Trustor hereby irrevocably grants, transfers, and assigns to Beneficiary all of its right, title, and interest in and to the Rents as additional security for the Secured Obligations. Subject to the provisions of subsection 3(d) below, Beneficiary hereby confers upon Trustor a license (“License”) to collect and retain the Rents as they become due and payable, so long as no Event of Default exists and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without

notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

(b) Collection and Application of Rents. Subject to the License granted to Trustor under subsection 3(a) above, Beneficiary has the right, power, and authority to collect any and all Rents. Subject to the License granted to Trustor under subsection 3(a) above, Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

1. Demand, receive, and enforce payment of any and all Rents; or
2. Give receipts, releases, and satisfactions for any and all Rents; or
3. Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property. In Beneficiary's sole discretion, it may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under this Deed of Trust. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder.

(c) Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Real Property and Improvements, Beneficiary is not and shall not be deemed to be:

1. A "mortgagee in possession" for any purpose; or
2. Responsible for performing any of the obligations of the lessor under any lease; or
3. Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property; or
4. Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

(d) Election by Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, at its option, may exercise its rights under this Section or otherwise provided under applicable law (including, but not limited to, under Section 2938 of the California Civil Code).

4. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law, including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided, then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest

equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

5. Security Agreement and Fixture Filing.

(a) Grant of Security Interest. Without limiting any of the other provisions of this Deed of Trust, to secure the payment, performance and observance of the Secured Obligations, Trustor, as debtor (referred to in this Section 5 as "Debtor"), expressly grants to Beneficiary, as secured party (referred to in this Section 5 as "Secured Party"), a continuing security interest in all the Property (including now and hereafter existing) to the full extent that any portion of the Property may be subject to the Uniform Commercial Code. For purposes of this Section 5, "Collateral" means the personal property (tangible or intangible) and fixtures included in the Property.

(b) Debtor's Covenants, Representations, and Warranties.

(i) Debtor covenants and agrees with Secured Party that:

(1) In addition to any other remedies granted in this Deed of Trust to Secured Party or Trustee (including specifically, but not limited to, the right to proceed against the Property in accordance with the rights and remedies in respect of the Property that is real property under the Uniform Commercial Code), Secured Party may, if an Event of Defaults occurs and is continuing, proceed under the Uniform Commercial Code as to all or any part of the Collateral, and shall have and may exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code.

(2) Without limiting the foregoing, Secured Party shall have the right upon any public sale or sales, and, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor. Debtor further agrees to allow Secured Party to use or occupy the Property, without charge, for the purpose of effecting any of Secured Party's remedies in respect of the Collateral.

(3) To the extent permitted by applicable law, Debtor waives all claims, damages, and demands against Secured Party arising out of the repossession, retention, or sale of the Collateral, except for claims, damages, and demands due to the active gross negligence or willful misconduct of Secured Party in dealing with such Collateral. Trustor agrees that Secured Party need not give more than five (5) days' notice of the time and place of any public sale or of the time at which a private sale will take place and that such notice is reasonable notification of such matters. Secured Party may disclaim any warranties that might arise in connection with the sale, lease, license, or other disposition of the Collateral and have no obligation to provide any warranties at such time. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(4) To the extent permitted by law, Debtor hereby specifically waives all rights of redemption, stay, or appraisal which it has or may have under any law now existing or hereafter enacted.

(ii) Debtor hereby authorizes Secured Party to file financing and continuation statements with respect to the Collateral as Secured Party may reasonably require.

(iii) Debtor hereby represents and warrants that no financing statement is on file in any public office except as authorized by Secured Party. Debtor will at its own cost and expense, upon demand, furnish to Secured Party such further information and will execute and deliver to Secured Party financing statements and other documents in form reasonably satisfactory to Secured Party and will do all such acts that Secured Party may at any time or from time to time reasonably require to establish and maintain a perfected security interest in the Collateral as security for the Secured Obligations, subject only to liens or encumbrances approved by or benefiting Secured Party. Debtor will pay the actual expense of filing or recording such financing statements or other documents, and this instrument, as and where reasonably required by Secured Party.

(iv) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all rents, royalties, issues and profits, and all inventory accounts, accounts receivable and other revenues of the Property.

(c) Fixture Filing. Certain of the Collateral is or will become “fixtures” (as that term is defined in the Uniform Commercial Code). This Deed of Trust, upon being filed for record in the real estate records of San Francisco County, shall operate also as a financing statement and fixture filing upon such of the Collateral that is or may become fixtures under the Uniform Commercial Code. Debtor's name and type and jurisdiction of entity are set forth in the introductory paragraph hereof. Debtor's address is set forth above. Debtor's EIN Number is 27-6279832. Secured Party's name and mailing address are set above.

6. Insurance and Condemnation Proceeds.

(a) Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all

other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Note and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

7. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(e) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers, and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(f) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and

assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(g) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

8. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods ("Event of Default"):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor. Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("Notice of Default"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Note and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("Notice of Sale") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall

deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

9. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

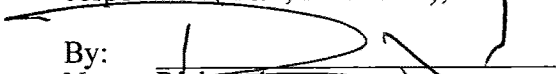
Remainder of Page Intentionally Left Blank; Signatures Appear On Following Page

“TRUSTOR:”

SAN CRISTINA, L.P.,
a California limited partnership

By: CHP San Cristina LLC,
a California limited liability company,
its general partner

By: Community Housing Partnership,
a California nonprofit public benefit
corporation (d/b/a, HomeRise), its sole member/manager

By: 
Name: ~~Rick Aubry~~, aka ~~Richard~~ Aubry
Its: Chief Executive Officer

[ALL SIGNATURES MUST BE NOTARIZED.]

ACKNOWLEDGMENT

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 that document.

State of California

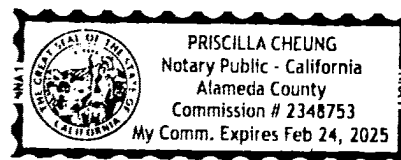
County of San Francisco)

On August 10 before me, Priscilla Cheung, Notary Public
(insert name and title of the officer)

personally appeared Richard Aubry,
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 Priscilla Cheung (Seal)

EXHIBIT A
Legal Description of the Land

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

BEGINNING at the point formed by the intersection of the Southerly line of Golden Gate Avenue with the Westerly line of Taylor street; running thence Westerly along said line of Golden Gate Avenue 152 feet and 6 inches; thence at a right angle Southerly 53 feet and 9-1/2 inches; thence Southeasterly 46 feet and 5-3/4 inches to the Northwesterly line of Market Street, at a point distant thereon 154 feet and 5-1/2 inches Southwesterly from the Westerly line of Taylor Street; thence Northeasterly along said line of Market Street 154 feet and 5-1/2 inches to the Westerly line of Taylor Street; thence Northerly along said line of Taylor Street 1 foot and 6-3/4 inches to the point of beginning.

Being a portion of 50 Vara Block No. 229.

Assessor's Lot 001; Block 0350

Street Address:

1000-1024 Market Street, San Francisco, CA

EXHIBIT A

From: [Paulino, Tom \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Nickolopoulos, Sheila \(MYR\)](#); [Wilcox, William \(MYR\)](#)
Subject: Mayor -- Resolution -- 1000 Market St
Date: Tuesday, January 9, 2024 2:10:26 PM
Attachments: [Deed of Trust - \\$2,764,036.pdf](#)
[San Cristina 2023 Amend Loan Agreement Draft 1.4.24.docx](#)
[San Cristina CITY PASS Deed of Trust 1.4.24.docx](#)
[San Cristina MOHCD Addition Loan Reso 2024.01.08.docx](#)
[SC CITY Amended and Restated Loan Agreement FINAL 8.10.22 with exhibits - fully executed.pdf](#)
[SC CITY Amended and Restated Promissory Note Amend 1.4.24.docx](#)
[SC CITY PASS BMR Note Amend 1.4.24.docx](#)
[SC CITY PASS Deferred Note Amend 1.4.24.docx](#)
[SC CITY PASS Market Rate Note 1.4.24.docx](#)

Hello Clerks,

Attached is a Resolution approving and authorizing 1) the execution of a First Amendment to the Amended and Restated Loan Agreement with San Cristina L.P., a California limited partnership, to increase the loan amount by \$1,993,694, for a new aggregate loan amount not to exceed \$12,781,730 to finance additional rehabilitation costs related to a 100% affordable, 58-unit multifamily rental housing development for very-low income formerly homeless households located at 1000 Market Street (“Project”); and 2) the Mayor and the Director of Mayor’s Office of Housing and Community Development to execute documents, make certain modifications and take certain actions in furtherance of this Resolution, as defined herein.

Cheers,

Tom Paulino

He/Him

Liaison to the Board of Supervisors

Office of the Mayor

City and County of San Francisco