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RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Norton Rose Fulbright US LLP
580 California Street, 16th Floor
San Francisco, CA 94104
Attn: Dave Sanchez, Senior Counsel

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Property Address: 1855 15th Street, San Francisco, California

REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS

by and among the

CITY AND COUNTY OF SAN FRANCISCO,

U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent,

and

MISSION DOLORES HOUSING ASSOCIATES, L.P.,

a California Limited Partnership, as Owner

Dated as of September 1, 2016

Relating to:

City and County of San Francisco
Multifamily Housing Revenue Note
(Mission Dolores),
2016 Series U

TABLE OF CONTENTS

Page

1. Definitions and Interpretation ... 2
2. Acquisition and Rehabilitation of the Project ... 9
3. Qualified Residential Rental Property ... 10
4. Tenant Income and Rent Restrictions ... 12
5. Additional Requirements of the City ... 16
6. Additional Requirements of State Law ... 20
7. CDLAC Requirements ... 22
8. Indemnification ... 22
9. Consideration ... 23
10. Reliance ... 23
11. Sale or Transfer of the Project ... 24
12. Term; Provisions Surviving Beyond the End of the Qualified Project Period ... 25
13. Covenants to Run With the Land ... 25
14. Burden and Benefit ... 26
15. Uniformity; Common Plan ... 26
16. Enforcement ... 26
17. Recording and Filing ... 27
18. Payment of Fees and Costs ... 27
19. Governing Law ... 27
20. Amendments ... 27
21. City Contracting Provisions ... 27
22. Notice ... 28
23. Severability ... 29
24. Multiple Counterparts ... 29
25. Third-Party Beneficiaries ... 29
26. The Fiscal Agent. ... 30
27. Freddie Mac Rider ... 30

Exhibit A – Legal Description of the Site A-1
Exhibit B – Income Certification Form B-1
Exhibit C – Completion Certificate C-1
Exhibit D – Sample Certificate of Continuing Program Compliance D-1
Exhibit E – [Reserved] E-1
Exhibit F – CDLAC Resolution F-1
Exhibit G – Certificate of Compliance (CDLAC Resolution) G-1
Exhibit H – City and County of San Francisco Mandatory Contracting Provisions H-1
Exhibit I – Form of RAD-Specific Tenant Selection Plan I-1
Exhibit J – Form of Tenant Protection Lease Rider J-1
Exhibit K – Freddie Mac Rider K-1

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

This REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (the "Regulatory Agreement") is made and entered into as of September 1, 2016, by and among the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, duly organized and validly existing under the laws of the State of California (together with any successor to its rights, duties and obligations, the "City"), U.S. BANK NATIONAL ASSOCIATION, as fiscal agent (the "Fiscal Agent"), and MISSION DOLORES HOUSING ASSOCIATES, L.P., a California limited partnership (the "Owner"), owner of a leasehold interest in the land described in Exhibit A attached hereto.

RECITALS

A. WHEREAS, pursuant to the Charter of the City, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code (collectively, the "Act"), the City is authorized to issue revenue notes to finance the acquisition and rehabilitation of multifamily rental housing; and

B. WHEREAS, the Board of Supervisors of the City has authorized the issuance of multifamily mortgage revenue notes under the Act in connection with the acquisition and rehabilitation of a multifamily residential rental housing project located on the site described in Exhibit A hereto and to be known as Mission Dolores (the "Project"), which Project shall be subject to the terms and provisions hereof; and

C. WHEREAS, in furtherance of the purposes of the Act and as a part of the City's plan of financing affordable housing, the City is issuing its revenue note designated "City and County of San Francisco Multifamily Housing Revenue Note (Mission Dolores), 2016 Series U" (the "Note") pursuant to the terms of a Funding Loan Agreement of even date herewith (the "Funding Loan Agreement"), among the City, Bank of America, N.A., as initial funding lender (the "Lender") and U.S. Bank National Association, as Fiscal Agent (the "Fiscal Agent"), the proceeds of which Note are to be loaned to the Owner (the "Loan") pursuant to a Project Loan Agreement, of even date herewith (the "Project Loan Agreement"), among the City, the Fiscal Agent and the Owner; and

D. WHEREAS, the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise ("Freddie Mac") has entered into an agreement with the Lender whereby Freddie Mac has committed to facilitate the permanent financing of the Project by purchasing the Funding Loan, as evidenced by the Note, from the Lender upon completion of the rehabilitation of the Project, on such date and subject to the satisfaction of certain conditions as further described in the Funding Loan Agreement and the Construction Phase Financing Agreement of even date herewith among Freddie Mac, Lender and Owner; and

E. WHEREAS, the City hereby certifies that all things necessary to make the Note, when issued as provided in the Funding Loan Agreement, the valid, binding and limited obligation of the City, have been done and performed, and the execution and delivery of the Funding Loan Agreement and the issuance of the Note, subject to the terms thereof, in all respects have been duly authorized; and

F. WHEREAS, the Code (as hereinafter defined) and the regulations and rulings promulgated with respect thereto and the Act prescribe that the use and operation of the Project be

restricted in certain respects and in order to ensure that the Project will be acquired, constructed, equipped, used and operated in accordance with the Code and the Act, the City, the Fiscal Agent and the Owner have determined to enter into this Regulatory Agreement in order to set forth certain terms and conditions relating to the acquisition, rehabilitation and operation of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the City, the Fiscal Agent and the Owner agree as follows:

1. Definitions and Interpretation. Capitalized terms used herein have the meanings assigned to them in this Section 1, unless the context in which they are used clearly requires otherwise:

"Act" means the Charter of the City, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented.

"Adjusted Income" means the adjusted income of a person (together with the adjusted income of all persons of the age of 18 years or older who intend to reside with such person in one residential unit) as calculated in the manner prescribed pursuant to Section 8 of the Housing Act or, if said Section 8 is repealed, as prescribed pursuant to said Section 8 immediately prior to its termination or as otherwise required under Section 142 of the Code and the Act.

"Administrative Plan" means the Housing Authority's Housing Choice Voucher Program Administrative Plan (as amended from time to time), which sets forth the Housing Authority's local policies for operation of its housing programs in accordance with federal laws and regulations.

"Affiliated Party" means (a) a Person whose relationship with the Owner would result in a disallowance of losses under Section 267 or 707(b) of the Code, (b) a Person who together with the Owner are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein), (c) a partnership and each of its partners (and their spouses and minor children) whose relationship with the Owner would result in a disallowance of losses under Section 267 or 707(b) of the Code, and (d) an S corporation and each of its shareholders (and their spouses and minor children) whose relationship with the Owner would result in a disallowance of losses under Section 267 or 707(b) of the Code.

"Area" means the HUD Metro Fair Market Rent Area (HMFA) according to the Metropolitan Statistical Area (San Francisco-Oakland-Hayward), or successor area determined by the Census Bureau or the United States Department of Commerce, in which the Project is located.

"Authorized Owner Representative" means any person who at the time and from time to time may be designated as such, by written certificate furnished to the City and the Fiscal Agent containing the specimen signature of such person and signed on behalf of the Owner by the general partner(s) of the Owner, which certificate may designate an alternate or alternates.

"Available Units" means residential units in the Project (except for not more than two units set aside for resident managers) that are actually occupied and residential units in the Project that are vacant and have been occupied at least once after becoming available for occupancy, provided that (a) a residential unit that is vacant on the later of (i) the date the Project is acquired or (ii) the date of issuance of the Note is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been occupied for the first time after the renovations are completed.

"Bond Counsel" means an attorney or a firm of attorneys of nationally recognized standing in matters pertaining to the issuance, sale and delivery of Tax Exempt debt issued by states and their political subdivisions including as the context requires matters pertaining to the Act and the Code, who is selected by the City and duly admitted to the practice of law before the highest court of the State.

"CDLAC" means the California Debt Limit Allocation Committee.

"CDLAC Requirements" means the requirements described in Section 7 of this Regulatory Agreement.

"CDLAC Resolution" means the Resolution described in Section 7 of this Regulatory Agreement.

"Certificate of Continuing Program Compliance" means the Certificate with respect to the Project to be executed by an Authorized Owner Representative and filed by the Owner with the City and the Program Administrator, which shall be substantially in the form attached to this Regulatory Agreement as Exhibit D, or such other form as is provided by the City.

"City" means the City and County of San Francisco, California.

"City Median Income" means the "Maximum Income by Household Size" derived by the Mayor's Office of Housing and published annually, based on the unadjusted area median income for the Area, as determined annually by HUD in a manner consistent with determinations of area median gross income under Section 8 of the Housing Act and Section 3009a of the Housing and Economic Recovery Act of 2008 or, if said Section 8 is terminated, as prescribed pursuant to said Section 8 immediately prior to its termination, and being adjusted for family size but unadjusted for high housing costs.

"Closing Date" means the date of the issuance of the Note, being [Closing Date].

"Code" means the Internal Revenue Code of 1986, as in effect on the date of issuance of the Note or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Note, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Completion Certificate" means the certificate of completion of the rehabilitation of the Project required to be executed by an Authorized Owner Representative and delivered to the City (with a copy to the Lender) by the Owner pursuant to Section 2(d) of this Regulatory Agreement, which shall be substantially in the form attached to this Regulatory Agreement as Exhibit C.

"Completion Date" means the date of completion of the rehabilitation of the Project, as that date shall be certified as provided in Section 2 of this Regulatory Agreement.

"Costs of Issuance" means issuance costs for purposes of Section 147(g) of the Code incurred with respect to the execution and delivery of the Note, but do not include fees charged by the City with respect thereto.

"CTCAC" means the California Tax Credit Allocation Committee.

"Existing Tenant" means any Tenant lawfully residing at, or legally entitled to return to, the Site pursuant to RAD Program requirements, as of the Closing Date.

"Facilities" means the multifamily buildings, structures and other improvements on the Site to be acquired, constructed, improved, rehabilitated and equipped, and all fixtures and other property owned by the Owner and located on the Site, or used in connection with, such buildings, structures and other improvements.

"Financing Documents" means, collectively, (i) the Funding Loan Agreement, the Note and the Tax Certificate; (ii) the Project Loan Documents and the Construction Loan Documents (during the Construction Phase), as defined in the Funding Loan Agreement, and (iii) all other documents or instruments evidencing, securing or relating to the Loans, and any amendments, modifications, renewals or substitutions of any of the foregoing pursuant to their respective terms.

"Fiscal Agent" means U.S. Bank National Association, or any other person or entity appointed by the City as successor thereto pursuant to the requirements of the Funding Loan Agreement.

"Funding Loan Agreement" means the Funding Loan Agreement, of even date herewith, among the City, the Lender and the Fiscal Agent.

"General Partner" means Mission Dolores GP LLC, a California limited liability company, and/or any other Person that the partners of Owner, with the prior written approval of Lender (to the extent required pursuant to the Financing Documents), have selected to be a general partner of Owner, and any successor general partner of the Owner, in each case to the extent permitted under the Financing Documents and hereunder.

"Housing Act" means 42 U.S.C. §1437, known as the United States Housing Act of 1937, as amended.

"Housing Authority" means the Housing Authority of the City and County of San Francisco and any of its successors.

"Housing Law" means Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended.

"HUD" means the United States Department of Housing and Urban Development, its successors and assigns.

"Income Certification Form" means a fully completed and executed Income Certification Form in the form designated in Exhibit B to this Regulatory Agreement or such other form as may be provided by the City.

"Inducement Date" means December 9, 2015, the effective date of the Inducement Resolution.

"Inducement Resolution" means Resolution No. 444-15, adopted by the Board of Supervisors of the City and approved by the Mayor of the City on the Inducement Date, indicating the City's intention to issue Tax Exempt obligations to finance a portion of the Project.

"Investor Limited Partner" means Bank of America, N.A., and any successor investor limited partner of the Owner.

"Lease" means that certain Ground Lease Agreement executed by and between the Housing Authority and the Owner.

"Lender" means Bank of America, N.A., as Initial Funding Lender under the Funding Loan Agreement, and its successors and assigns as holder(s) of the Note.

"Loan" means the loan of the proceeds of the Note made to the Owner pursuant to the Project Loan Agreement to provide financing for the acquisition, rehabilitation, equipping and improvement of the Project.

"Median Income for the Area" means the median gross income for the Area, as determined in a manner consistent with determinations of area median gross income under Section 8 of the Housing Act and Section 3009a of the Housing and Economic Recovery Act of 2008 (Pub.L. 110–289, 122 Stat. 2654) or, if said Section 8 is terminated, as prescribed pursuant to said Section 8 immediately prior to its termination or as otherwise required under Section 142 of the Code and the Act, including adjustments for household size; provided that, in any conflict between the determination of Median Income for the Area pursuant to the requirements of the RAD Program and those of Section 142 of the Code and/or the Act, the most restrictive requirements shall control.

"Mortgage" means the Construction Leasehold Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, dated for reference purposes as of the date hereof, executed by the Owner and granting a first lien on the Facilities and the Owner's leasehold interest in the Site for the benefit of the City and assigned by the City to the Fiscal Agent as security for the Note, as the same will be amended and restated upon Conversion (as defined in the Funding Loan Agreement), including any amendments, restatements and supplements thereto.

"Note" means the City and County of San Francisco Multifamily Housing Revenue Note (Mission Dolores), 2016 Series U, executed and delivered pursuant to the Funding Loan Agreement.

"Owner" means Mission Dolores Housing Associates, L.P., a California limited partnership, and its permitted successors and assigns.

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership relating to Owner, by and among the General Partner, the Investor Limited Partner and the Special Limited Partner.

"Program Administrator" means a governmental agency, a financial institution, a certified public accountant, an apartment management firm, a mortgage insurance company or other business entity performing similar duties or otherwise experienced in the administration of restrictions on bond financed multifamily housing projects, which shall be the City initially and, at the City's election, any other person or entity appointed by the City who shall enter into an administration agreement in a form acceptable to the City.

"Project" means the Facilities and the Site.

"Project Costs" means, to the extent authorized by the Code, the Regulations and the Act, any and all costs incurred by the Owner with respect to the rehabilitation of the residential component of the Project, whether paid or incurred prior to or after the Inducement Date, including, without limitation, costs for site preparation, the planning of housing and related facilities and improvements, the acquisition of property, the removal or demolition of existing structures, the rehabilitation of housing and related facilities and improvements, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractor's and Owner's overhead and supervisors' fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or entity for expenditures made for the Project), and interest on financing for the Project.

"Project Loan Agreement" means the Project Loan Agreement, of even date herewith, among the City, the Fiscal Agent and the Owner, pursuant to which the Loan was made.

"Purchase Option Agreement" means the Purchase Option Agreement, of even date herewith, among the Owner, and Mission Dolores GP LLC, a California limited liability company ("Mission Dolores GP") and the Right of First Refusal Agreement between the Owner and Mission Dolores GP.

"Qualified Project Costs" means the Project Costs incurred after the date which is sixty (60) days prior to the Inducement Date and that are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Owner or but for the proper election by the Owner to deduct those amounts, within the meaning of Treasury Regulations Section 1.103-8(a)(1); provided, however, that only such portion of the interest accrued during rehabilitation of the Project shall constitute a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs, and provided further that such interest shall cease to be a Qualified Project Cost on the Completion Date, and provided still further that if any portion of the Project is being constructed by an Affiliated Party (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by such Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Affiliated Party, and (c) any overhead expenses incurred by the Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction and/or rehabilitation of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof). Qualified Project Costs do not include Costs of Issuance.

"Qualified Project Period" means the period beginning on the Closing Date and ending on the later of the following:

(a) the date that is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied;

(b) the first date on which no Tax Exempt private activity bond with respect to the Project is Outstanding;

(c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates;

(d) the date that is fifty-five (55) years after the Closing Date; or

(e) such later date as may be provided in Section 5 or Section 7 hereof.

"Qualified Tenant" means an Existing Tenant or a Very Low Income Tenant.

"RAD Conversion Commitment" means the commitment issued by HUD allowing property governed by Section 9 of the Housing Act to be converted to property that will receive (a) project-based Housing Choice Voucher assistance or (b) project-based Section 8 housing assistance payments.

"RAD Program" means HUD's Rental Assistance Demonstration program as authorized by P.L. 112-55, as amended from time to time, and regulations and guidelines promulgated by HUD in connection thereto.

"Regulations" means the income tax regulations promulgated by the Internal Revenue Service or the United States Department of the Treasury pursuant to the Code from time to time.

"Regulatory Agreement" means this Regulatory Agreement and Declaration of Restrictive Covenants, together with any amendments hereto or supplements hereof.

"Restricted Unit" means a Very Low Income Unit and/or a unit occupied by a Existing Tenant.

"Section 8" means Section 1437f of the Housing Act, unless explicitly referring to a section of this Regulatory Agreement (e.g., "Section 8 hereof").

"Servicer" shall have the meaning assigned to such term in the Funding Loan Agreement.

"Site" means the parcel or parcels of real property described in Exhibit A, which is attached hereto, and all rights and appurtenances thereto, and in which the Owner has a leasehold interest.

"Special Limited Partner" – means Banc of America CDC Special Holding Company, Inc., a North Carolina corporation.

"SSI" means Supplemental Security Income administered pursuant to P.L. 74-271, approved August 14, 1935, 49 Stat. 620, as now in effect and as it may from time to time hereafter be amended or supplemented.

"State" means the State of California.

"TANF" means the Temporary Assistance for Needy Families program administered pursuant to 42 U.S.C. §§ 601-687.

"Tax Certificate" means Tax Certificate and Agreement executed by the City, the Fiscal Agent and the Owner on the Closing Date, as amended or supplemented from time to time.

"Tax Exempt" means, with respect to the status of interest on the Funding Loan or the Note, the exclusion of interest thereon from gross income of the Lender for federal income tax purposes pursuant to Section 103(a) of the Code (other than interest on any portion of the Funding Loan or the Note owned by a "substantial user" of the Project or a "related person" within the meaning of Section 147 of the Code).

"Tenant" means, at any time of determination thereof, all persons who together occupy a single residential unit in the Project, and upon the occupancy of a unit by any individual in addition to the previous Tenant of such unit, such unit shall be deemed to be occupied by a new Tenant.

"Very Low Income Tenant" means any Tenant whose Adjusted Income does not exceed fifty percent (50%) of the lower of City Median Income or Median Income for the Area; provided, however, if all the occupants of a unit are students (as defined under Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not qualify as Very Low Income Tenants. The determination of a Tenant's status as a Very Low Income Tenant shall initially be made by the Owner on the basis of the Income Certification Form executed by the Tenant upon such Tenant's occupancy of a unit in the Project and upon annual recertification thereafter.

"Very Low Income Unit" means a dwelling unit in the Project required to be rented to, or designated for occupancy by, Very Low Income Tenants pursuant to Section 4 of this Regulatory Agreement.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of the masculine, feminine or neuter gender used in this Regulatory Agreement shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The defined terms used in the preamble and recitals of this Regulatory Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Section 1 notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

2. Acquisition and Rehabilitation of the Project. The Owner hereby represents, as of the date hereof, and covenants, warrants and agrees as follows:

(a) The Owner has incurred, or will incur within six (6) months after the Closing Date, a substantial binding obligation to a third party to expend not less than five percent (5%) of the aggregate principal amount of the Note for the payment of Qualified Project Costs.

(b) The Owner's reasonable expectations respecting the total cost of rehabilitation of the Project and the disbursement of Note proceeds are accurately set forth in the Tax Certificate, which has been delivered to the City on the Closing Date.

(c) The Owner will proceed with due diligence to complete the acquisition and rehabilitation of the Project and expects to expend the maximum authorized amount of the Loan for Project Costs within three (3) years of the Closing Date.

(d) No later than ten (10) days after the Completion Date, the Owner will submit to the City a duly executed and completed Completion Certificate.

(e) The Owner shall prepare and submit to the City a final allocation of the proceeds of the Note to the payment of Qualified Project Costs, which allocation shall be consistent with the Cost Certification (as defined in the Partnership Agreement), within sixty (60) days after the Completion Date, but in any event no later than the earlier of (1) eighteen (18) months from the placed in service date for the Project, (2) the Maturity Date (as defined in the Funding Loan Agreement) or (3) the fifth anniversary of the Closing Date.

(f) [Reserved].

(g) Money on deposit in any fund or account in connection with the Note, whether or not such money was derived from other sources, shall not be used by or under the direction of the Owner in a manner which would cause the Note to be an "arbitrage bond" within the meaning of Section 148 of the Code, and the Owner specifically agrees that the investment of money in any such fund shall be restricted as may be necessary to prevent the Note from being an "arbitrage bond" under the Code.

(h) The Owner (and any person related to it within the meaning of Section 147(a)(2) of the Code) will not take or omit to take any action if such action or omission would in any way cause the proceeds from the execution and delivery of the Note to be applied in a manner contrary to the requirements of the Funding Loan Agreement, the Project Loan Agreement or this Regulatory Agreement.

(i) On or concurrently with the final draw by the Owner of amounts representing proceeds of the Note, the expenditure of such draw, when added to all previous disbursements representing proceeds of the Note, will result in not less than ninety-seven percent (97%) of all disbursements of Note proceeds having been used to pay or reimburse the Owner for Qualified Project Costs and less than twenty-five percent (25%) of all disbursements having been used to pay for the acquisition of land or any interest therein.

(j) The statements made in the various certificates delivered by the Owner to the City on the Closing Date are true and correct.

(k) All of the amounts received by the Owner from the proceeds of the Note and earnings from the investment of such proceeds will be used to pay Project Costs; and no more than two percent (2%) of the proceeds of the Note shall be used to pay Costs of Issuance of the Note.

(l) The Owner will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the Tax Exempt status of interest on the Note (other than with respect to interest on any portion thereof for a period during which such portion is held by a "substantial user" of any facility financed with the proceeds of the Note or a "related person," as such terms are used in Section 147(a) of the Code), and, if it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(m) The Owner will take such action or actions as may be necessary, in the written opinion of Bond Counsel to the City, to comply fully with the Act, the Code and all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service to the extent necessary to maintain the Tax Exempt status of interest on the Note (other than with respect to interest on any portion thereof for a period during which such portion is held by a "substantial user" of any facility financed with the proceeds of the Note or a "related person," as such terms are used in Section 147(a) of the Code).

3. Qualified Residential Rental Property. The Owner hereby acknowledges and agrees that the Project will be owned, managed and operated as a "qualified residential rental project" (within the meaning of Section 142(d) of the Code). The City hereby elects to have the Project meet the requirements of Section 142(d)(1)(B) of the Code and the Owner hereby elects and covenants that it shall comply with Section 142(d)(1)(B) of the Code. To that end, and for the term of this Regulatory Agreement, the Owner hereby represents, as of the date hereof, and covenants, warrants and agrees as follows:

(a) The Project is being acquired and rehabilitated for the purpose of providing multifamily residential rental property, and the Owner shall own, manage and operate the Project as a project to provide multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with applicable provisions of Section 142(d) of the Code and Section 1.103-8(b) of the Regulations, and the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the residential dwelling units in the Project will be similarly constructed units, and, to the extent required by the Code and the Regulations, each residential dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range (which may be a countertop cooking range), refrigerator and sink.

(c) None of the residential dwelling units in the Project will at any time be used on a transient basis (e.g., subject to leases that are less than thirty (30) days duration) (including use as a corporate suite), or be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, retirement house or trailer court or park.

(d) No part of the Project will at any time be owned as a condominium or by a cooperative housing corporation, nor shall the Owner take any steps in connection with a conversion to such ownership or uses. Other than obtaining a final subdivision map on the Project and a Final Subdivision Public Report from the California Bureau of Real Estate, the Owner shall not take any steps in connection with a conversion of the Project to a condominium ownership except with the prior written opinion of Bond Counsel that the interest on the Note will not become taxable thereby under Section 103 of the Code.

(e) All of the residential dwelling units in the Project will be available for rental on a continuous basis to members of the general public and the Owner will not give preference to any particular class or group in renting the residential dwelling units in the Project, except to the extent required by (i) this Regulatory Agreement, (ii) any regulatory or restrictive use agreement to which the Project is subject pursuant to Section 42 of the Code, (iii) any additional tenant income and rent restrictions imposed by any other federal, State or local governmental agencies, and (iv) any other legal or contractual requirement not excepted by clauses (i) through (iii) of this paragraph, upon receipt by the Owner, the Fiscal Agent, the Lender and the City of an opinion of Bond Counsel to the effect that compliance with such other requirement will not adversely affect the Tax Exempt status of interest on the Note.

(f) The Site consists of a parcel or parcels that are contiguous and all of the Facilities will comprise a single geographically and functionally integrated project for residential rental property and approved ancillary uses, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No residential dwelling unit in the Project shall be occupied by the Owner. Notwithstanding the foregoing, if the Project contains five (5) or more residential dwelling units, this subsection shall not be construed to prohibit occupancy of residential dwelling units by one or more resident managers or maintenance personnel any of whom may be the Owner; provided that the number of such managers or maintenance personnel is not unreasonable given industry standards in the area for the number of residential dwelling units in the Project.

(h) The Owner shall not discriminate on the basis of race, creed, religion, color, sex, source of income (e.g., TANF, Section 8 or SSI), physical disability (including HIV/AIDS), age, national origin, ancestry, marital or domestic partner status, sexual preference or gender identity in the rental, lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the rehabilitation, operation and management of the Project, except to the extent required hereby.

(i) Should involuntary noncompliance with the provisions of Section 1.103-8(b) of the Regulations be caused by fire, seizure, requisition, foreclosure, transfer of title by an assignment of the leasehold interest in the Project in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the City from enforcing the requirements of the Regulations, or condemnation or similar event, the Owner covenants that, within a “reasonable period” determined in accordance with the Regulations, it will either prepay the Loan or, if permitted under the provisions of the Mortgage and the Funding Loan Agreement, apply any proceeds received as a result of any of the preceding events to reconstruct the Project to meet the requirements of Section 142(d) of the Code and the Regulations.

(j) The Owner agrees to maintain the Project, or cause the Project to be maintained, during the term of this Regulatory Agreement (i) in a reasonably safe condition and (ii) in good repair and in good operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof such that the Project shall be in substantially the same condition at all times as the condition it is in at the time of the completion of the rehabilitation of the Project with the proceeds of the Note. Notwithstanding the foregoing, the Owner's obligation to repair or rebuild the Project in the event of casualty or condemnation shall be subject to the terms of the Project Loan Agreement and the Mortgage.

(k) The Project will have ninety-one (91) residential rental dwelling units, one (1) of which will be a manager's unit.

(l) The Owner will not sell dwelling units within the Project.

4. Tenant Income and Rent Restrictions. The Owner hereby represents, as of the date hereof, and warrants, covenants and agrees as follows:

(a) Income and Rent Restrictions. In addition to the requirements of Section 5, hereof, the Owner shall comply with the income and rent restrictions of this Section 4(a). Any conflict or overlap between any two or more of such provisions shall be resolved in favor of the most restrictive of such provisions, that is, in favor of the lowest income and rent restrictions.

(i) Income and Rent Restrictions Pursuant to City Requirements. All of the units in the Project (excluding the manager's unit) shall be Restricted Units and rented to and continuously occupied by Qualified Tenants. The monthly rent charged for all the Very Low Income Units shall not exceed one-twelfth of the amount obtained by multiplying 30% times 50% of the Median Income for the Area.

(ii) Income and Rent Restrictions Pursuant to RAD Program Requirements. All of the units in the Project (excluding the manager's unit) shall be rented to and continuously occupied by Qualified Tenants. The monthly rent charged for all the Very Low Income Units shall not exceed the maximum rent that the Housing Authority is permitted to charge such Very Low Income Tenant pursuant to the Housing Act and specifically Section 8 of the Housing Act. The monthly rent charged for the units occupied by Existing Tenants shall not exceed one-twelfth of the amount obtained by multiplying 30% times the Adjusted Income of such Existing Tenant.

(iii) Income Restrictions Pursuant to the Code. Pursuant to the requirements of Section 142(d)(1)(B) of the Code, for the Qualified Project Period, not less than forty percent (40%) of the total number of completed units in the Project (excluding the manager's unit), or thirty-six (36) units, shall be designated as affordable units and during the Qualified Project Period shall be rented to and continuously occupied by Tenants whose Adjusted Income does not exceed sixty percent (60%) of the Median Income for the Area; provided, however, if all the occupants of a unit are students (as defined under Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not be qualified Tenants pursuant to this sentence. The Owner shall satisfy the requirements of this Section 4(a)(iii) by complying with the requirements of Section 4(a)(i), to the extent such compliance meets the requirements of Section 142(d)(1)(B) of the Code.

(iv) Income and Rent Restrictions Pursuant to the Act. Pursuant to the requirements of Section 52080(a)(1)(B) of the Housing Law, for the Qualified Project Period, not less than forty percent (40%) of the total number of completed units in the Project (excluding the manager's unit(s)), or thirty-six (36) units, shall be designated as affordable units and during the Qualified Project Period shall be rented to and continuously occupied by Tenants whose Adjusted Income does not exceed sixty percent (60%) of the Median Income for the Area; provided, however, that if all the occupants of a unit are students (as defined under Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants shall not be qualified Tenants pursuant to this sentence. Pursuant to the requirements of Section 52080(a)(1)(B) of the Housing Law, the monthly rent charged for such units shall not exceed one-twelfth of the amount obtained by multiplying 30% times 60% of the Median Income for the Area. The Owner shall satisfy the requirements of this Section 4(a)(iv) by complying with the requirements of Section 4(a)(i), to the extent such compliance meets the requirements of Section 52080(a)(1)(B) of the Housing Law.

(v) CDLAC Requirements. To the extent the income and rent restrictions contained in the CDLAC Requirements are more restrictive than any of the foregoing requirements, the Owner shall comply with the CDLAC Requirements.

(vi) Income and Rent Restrictions in Event of Loss of Subsidy. If the project based rental assistance or RAD Program rental assistance being received by the Project is terminated or substantially reduced, the occupancy and rent restrictions set forth in Sections 4(a)(i) and (ii) may be altered, but only to the minimum extent required for the financial feasibility of the Project, as determined by the City in its reasonable discretion in accordance with substantially similar underwriting criteria used by the City to evaluate the Project's financial feasibility prior to the Closing Date, provided that, in any event, at least 40% of the units shall at all times be occupied by Tenants whose Adjusted Income does not exceed sixty percent (60%) of Median Income for the Area and the monthly rent paid by such Tenants shall not exceed 30% of 60% of Median Income for the Area; and provided, further, that a Very Low Income Tenant shall not be subject to eviction because of the loss of Section 8 tenant based or project-based rental assistance, other than through the action of the Very Low Income Tenant, including without limitation non-compliance with the terms and conditions of the tenant lease, so long as the Very Low Income Tenant continues to qualify as a Very Low Income Tenant and continues to pay the Tenant's portion of the rent permitted to be charged that Very Low Income Tenant pursuant to Section 4(a) and is in compliance with all terms and conditions of the Tenant's lease. In such event, the City shall use good faith efforts to meet with Owner within fifteen (15) days after Owner's written request and determine any rent increase within sixty (60) days after Owner's initial written request to meet. The relief provided by this section shall not be construed as authorizing the Owner to exceed any income or rent restrictions imposed on the Project by CDLAC, CTCAC or other agreements, and the Owner represents and warrants that it shall have obtained any necessary approvals or relief from any other applicable income and rent limitations prior to implementing the relief provided by this Section.

(b) Over-Income Tenants. Notwithstanding the foregoing provisions of Section 4(a), no Very Low Income Tenant shall be denied continued occupancy of a unit in the Project because, after admission, the aggregate Adjusted Income of all Tenants in the unit increases to exceed the qualifying limit for such Very Low Income Unit.

Because all of the units in the Project (excluding the manager's unit) are required to be Restricted Units pursuant to Section 4(a), hereof, any Available Unit not required to be rented to an Existing Tenant must be rented to or held vacant for a Very Low Income Tenant, including a unit vacated by an Existing Tenant.

(c) Income Certifications. The Owner will obtain, complete and maintain on file an income certification for each Very Low Income Tenant (i) immediately prior to the initial occupancy of a Restricted Unit by such Tenant, and (ii) thereafter, annually, in each case by completing an Income Certification Form, together with such information, documentation and certifications as are required therein or by the City, in its discretion, to substantiate the Tenant's income. In addition, the Owner will provide such further information as may be required in the future by the State, the City, the Program Administrator and by the Act, Section 142(d) of the Code or the Treasury Regulations, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code.

(d) Certificate of Continuing Program Compliance. Upon the commencement of the Qualified Project Period, and on each February 1st thereafter (or such other date as shall be requested in writing by the City or the Program Administrator) during the term of this Regulatory Agreement, the Owner shall advise the Program Administrator of the status of the occupancy of the Project by delivering to the Program Administrator a Certificate of Continuing Program Compliance (a form of which is attached hereto as Exhibit D). The Owner shall also timely provide to the City such information as is requested by the City to comply with any reporting requirements applicable to it with respect to the Note or the Project under any federal or State law or regulation, including without limitation, CDLAC regulations.

(e) Recordkeeping. The Owner will maintain complete and accurate records pertaining to the Restricted Units, and will permit any duly authorized representative of the City, the Program Administrator (if other than the City), the Fiscal Agent, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Owner pertaining to the Project upon reasonable notice during normal business hours, including those records pertaining to the occupancy of the Restricted Units, but specifically excluding any material which may be legally privileged.

(f) Annual Certification to Secretary of Treasury. The Owner shall submit to the Secretary of the Treasury annually on or before March 31 of each year, or such other date as is required by the Secretary of the Treasury, a completed Internal Revenue Service Form 8703, and shall provide a copy of each such form to the Program Administrator and the Fiscal Agent. Failure to comply with the provisions of this paragraph will subject the Owner to penalty, as provided in Section 6652(j) of the Code.

(g) Lease Provisions Regarding Income Certification Reliance. All leases pertaining to Very Low Income Units do and shall contain clauses, among others, in which each Tenant who occupies a Very Low Income Unit: (1) certifies the accuracy of the statements made in the Income Certification Form; (2) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such Tenant, that such Tenant will comply promptly with all requests for information with respect thereto from the Owner or the Program

Administrator on behalf of the City, and that the failure to provide accurate information in the Income Certification Form or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such Tenant; (3) acknowledges that the Owner has relied on the Income Certification Form and supporting information supplied by the Tenant in determining qualification for occupancy of the Very Low Income Unit, and that any material misstatement in such certification (whether intentional or otherwise) will be cause for immediate termination of such lease or rental agreement; and (4) agrees that the Tenant's income is subject to annual certification in accordance with Section 4(c) hereof and that failure to cooperate with the annual recertification process reasonably instituted by the Owner pursuant to Section 4(c) above may provide grounds for termination of the lease.

(h) Maintenance of Tenant Lists and Applications. All tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business which is unrelated to the Project and shall be maintained, as required from time to time by the Program Administrator on behalf of the City, in a reasonable condition for proper audit and subject to examination during normal business hours by representatives of the Project, the City or the Fiscal Agent. Failure to keep such lists and applications or to make them available to the City or the Fiscal Agent at all reasonable times and upon reasonable notice shall be a default hereunder.

(i) Tenant Lease Subordination. All tenant leases or rental agreements shall be subordinate to this Regulatory Agreement.

(j) No Encumbrance, Demolition or Non-Rental Residential Use. The Owner shall not take any of the following actions:

(i) other than as previously approved by the City, encumber any portion of the Project or grant commercial leases of any part thereof, or permit the conveyance, transfer or encumbrance of any part of the Project (except for apartment leases), except (i) pursuant to the provisions of this Regulatory Agreement and on a basis subordinate to the provisions of this Regulatory Agreement, to the extent applicable, (ii) upon receipt by the Owner, the Lender, the Fiscal Agent and the City of an opinion of Bond Counsel that such action will not adversely affect the Tax Exempt status of interest on the Note, or (iii) upon a sale, transfer or other disposition of the Project in accordance with the terms of this Regulatory Agreement;

(ii) demolish any part of the Project or substantially subtract from any real or personal property of the Project (other than in the ordinary course of business); or

(iii) permit the use of the dwelling accommodations of the Project for any purpose except rental residences.

(k) Compliance with Regulatory Agreement. The Owner shall exercise reasonable diligence to comply with the requirements of this Regulatory Agreement and shall notify the City within fifteen (15) days and correct any noncompliance within sixty (60) days after such noncompliance is first discovered by the Owner or would have been discovered by the exercise of reasonable diligence, unless such noncompliance is not reasonably susceptible to correction within sixty (60) days, in which event the Owner shall have such additional time as may be reasonably

necessary to effect such correction provided the Owner has commenced such correction after discovery and is diligently prosecuting such correction.

5. Additional Requirements of the City.

(a) Minimum Lease Term. The term of the lease for any Restricted Unit shall be not less than six months unless, for purposes of single room occupancy units, a shorter term is permitted by federal law and regulation.

(b) Limitation on Rent Increases. Subject to Section 5(l) below with respect to Existing Tenants, and to the extent not inconsistent with federal, state or local laws that further limit the imposition of rent increases, the Owner agrees to comply with the following provisions pertaining to annual rent increases:

(i) Rents for all units may be increased once annually by the amount which corresponds to the percentage increase of the annual change in Median Income for the Area.

(ii) With the City's prior written approval, rent increases for units exceeding the amounts permitted under subsection (i) may be permitted once annually in order to recover increases in 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 4(a)(vi) of this Regulatory Agreement. City approval for such rent increases that are necessary to meet approved project expenses shall not be unreasonably withheld.

(iii) For any 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 4(a)(vi) of this Regulatory Agreement. There is no limit on the number of rent adjustments that can be made in a year under this provision.

(iv) For any Tenant who 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 4(a)(vi) of this Regulatory Agreement.

(c) Appointment of Program Administrator. The Owner acknowledges that the City may appoint a Program Administrator (other than the City), at the sole cost and expense of the City, to administer this Regulatory Agreement and to monitor performance by the Owner of the terms, provisions and requirements hereof. In such event, the Owner shall comply with all reasonable requests by the City and the Program Administrator to deliver to the City and/or any such Program Administrator, any reports, notices or other documents required to be delivered pursuant hereto, and to make the Project and the books and records with respect thereto available for inspection during normal business hours with reasonable notice by the Program Administrator as an agent of the City. The City may change the Program Administrator at its sole and exclusive discretion. The Owner shall have the right to rely on any consent or direction given by the Program Administrator on the same basis as if given by the City.

(d) Management Agent. The Owner shall not enter into any agreement providing for the management or operation of the Project with any party other than BRIDGE Property Management Company, a California nonprofit public benefit corporation without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed.

(e) [Reserved.]

(f) Nondiscrimination Based on Section 8, Household Size, or Source of Income. The Owner shall accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of Section 8 Housing Choice Vouchers for housing assistance pursuant to the existing programs under Section 8 of the Housing Act, or any successor program or similar federal, State or local governmental assistance program. The Owner shall not apply selection criteria to a Qualified Tenant possessing a Housing Choice Voucher or a tenant otherwise qualified to live in a Restricted Unit that receives project-based rental assistance under Section 1437f(o) of the Housing Act, that are more burdensome than criteria applied to all other prospective tenants and the Owner shall not refuse to rent to any tenant on the basis of household size as long as such household size does not exceed two (2) persons for a studio unit; three (3) persons for a one-bedroom unit; five (5) persons for a two-bedroom unit and seven (7) persons for a three-bedroom unit. The Owner shall not collect any additional fees or payments from a Qualified Tenant receiving federal housing assistance under Section 8 of the Housing Act except security deposits or other deposits required of all tenants and only to the extent permitted by federal law. The Owner shall not collect security deposits or other deposits from Section 8 certificate or voucher holders in excess of that allowed under the Housing Act. The Owner shall not discriminate against tenant applicants on the basis of legal source of income (e.g., TANF, Section 8 or SSI), and the Owner shall consider a prospective tenant's previous rent history of at least one year as evidence of the ability to pay the applicable rent (i.e., ability to pay shall be demonstrated if such a tenant can show that the same percentage or more of the tenant's income has been consistently paid on time for rent in the past as will be required to be paid for the rent applicable to the unit to be occupied, provided that such tenant's expenses have not increased materially).

(g) Overincome Provisions After Expiration of Qualified Project Period. Notwithstanding the provisions of Section 4(b), from and after the expiration of the Qualified Project Period, in the event that Owner's certification of the Very Low Income Tenant's income, pursuant to Section 4(c), indicates that the Very Low Income Tenant's income exceeds one hundred twenty percent (120%) of the lower of City Median Income or the Median Income for the Area, the Owner shall terminate such lease upon one hundred twenty (120) days prior written notice to the Tenant, and the lease for each Very Low Income Unit shall contain a statement to the foregoing effect. Notwithstanding the foregoing, the Owner shall not be required to terminate said Very Low Income Tenant's lease if any regulation or statute governing the Project or the financing thereof prohibits the termination of said Tenant's lease in this manner. Further, Owner shall comply with all notice provisions set forth in the Housing Act prior to terminating any lease to which any Tenant previously certified by the Owner as a Very Low Income Tenant is a party. The Owner acknowledges that (i) federal notice requirements under the Housing Act are distinct from those under State law or City law and the Owner shall comply with all federal, State and local laws in connection with any such notice requirements, and (ii) compliance with the law of one jurisdiction shall not be deemed compliance with the laws of all jurisdictions.

(h) Consideration for Restrictions. It is hereby acknowledged and agreed that any restrictions imposed on the operation of the Project herein and which are in addition to those imposed pursuant to Section 142(d) of the Code or the Act are at the request of the Owner, and that the Owner has voluntarily agreed to such additional restrictions in order to obtain financial assistance from the City and an allocation of private activity bond volume cap from CDLAC.

(i) Waiver by City; Conflicting Provisions. The requirements of Section 4(a)(i) and (ii) and of Section 5 hereof may be expressly waived by the City in writing, but no such waiver by the City shall, or shall be deemed to, extend to or affect any other provision of this Regulatory Agreement except to the extent the City and the Fiscal Agent have received an opinion of Bond Counsel to the effect that any such provision is not required by the Code or the Act and may be waived without adversely affecting the Tax Exempt status of interest on the Note. Any requirement of Section 4(a)(i) and (ii) or Section 5 shall be void and of no force and effect if the City, the Fiscal Agent and the Owner receive a written opinion of Bond Counsel to the effect that compliance with such requirement would be in conflict with the Act or any other applicable State or federal law.

(j) Extension of Qualified Project Period. Notwithstanding any other provision herein, the Qualified Project Period shall not expire earlier than, and the requirements of this Section 5 shall be in effect until, the date that is fifty-five (55) years after the Closing Date; provided that certain provisions shall survive and remain in full force and effect following the end of the Qualified Project Period, as specified in Section 12 hereof.

(k) Marketing Plan. Except as otherwise set forth in Section 5(l) below with respect to Existing Tenants, Owner shall market all Very Low Income Units and select Tenants for ongoing renting of the Very Low Income Units all in compliance with the requirements set forth in the Administrative Plan, the RAD-Specific Tenant Selection Plan (defined below), and the income and rent restrictions set forth in this Regulatory Agreement. Owner acknowledges that the Housing Authority will maintain a Site-based waiting list (or other list as may be prescribed in the Administrative Plan) and will refer potential tenants from that list to the Owner pursuant to the tenant selection plan mutually developed and accepted by the Housing Authority, the Owner and the City, as may be amended during the term of this Regulatory Agreement by mutual written agreement of the Housing Authority, the Owner and the City (the "RAD-Specific Tenant Selection Plan"). A form of the RAD-Specific Tenant Selection Plan, the terms of which are incorporated herein, is attached hereto as Exhibit I. In the event the Housing Authority fails to refer a potential tenant to Owner pursuant to the RAD-Specific Tenant Selection Plan for a vacant unit, then Owner may lease such vacant unit to any income-eligible household selected by Owner; provided that such household is also an eligible household under the RAD Program requirements and PBV Requirements (as defined herein). Owner has final decision-making authority regarding Tenant selection, but such selections must be in accordance with the RAD-Specific Tenant Selection Plan, including but not limited to any applicable appeal process provided therein.

No later than six (6) months before the Completion Date, Owner must complete the RAD-Specific Tenant Selection Plan establishing the Tenant selection criteria and procedure that will apply specifically to the Project, and deliver said completed form to the City for the City's review and approval. The completed submission shall, at a minimum, be developed pursuant to, and in conformance with, the RAD-Specific Tenant Selection Plan.

(l) RAD Program. Owner covenants that it shall be in compliance with all restrictions imposed in connection with the RAD Program, including without limitation, the Uniform Relocation Assistant and Real Property Acquisition Act of 1970, as may be applicable, the RAD Conversion Commitment, and all other commitments made in connection with the Project as the RAD Program requires. The use of the Project is subject to all of the requirements of the RAD Program including, but not limited to, that certain Rental Assistance Demonstration – Final Implementation, Revision 1 published by HUD on July 2, 2013, with technical corrections issued on February 6, 2014, as revised by the Rental Assistance Demonstration – Final Implementation, Revision 2 published by HUD on June 15, 2015 (the "RAD Notice") and that certain Rental Assistance Demonstration Use Agreement to be entered into between the Developer and HUD (the "RAD Use Agreement"). The RAD Notice, the RAD Use Agreement, and all other RAD requirements are collectively referred to as the "RAD Requirements". The use of the Project shall also be subject to all of the requirements of the Section 8 Project Based Voucher ("PBV") Program including, but not limited to, the requirements set forth in the PBV Agreement to Enter into Housing Assistance Payments (AHAP) Contract, the Project-based Voucher Program, HAP Contract for New Construction or Rehabilitation- Part I (HUD Form 52531A), and the Project-based Voucher Program, HAP Contract for New Construction or Rehabilitation - Part II (HUD Form 52531B), each of which is to be entered into with respect to the Project (collectively, the "PBV Requirements").

Notwithstanding anything to the contrary contained herein, Owner shall also comply with all RAD Program requirements with respect to Tenants and leasing restrictions, including but not limited to the following:

(i) Owner shall not subject any Existing Tenant to rescreening, income eligibility, or income targeting provisions. Nothing in this subsection shall be deemed to prohibit the Owner from obtaining income certifications from the Existing Tenants, in accordance with the requirements of CTCAC; provided, however, in no event shall such income certification be used to deny or otherwise impair the Existing Tenant's rights to return to, and occupy, a unit in the Project in accordance with the RAD Program. Once an Existing Tenant moves out, the unit formerly occupied by such Existing Tenant must be leased to a Very Low Income Tenant;

(ii) Any Existing Tenant that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to a unit once rehabilitation or construction is completed or voluntarily accept an offer to permanently relocate in accordance with the Uniform Relocation Assistance Act;

(iii) Owner must renew all Tenant leases upon lease expiration, unless good cause for refusing renewal exists. This provision must be incorporated into each Tenant lease;

(iv) If an Existing Tenant's monthly rent (including only the portion of the rent paid by the Existing Tenant) increases by more than the greater of 10% or $25 purely as a result of the conversion of the Project to the RAD Program, the rent increase must be phased in pursuant to the percentage increases allowed by the RAD program. In accordance with Housing Authority requirements, Owner shall adopt a policy on or prior to the Closing Date that specifies the circumstances under which an increase will be phased in over time;

(v) Owner must provide Tenants with the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment. Owner shall provide $25 per occupied unit per year for resident education, organizing around tenancy issues and training activities, of which at least $15 per occupied unit per year must be provided to a legitimate resident association if one exists at the Site. In addition, all net income from laundry and vending machines at the Site must be provided to support the operations of the resident organization; and

(vi) Owner shall comply with certain additional requirements regarding notice of termination of the lease and regarding grievance process hearings, all as may be further set forth in a lease rider to be provided by HUD on the Closing Date.

(vii) Notwithstanding anything to the contrary contained herein, Owner hereby acknowledges and agrees that, in accordance with the HUD Use Agreement, the Tenant protection requirements set forth in this Section 5(l) shall apply to Tenants residing in any Unit, regardless of whether [the Tenant's occupancy of the Unit is supported by the RAD Program or the PBV Program].

(m) Tenant Protection Requirements. Owner shall comply with the Tenant protection requirements enumerated in HUD Notice PIH 2012-32, Rev 2, and shall implement such protections by attaching to each Tenant lease: (i) a RAD PBV lease rider as required by HUD; and (ii) the "Tenant Protection Lease Rider" created through the collaboration of Owner, the City and the Housing Authority, in the form attached hereto as Exhibit J.

6. Additional Requirements of State Law. In addition to the requirements set forth above, the Owner hereby agrees that it shall also comply with each of the requirements set forth in Section 52080 of the Housing Law, including the following:

(a) Tenants Under Section 8 of the Housing Act. The Owner shall accept as tenants, on the same basis as all other prospective tenants, low-income persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Act, and shall not permit any selection criteria to be applied to Section 8 certificate or voucher holders that is more burdensome than the criteria applied to all other prospective tenants.

(b) Availability on Priority Basis. The Restricted Units shall remain available on a priority basis for occupancy at all times by Qualified Tenants.

(c) Binding Covenants and Conditions. The covenants and conditions of this Regulatory Agreement shall be binding upon successors in interest of the Owner.

(d) Recordation of Regulatory Agreement. This Regulatory Agreement shall be recorded in the office of the county recorder of the City and County of San Francisco, California, and shall be recorded in the grantor-grantee index under the name of the Owner as grantor and the name of the City as grantee.

(e) Restricted Units of Comparable Quality. The Restricted Units shall be of comparable quality and offer a range of sizes and number of bedrooms comparable to those units which are available to other tenants and shall be distributed throughout the Project. Notwithstanding the foregoing, the parties agree that this Section 6(e) shall have no practical effect because one hundred

percent (100%) of the units (excluding the manager's unit) in the Project are required to be Restricted Units pursuant to Section 4(a).

(f) Availability Following Expiration of Qualified Project Period. Following the expiration or termination of the Qualified Project Period, except in the event of foreclosure and prepayment of the Note, assignment of the leasehold interest in the Project in lieu of foreclosure, eminent domain, or action of a federal agency preventing enforcement, units reserved for occupancy as required by Section 4(a)(iv) shall remain available to any eligible Tenant occupying a Restricted Unit at the date of such expiration or termination, at the rent determined by Section 4(a)(iv), until the earliest of (1) the household's income exceeds 140% of the maximum eligible income specified therein, except as specified in Section 5(g), (2) the household voluntarily moves or is evicted for good cause, as defined in the Housing Law, (3) thirty (30) years after the date of the commencement of the Qualified Project Period, and (4) the Owner pays the relocation assistance and benefits to households if required by, and as provided in, Section 7264(b) of the California Government Code.

(g) Availability Preceding Expiration of Qualified Project Period. During the three (3) years prior to the later of (i) the expiration of the Qualified Project Period or (ii) the date that is fifty-five (55) years after the date of commencement of the Qualified Project Period, the Owner shall continue to make available to Very Low Income Tenants the Restricted Units that have been vacated to the same extent that non-Restricted Units, if any, are made available to non-eligible households.

(h) Notice and Other Requirements. The Owner shall comply with all applicable requirements of Section 65863.10 of the California Government Code, including the requirements for providing notices in Sections (b), (c), (d) and (e) thereof, and shall comply with all applicable requirements of Section 65863.11 of the California Government Code.

(i) Syndication of the Project. As provided in Section 52080(e) of the Housing Law, the City hereby approves the initial syndication of tax credits with respect to the Project, pursuant to Section 42 of the Code, to the Investor Limited Partner, or any affiliate thereof or successor thereto, pursuant to the terms of the Partnership Agreement. Any subsequent syndication of tax credits with respect to the Project to an affiliate of the Investor Limited Partner, including any entity which has Bank of America, N.A. as its general partner or managing member, shall not require the prior written approval of the City if the Partnership Agreement will not be amended, modified or supplemented in connection with such syndication, except to reflect such transfer of limited partnership interests and other non-material corrections or adjustments; provided, however, that the Investor Limited Partner shall provide to the City, at least five (5) Business Days prior to the effective date of any such syndication, written notice of such syndication certifying that no amendment, modification or supplement to the Partnership Agreement will be effected in connection with such syndication (except to the extent necessary to effect a transfer of limited partnership interests and other non-material corrections or adjustments), together with copies of any assignments of limited partnership interests and any other syndication documents. Any other or subsequent syndication of the Project shall be subject to the prior written approval of the Director of the Mayor's Office of Housing and Community Development of the City, which approval shall be granted only after the City determines that the terms and conditions of such syndication (1) shall not reduce or limit any of the requirements of the Act or regulations adopted or documents executed pursuant to the Act, (2) shall not cause any of the requirements of the City set forth in this Section 6 hereof to be subordinated to the syndication

agreement, and (3) shall not result in the provision of fewer Restricted Units, or the reduction of any benefits or services, than were in existence prior to the syndication agreement.

7. CDLAC Requirements. The Owner hereby agrees that the rehabilitation, equipping and operation of the Project and the financing thereof is and shall be in compliance with the conditions set forth in Exhibit A to CDLAC Resolution No. 16-51 adopted on May 18, 2016, attached hereto as Exhibit F (the "CDLAC Resolution"), which conditions (the "CDLAC Requirements") are incorporated herein by reference and are made a part hereof. Annually on February 1, and as otherwise requested by CDLAC, the Owner shall prepare and submit to the City a Certificate of Compliance in substantially the form attached hereto as Exhibit G, executed by an Authorized Owner Representative.

8. Indemnification. The Owner hereby releases the City, the Lender and the Fiscal Agent and their respective officers, members, directors, officials and employees from, and covenants and agrees to indemnify, hold harmless and defend the City, the Lender and the Fiscal Agent and the officers, members, directors, officials, agents and employees of each of them (collectively, the "Indemnified Parties," and each an "Indemnified Party") from and against any and all claims, losses, costs, damages, demands, expenses, taxes, suits, judgments, actions and liabilities of whatever nature, joint and several (including, without limitation, costs of investigation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments), directly or indirectly (a) by or on behalf of any person arising from any cause whatsoever in connection with transactions contemplated hereby or otherwise in connection with the Project, the Note, or the execution or amendment of any document relating thereto; (b) arising from any cause whatsoever in connection with the approval of financing for the Project or the making of the Loan or otherwise, including without limitation, any advances of the Loan, or any failure by the Lender to make any advance thereunder; (c) arising from any act or omission of the Owner or any of its agents, servants, employees or licensees, in connection with the Loan or the Project; (d) arising in connection with the issuance and sale, resale or reissuance of the Note, including any secondary market transaction with respect thereto, or any certifications or representations made by any person other than the City or the party seeking indemnification in connection therewith and the carrying out by the Owner of any of the transactions contemplated by the Funding Loan Agreement, the Project Loan Agreement and this Regulatory Agreement; (e) arising in connection with the operation of the Project, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation, or construction of, the Project or any part thereof; and (f) arising out of or in connection with the exercise by the Lender or the Servicer of their powers or duties under the Funding Loan Agreement, the Project Loan Agreement, this Regulatory Agreement or any other agreements in connection therewith to which either of them is a party; provided, however, that this provision shall not require the Owner to indemnify (i) the Lender from any claims, costs, fees, expenses or liabilities to the extent arising from the gross negligence or willful misconduct of the Lender, or (ii) the City for any claims, costs, fees, expenses or liabilities to the extent arising solely from the willful misconduct of the City. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Owner, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the engagement of counsel selected by Owner and reasonably approved by the Indemnified Party; and the Owner shall assume the payment of all reasonable fees and expenses related thereto (provided, however that if the Indemnified Party is the City, the selection of counsel is at the sole discretion of the City Attorney and the Owner shall assume the payment of all fees and expenses related thereto), with full power to litigate, compromise or settle the same in its discretion; provided that the Indemnified

Party shall have the right to review and approve or disapprove any such compromise or settlement. Notwithstanding the foregoing, no indemnification obligation shall give rise to an obligation to pay principal and interest on the Loan, which is not otherwise set forth in the Funding Loan Agreement, the Project Loan Agreement, the Note or any other agreement relating to the Note.

The Owner also shall pay and discharge and shall indemnify and hold harmless the City and the Lender from (i) any lien or charge upon payments by the Owner to the City and the Lender hereunder and (ii) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges in respect of any portion of the Project. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges, are sought to be imposed, the City or the Lender shall give prompt notice to the Owner, and the Owner will have the sole right and duty to assume, and the Owner shall assume, the defense thereof, including the engagement of counsel selected by Owner and reasonably approved by the Indemnified Party and the payment of all reasonable fees and expenses relating thereto (provided that if the Indemnified Party is the City, the selection of counsel is at the sole discretion of the City Attorney and the Owner shall assume the payment of all fees and expenses related thereto), with full power to litigate, compromise or settle the same in its discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. If a potential conflict exists between the Owner's defense and the interests of any Indemnified Party, then such Indemnified Party shall have the right to engage separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Owner shall pay the reasonable fees and expenses of such separate counsel.

Notwithstanding any transfer of the Project to another Owner in accordance with the provisions of Section 11 of this Regulatory Agreement, the Owner shall remain obligated to indemnify the City pursuant to this Section 8 if such subsequent Owner fails to so indemnify the City, unless at the time of transfer the City has consented to the transfer to the extent such consent is required hereunder.

The provisions of this Section 8 shall survive the term of the Note and this Regulatory Agreement, including the termination of this Regulatory Agreement pursuant to the second paragraph of Section 12 below.

The obligations of the Owner under this Section are independent of any other contractual obligation of the Owner to provide indemnity to the Indemnified Parties or otherwise, and the obligation of the Owner to provide indemnity hereunder shall not be interpreted, construed or limited in light of any other separate indemnification obligation of the Owner. An Indemnified Party shall be entitled simultaneously to seek indemnity under this Section and any other provision under which it is entitled to indemnity.

In addition thereto, the Owner will pay upon demand all of the fees and expenses paid or incurred by the Indemnified Parties in enforcing the provisions hereof.

9. Consideration. The City has issued the Note and made the Loan to provide funds for the purpose of financing the Project, all for the purpose, among others, of inducing the Owner to acquire, rehabilitate, equip and operate the Project. In consideration of the making of the Loan by the City, the Owner has entered into this Regulatory Agreement and has agreed to restrict the use of the Project on the terms and conditions set forth herein.

10. Reliance. The City, the Fiscal Agent and the Owner hereby recognize and agree that the representations, warranties, covenants and agreements set forth herein may be relied upon by all persons interested in the legality and validity of the Note, and in the Tax Exempt status of the interest on the Note. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Owner and the Very Low Income Tenants, and upon audits of the books and records of the Owner pertaining to the Project. In addition, the City may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the City hereunder in good faith and in conformity with such opinion.

11. Sale or Transfer of the Project. The Owner intends to hold the Project for its own account, has no current plans to sell, transfer or otherwise dispose of the Project (except in accordance with the right of first refusal and/or option granted pursuant to the Purchase Option Agreement), and, except as otherwise expressly provided herein, hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof (other than for individual tenant use as contemplated hereunder or pursuant to the aforementioned option) or interest therein, including any interest in the Owner, without obtaining the prior written consent of the City, which consent shall not be unreasonably withheld, and receipt by the City of (i) evidence satisfactory to the City that the Owner's purchaser or transferee has assumed in writing and in full, the Owner's duties and obligations under this Regulatory Agreement, (ii) an opinion of counsel of the transferee that the transferee has duly assumed the obligations of the Owner under this Regulatory Agreement and that such obligations and this Regulatory Agreement are binding on the transferee, (iii) evidence acceptable to the City that either (A) the purchaser or assignee has experience in the ownership, operation and management of rental housing projects in the City such as the Project without any record of material violations of discrimination restrictions or other State or federal laws or regulations applicable to such projects, or (B) the purchaser or assignee agrees to retain a property management firm with the experience and record described in subparagraph (A) above or (C) if the purchaser or assignee does not have management experience, the City may cause the Program Administrator to provide on-site training in program compliance if the City determines such training is necessary, (iv) evidence satisfactory to the City that no event of default exists under this Regulatory Agreement, the Project Loan Agreement or any document related to the Loan, and payment of all fees and expenses of the City and the Fiscal Agent due under any of such documents is current, and (v) an opinion of Bond Counsel (also delivered to the Lender) to the effect that such transfer will not, in itself, cause interest on the Note to become includable in the gross income of the recipients thereof for federal income tax purposes, except to the extent held by a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 11 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Regulatory Agreement. Nothing in this Section 11 shall affect any provision of any other document or instrument between the Owner and any other party which requires the Owner to obtain the prior written consent of such other party in order to sell, transfer or otherwise dispose of the Project. Not less than sixty (60) days prior to consummating any sale, transfer or disposition of any interest in the Project, the Owner shall deliver to the City a notice in writing explaining the nature of the proposed transfer. Notwithstanding the foregoing, the provisions of this Section 11 shall not apply to the transfer of all or any portion of (a) the limited partner interest of the Investor Limited Partner in the Owner (which is instead subject to paragraph (i) of Section 6), (b) the Managing General Partner interest to an affiliate of the Managing General Partner, or (c) the transfer of any stock in the Investor Limited Partner.

12. Term; Provisions Surviving Beyond the End of the Qualified Project Period.

This Regulatory Agreement and all of the terms hereof shall become effective upon its execution and delivery and shall remain in full force and effect for the longer of (a) the Qualified Project Period or (b) fifty-five (55) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied; provided that the following terms and provisions of this Regulatory Agreement shall be deemed a covenant running with the land and shall survive and remain in full force and effect beyond the end of the foregoing term: Section 5(f), (g) and (l), Section 6(f) and (h), and Sections 11, 13, and 16, except to the extent terminated pursuant to the following paragraph.

The terms of this Regulatory Agreement to the contrary notwithstanding, this Regulatory Agreement, except for the provisions of Section 8 hereof, shall terminate and be of no further force and effect in the event of (i) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Closing Date, which prevents the City from enforcing such provisions, or (ii) foreclosure, exercise of power of sale, transfer of title by assignment of the leasehold interest in the Project in lieu of foreclosure, or condemnation or a similar event, but only if, in case of the events described in either clause (i) or (ii) above, within a reasonable period, either the Note is paid in full or cancelled or amounts received as a consequence of such event are used to provide a project that meets the requirements hereof; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure, exercise of power of sale, or the delivery of a assignment of the leasehold interest in the Project in lieu of foreclosure or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Owner hereby agrees that, following any foreclosure, exercise of power of sale, transfer of title by assignment of the leasehold interest in the Project in lieu of foreclosure or similar event, neither the Owner nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes. Notwithstanding any other provisions of this Regulatory Agreement to the contrary, this entire Regulatory Agreement, or any of the provisions or sections hereof, may be terminated upon agreement by the City, the Fiscal Agent and the Owner subject to compliance with any of the provisions contained in this Regulatory Agreement only if there shall have been received by the City, the Fiscal Agent, the Lender and the Owner an opinion of Bond Counsel to the effect that such termination will not adversely affect the Tax Exempt status of the interest on the Note. The Owner shall provide written notice to the City in the event of the occurrence of any of the events described in clause (i) above.

Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

13. Covenants to Run With the Land. The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City, the Fiscal Agent and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every

contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. No breach of any of the provisions of this Regulatory Agreement shall defeat or render invalid the lien of a mortgage made in good faith and for value encumbering the Site.

14. Burden and Benefit. The City, the Fiscal Agent and the Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Owner's legal interest in the Project is rendered less valuable thereby. The City, the Fiscal Agent and the Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Qualified Tenants, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Note was issued.

15. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use, development and improvement of the Site.

16. Enforcement. If the Owner defaults in the performance or observance of any covenant, agreement or obligation of the Owner set forth in this Regulatory Agreement, and if such default remains uncured for a period of sixty (60) days (the "Cure Period") after written notice thereof has been given by the City to the Owner (provided, however, that the City may at its sole option extend the Cure Period if the default is of the nature which would reasonably require more than sixty (60) days to cure and if the Owner provides the City and the Lender, if requested by the City or the Lender, with an opinion of Bond Counsel to the effect that such extension will not adversely affect the Tax Exempt status of interest on the Note). Upon the expiration of the Cure Period, as the same may be extended as aforesaid, then the City may declare an "event of default" to have occurred hereunder, and, subject to the provisions of the Funding Loan Agreement, may take any one or more of the following steps:

(a) by mandamus or other suit, action or proceeding at law or in equity, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the City hereunder; or

(b) have access to and inspect, examine and make copies of all of the books and records of the Owner pertaining to the Project; or

(c) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder.

Notwithstanding anything contained in this Regulatory Agreement to the contrary, the occurrence of an event of default under this Regulatory Agreement shall not be deemed, under any circumstances whatsoever, to be a default under the Mortgage except as may be otherwise specified in the Mortgage.

Notwithstanding anything contained in this Regulatory Agreement to the contrary, the City agrees that any cure of any default made or tendered by the Investor Limited Partner and/or the Lender

shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner.

17. Recording and Filing. The Owner shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the City and County of San Francisco and in such other places as the City may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

18. Payment of Fees and Costs. Notwithstanding any prepayment of the Loan and notwithstanding a discharge of the Funding Loan Agreement and/or the Project Loan Agreement, the Owner shall continue to pay the City's annual administrative fee as calculated and described below. Upon the occurrence of an event of default hereunder, the Owner shall continue to pay to the City and the Fiscal Agent compensation for any services rendered by any of them hereunder and reimbursement for all costs and expenses incurred by them, including, but not limited to, any costs incurred by the City pursuant to Section 5.07(a) of the Funding Loan Agreement, in connection therewith.

The Owner shall pay to the City (i) an initial issuance fee of equal to one quarter of one percent (0.25%) of the maximum authorized principal amount of the Note (the "Issuance Fee") and (ii) an annual administrative fee not to exceed one eighth of one percent (0.125%) of the maximum principal amount of the Note then outstanding, but no less than $2,500 (the "Annual Fee"), in advance. The total amount payable to the City on the Closing Date shall be $[Total Fee], consisting of the Issuance Fee plus the first two installments of the Annual Fee. The next installment of the Annual Fee shall be payable commencing on the second anniversary of the Closing Date and thereafter on each anniversary date of the Closing Date during the term of this Agreement. For purposes of this paragraph, the Note shall be deemed outstanding in the maximum authorized principal amount until the initial prepayment date of the Note.

In case any action at law or in equity, including an action for declaratory relief, is brought against the Owner to enforce the provisions of this Regulatory Agreement, the Owner agrees to pay the attorney's fees and other reasonable expenses incurred by the City, CDLAC, the Lender, and/or the Program Administrator in connection with such action.

19. Governing Law. This Regulatory Agreement shall be governed by the laws of the State.

20. Amendments. To the extent any amendments to the Act, the Regulations or the Code will, in the written opinion of Bond Counsel filed with the City, the Fiscal Agent, the Lender and the Owner, impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement which must be complied with in order to maintain the Tax Exempt status of interest on the Note, this Regulatory Agreement shall be deemed to be automatically amended to impose such additional or more restrictive requirements. Otherwise, this Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the City and County of San Francisco, provided that any amendment to the CDLAC Requirements shall also be subject to the consent of CDLAC, and provided further, that any amendment to Sections 3 and 4 shall require an opinion of Bond Counsel filed with the City, the Fiscal Agent, the Lender and the Owner, to the effect that such amendment will not adversely affect the Tax Exempt status of interest on the Note.

21. City Contracting Provisions. The Owner covenants and agrees to comply with the provisions set forth in Exhibit H to this Regulatory Agreement, which is incorporated in and made a part of this Regulatory Agreement by this reference.

22. Notice. All notices, certificates or other communications shall be sufficiently given and shall be deemed given on the date personally delivered or on the second day following the date on which the same have been mailed by first class mail, postage prepaid, addressed as follows:

If to the City:	City and County of San Francisco City Hall, 1 Dr. Carlton B. Goodlett Place, Room 316 San Francisco, California 94102 Attention: City Controller
With copies to:	City and County of San Francisco City Hall, 1 Dr. Carlton B. Goodlett Place, Room 140 San Francisco, California 94102 Attention: City Treasurer
	City and County of San Francisco Mayor's Office of Housing and Community Development 1 South Van Ness Avenue, 5th Floor San Francisco, California 94103 Attention: Director Phone: (415) 701-5500 Email: olson.lee@sfgov.org
	Office of the City Attorney City Hall, 1 Dr. Carlton B. Goodlett Place, Room 234 San Francisco, California 94102 Attention: Finance Team Email: cityattorney@sfgov.org
If to the Owner:	Mission Dolores Housing Associates, L.P. 600 California Street, Suite 900 San Francisco, California 94108 Attn: Rebecca Hlebasko, Senior Vice President and General Counsel Telephone: (415) 321-3523 Email: rhlebasko@bridgehousing.com

With a copy to:	Bridge Housing 515 Cortland Avenue San Francisco, California 94110 Attn: Rachel Ebora, Executive Director Telephone: (415) 206-2140 Fax: (415) 648-0793 Email: rebora@bhnc.org
	Lubin Olson & Niewiadomski, LLP 600 Montgomery Street, 14th Floor San Francisco, California 94111 Attention: Charles Olson Telephone: (415) 981-0550 Email: colson@lubinolson.com
If to the Lender:	Bank of America, N.A. Bank of America Plaza 333 S. Hope Street, 20th Floor CA9-193-20-31 Los Angeles, California 90071 Attention: Brandon Butcher, Underwriter Phone: (213) 621-4850 Email: brandon.butcher@baml.com
With a copy to:	Paul Hastings LLP 515 South Flower Street, 25th Floor Los Angeles, California 90071 Attention: Ken Krug Phone: (213) 683-6230Email: kenkrug@paulhastings.com
If to the Fiscal Agent:	U.S. Bank National Association Global Corporate Trust Services One California Street, Suite 1000 San Francisco, CA 94111 Attention: Andrew Fung Phone: (415) 677-3593 Email: andrew.fung@usbank.com

Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

23. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

24. Multiple Counterparts. This Regulatory Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

25. Third-Party Beneficiaries. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are entered into for the benefit of various parties. The parties hereto acknowledge that CDLAC and the Lender are intended to be and shall be third-party beneficiaries of this Regulatory Agreement. CDLAC shall accordingly have contractual rights in this Regulatory Agreement and shall be entitled (but not obligated) to enforce, in accordance with Section 16 hereof, the terms hereof and the terms of the CDLAC Resolution. Notwithstanding the above, CDLAC shall be entitled solely to enforce the terms of the CDLAC Resolution, and any enforcement of the terms and provisions of the CDLAC Resolution by CDLAC shall not adversely affect the interests of the Lender or the Fiscal Agent, and shall otherwise be subject to the terms, conditions and limitations otherwise applicable to the enforcement of remedies under this Regulatory Agreement.

The rights of the Lender under this Section are in addition to all rights conferred upon the Lender under the Funding Loan Agreement, the Project Loan Agreement and the other Financing Documents and in no way limit those rights. Moreover, Lender shall not be responsible for monitoring or verifying compliance by the Owner with its obligations under this Regulatory Agreement.

Pursuant to Section 52080(k) of the Housing Law, the provisions of Section 4(a)(iv) and Section 6 hereof may be enforced either in law or in equity by any resident, local agency, entity, or by any other person adversely affected by the Owner's failure to comply with such Section.

26. The Fiscal Agent. The Fiscal Agent shall act as specifically provided herein and no implied duties or obligations shall be read into this Regulatory Agreement against the Fiscal Agent. The Fiscal Agent shall have no duty to act with respect to enforcement of the Owner's performance hereunder. The Fiscal Agent is acting solely as Fiscal Agent under the Funding Loan Agreement and not in its individual capacity, and all provisions of the Funding Loan Agreement relating to the rights, privileges, powers and protections of the Fiscal Agent shall apply with equal force and effect to all actions taken (or omitted to be taken) by the Fiscal Agent in connection with this Regulatory Agreement. Neither the Fiscal Agent nor any of its officers, directors or employees shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith except for its or their own negligence or willful misconduct.

No provision of this Regulatory Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

After the date on which the Note is no longer outstanding the Fiscal Agent shall no longer have any duties or responsibilities under this Regulatory Agreement and all references to the Fiscal Agent in this Regulatory Agreement shall be deemed references to the City.

27. Freddie Mac Rider. The Freddie Mac Rider to Regulatory Agreement (the "Freddie Mac Rider") attached to this Regulatory Agreement as Exhibit K forms an integral part of this Regulatory

Agreement and the terms thereof are hereby incorporated in this Regulatory Agreement, provided that the Freddie Mac Rider shall not be effective unless and until Conversion (as defined in the Funding Loan Agreement) occurs.

[Signatures appear on next page]

IN WITNESS WHEREOF, the City, the Fiscal Agent and the Owner have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY AND COUNTY OF SAN FRANCISCO

By:______________________________________

Olson Lee, Director
Mayor's Office of Housing and Community Development

Approved as to Form:

DENNIS J. HERRERA
City Attorney

By ________________________________

Deputy City Attorney

[Signatures continue on following page.]

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By:____
Name: Andrew Fung
Title: Vice President

OWNER:

MISSION DOLORES HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: Mission Dolores GP LLC,
a California limited liability company,
its general partner

By: Winfield Hill, Inc.,
a California nonprofit public benefit corporation,
a manager/member

By: ___________________
Name:
Its:

By: MEDA Housing LLC,
a California limited liability company,
a manager/member

By: Mission Economic Development Agency,
a California nonprofit public benefit corporation,
its sole member/manager

By: ___________________
Name:
Its:

EXHIBIT A

LEGAL DESCRIPTION OF THE SITE

All that certain real property situated in the City and County of San Francisco, State of California, more particularly described as follows:

Tract A:

All buildings and improvements located on the following described land, which buildings and improvements are and shall remain real property:

All that real property situate in the City and County of San Francisco, being all of that parcel of land as described in that certain Grant Deed to Housing Authority of the City and County of San Francisco, recorded June 13, 1962 in Book A434, at Page 661, and all of that parcel of land as described in that certain Grant Deed to Housing Authority of the City and County of San Francisco, recorded June 13, 1962 in Book A434, at Page 662, all of Official Records of City and County of San Francisco, more particularly described as follows:

Beginning at a point on the Southerly line of 15th Street, distant thereon Easterly along said Southerly line 124.500 feet from the Easterly line of Dolores Street; thence Easterly along said Southerly line 165.75 feet to the general Easterly line of said parcel (Book A434, Page 662); thence along last said line, Southerly at a right angle 132.00 feet to an angle point and deflecting 07° 22’ 34” to the right and running Southerly 40.94 feet to the general Southerly line of said parcel (Book A434, Page 662); thence along last said line the following three (3) courses: 1) Westerly at a right angle, 120.92 feet to an angle point, 2) deflecting 112° 03’ 47” to the left and running Southerly 0.95 of a foot to an angle point, and 3) Westerly parallel with said line of said 15th Street, 16.32 feet to the Westerly line of said parcel (Book A434, Page 662); thence along last said line, Northerly at a right angle, 69.33 feet to the Southerly line of said parcel (Book A434, Page 661); thence along last said line, Westerly at a right angle, 24.50 feet to the Westerly line of said parcel (Book A434, Page 661); thence along last said line, Northerly at a right angle, 88.67 feet to the Point of Beginning.

Being a portion of Mission Block Number 37.

As described in that certain Certificate of Compliance recorded __________, as Instrument No. __________ of Official Records.

Assessor’s Lot 055; Block 3556

Tract B:

A leasehold as created by that certain lease dated September 1, 2016, executed by Housing Authority of the City and County of San Francisco, as lessor, and Mission Dolores Housing Associates, L.P., a California limited partnership, as lessee, as referenced in the document entitled "Memorandum of Ground Lease Agreement" recorded concurrently herewith, for the term, upon and subject to all the provisions contained in said document, and in said lease, as to the following described property:

All that real property situate in the City and County of San Francisco, being all of that parcel of land as described in that certain Grant Deed to Housing Authority of the City and County of San Francisco, recorded June 13, 1962 in Book A434, at Page 661, and all of that parcel of land as described in that certain Grant Deed to Housing Authority of the City and County of San Francisco, recorded June 13, 1962 in Book A434, at Page 662, all of Official Records of City and County of San Francisco, more particularly described as follows:

Beginning at a point on the Southerly line of 15th Street, distant thereon Easterly along said Southerly line 124.500 feet from the Easterly line of Dolores Street; thence Easterly along said Southerly line 165.75 feet to the general Easterly line of said parcel (Book A434, Page 662); thence along last said line, Southerly at a right angle 132.00 feet to an angle point and deflecting 07° 22’ 34” to the right and running Southerly 40.94 feet to the general Southerly line of said parcel (Book A434, Page 662); thence along last said line the following three (3) courses: 1) Westerly at a right angle, 120.92 feet to an angle point, 2) deflecting 112° 03’ 47” to the left and running Southerly 0.95 of a foot to an angle point, and 3) Westerly parallel with said line of said 15th Street, 16.32 feet to the Westerly line of said parcel (Book A434, Page 662); thence along last said line, Northerly at a right angle, 69.33 feet to the Southerly line of said parcel (Book A434, Page 661); thence along last said line, Westerly at a right angle, 24.50 feet to the Westerly line of said parcel (Book A434, Page 661); thence along last said line, Northerly at a right angle, 88.67 feet to the Point of Beginning.

Being a portion of Mission Block Number 37.

As described in that certain Certificate of Compliance recorded __________, as Instrument No. __________ of Official Records.

Excepting therefrom all buildings and improvements located on Tract B above, which buildings and improvements are and shall remain real property.

Assessor’s Lot 055; Block 3556

EXHIBIT B

INCOME CERTIFICATION FORM

A current version of the CTCAC form may be downloaded from the State Treasurer's website at the following link: http://www.treasurer.ca.gov/ctcac/compliance/tic.pdf.

EXHIBIT C

COMPLETION CERTIFICATE

CITY AND COUNTY OF SAN FRANCISCO
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103

The undersigned (the "Owner") hereby certifies that all aspects of the rehabilitation of the Project (as that term is used in the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of September 1, 2016, by and between the City and County of San Francisco and the Owner (the "Regulatory Agreement")) were substantially completed and available for occupancy by tenants in the Project as of ________________ (the "Completion Date").

The undersigned hereby certifies that:

(a) the aggregate amount disbursed on the Loan (as that term is used in the Regulatory Agreement) to date is $____________________;

(b) all amounts disbursed on the Loan have been applied to pay or reimburse the undersigned for the payment of Project Costs (as that term is used in the Regulatory Agreement) and none of the amounts disbursed on the Loan has been applied to pay or reimburse any party for the payment of costs or expenses other than Project Costs; and

(c) as shown on the attached sheet (showing the breakdown of expenditures for the Project and the source of the funds which were used to pay such costs), at least ninety-five percent (95%) of the amounts disbursed on the Loan have been applied to pay or reimburse the Owner for the payment of Qualified Project Costs (as that term is used in the Regulatory Agreement) and less than twenty-five percent (25%) of the amounts disbursed on the Loan, exclusive of amounts applied to pay the costs of executing and delivering the Note (as that term is used in the Regulatory Agreement), have been applied to pay or reimburse the Owner for the cost of acquiring land.

(d)

[Signatures appear on next page]

OWNER:

MISSION DOLORES HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: Mission Dolores GP LLC,
a California limited liability company,
its general partner

By: Winfield Hill, Inc.,
a California nonprofit public benefit corporation,
a manager/member

By: ___________________
Name:
Its:

By: MEDA Housing LLC,
a California limited liability company,
a manager/member

By: Mission Economic Development Agency,
a California nonprofit public benefit corporation,
its sole member/manager

By: ___________________
Name:
Its:

EXHIBIT D

SAMPLE CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

Project Name: Mission Dolores

CDLAC Application Number(s): 16-348

CDLAC Resolution Number(s): 16-51

Property Address: 1855 15th Street, San Francisco, California

Project Completion Date (if completed, otherwise mark NA):

Name of Obligation: City and County of San Francisco Multifamily Housing Revenue Note (Mission Dolores), 2016 Series U

The undersigned, being the authorized representatives of Mission Dolores Housing Associates, L.P., a California limited partnership (the "Owner"), hereby certifies that he/she has read and is thoroughly familiar with the provisions of the various documents associated with the Owner's participation in the City and County of San Francisco (the "City") multifamily housing program. Such documents include:

1. the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of September 1, 2016 (the "Regulatory Agreement"), among the City, the Fiscal Agent and the Owner; and

2. the Project Loan Agreement, dated as of September 1, 2016, among the City, the Fiscal Agent and the Owner.

Capitalized terms used in this Certificate but not defined herein shall have the meanings given in the Regulatory Agreement.

The undersigned further certifies that:

A. There have been no changes to the ownership entity, principals or property management of the Project since the Note was issued or since the last certification was provided (as applicable), except as described below:

(If so please attach a request to revise the CDLAC Resolution, noting all pertinent information regarding the change, otherwise state "NONE")

If Project has not yet been placed in service, mark N/A for the balance of the items below:

B. During the preceding twelve-months (i) the Project was continually in compliance with the Regulatory Agreement executed in connection with the Loan from the City and (ii) and all of the units in the Project (excluding the manager's unit) were occupied by Qualified Tenants.

C. As of the date of this Certificate, the following percentages of completed residential units in the Project (i) are occupied by Qualified Tenants, or (ii) are currently vacant and being held available for such occupancy and have been so held continuously since the date such unit was vacated, as indicated below:

Occupied by Very Low Income Tenants:

1 bedroom units: Unit Nos. __________________

2 bedroom units: _______ Unit Nos. __________________

3 bedroom units: _______ Unit Nos. __________________

4 bedroom units: _______ Unit Nos. __________________

Total percentage occupied by Very Low Income Tenants: _______________

Occupied by Existing Tenants:

1 bedroom units: Unit Nos. __________________

2 bedroom units: _______ Unit Nos. __________________

3 bedroom units: _______ Unit Nos. __________________

4 bedroom units: _______ Unit Nos. __________________

Total percentage occupied by Existing Tenants: _______________

Held vacant for occupancy continuously since last occupied by a Qualified Tenant:

_____%; Unit Nos. _____

Vacant Units:

_____%; Unit Nos. _____

It hereby is confirmed that each Very Low Income Tenant currently residing in a unit in the Project has completed an Income Certification Form in the form approved by the City and that since commencement of the Qualified Project Period, not less than one hundred percent (100%) of the occupied units in the Project (excluding the manager's unit) have been rented to (or are vacant and last occupied by) Qualified Tenants. The undersigned hereby certifies that the Owner is not in default under any of the terms and provisions of the above documents.

D. The units occupied by Very Low Income Tenants are of similar size and quality to other units and are dispersed throughout the Project.

E Select appropriate certification: [No unremedied default has occurred under this Regulatory Agreement, the Note, the Project Loan Agreement or the Mortgage.] [A default has occurred under the ___________. The nature of the default and the measures being taken to remedy such default are as follows: ____.]

F. There has been no change of use for the Project, except as follows: (please describe if any, or otherwise indicate “NONE”)

G. Select appropriate certification: The undersigned hereby certifies that the Project [has satisfied all] [except as described below, has satisfied all] of the requirements memorialized in Exhibit A of the CDLAC Resolution, a copy of which is attached hereto (i.e. qualifying project completion, qualifying depreciable asset purchase, qualifying loan originations, the use of public funds, manager units, income rent restrictions, sustainable building methods, etc., as applicable), and thus has achieved all public benefit requirements (excluding service amenities) as presented to CDLAC.

[Describe any requirements not satisfied: ____________________________]

H. As captured in Exhibit A of the CDLAC Resolution, the Project has committed and is currently providing the following service amenities for a minimum of ten years, on a regular and ongoing basis, which are provided free of charge (with the exception of day care services):

Please check the services that apply or write N/A where appropriate:

_____ After-school Programs

_____ Educational, health and wellness, or skill building classes

_____ Health and Wellness services and programs (not group classes)

_____ Licensed Childcare provided for a minimum of 20 hours per week (Monday-Friday)

_____ Bona-Fide Service Coordinator/ Social Worker

1) For this reporting period, attached is evidence (i.e. MOUs, contracts, schedules, calendars, flyers, sign-up sheets, etc.) confirming that the above listed services are being provided and have met the requirements of Exhibit A of the Resolution.

2) If any of the above services requirements were not met, what corrective action is being taken to comply?

(Please also attach the completed project sponsor certification form as provided in the CDLAC Resolution)

I. The representations set forth herein are true and correct to the best of the undersigned's knowledge and belief, and the undersigned acknowledges and agrees that the City will be relying solely on the foregoing certifications and accompanying documentation, if any, in making its certification to CDLAC pursuant to Section 5144 of the CDLAC Regulations, and agrees to provide to the City such documentation or evidence, in support of the foregoing certifications, as the City or CDLAC may request.

Date: ______________________

OWNER:

MISSION DOLORES HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: Mission Dolores GP LLC,
a California limited liability company,
its general partner

By: Winfield Hill, Inc.,
a California nonprofit public benefit corporation,
a manager/member

By: ___________________
Name:
Its:

By: MEDA Housing LLC,
a California limited liability company,
a manager/member

By: Mission Economic Development Agency,
a California nonprofit public benefit corporation,
its sole member/manager

By: ___________________
Name:
Its:

EXHIBIT E

[reserved]

EXHIBIT F

CDLAC RESOLUTION

EXHIBIT G

CERTIFICATE OF COMPLIANCE (CDLAC RESOLUTION)

Project Name: Mission Dolores

CDLAC Application No.: 16-348

Pursuant to Section 13 of Resolution No. 16-51 (the "Resolution"), adopted by the California Debt Limit Allocation Committee (the "Committee") on May 18, 2016, I, _________________, an Officer of the Project Sponsor, hereby certify under penalty of perjury that, as of the date of this Certification, the above-mentioned Project is in compliance with all of the terms and conditions set forth in the Resolution.

I further certify that I have read and understand Section 3 of the Resolution, which specifies that once the Note is executed and delivered, the terms and conditions set forth in the Resolution shall be enforceable by the Committee through an action for specific performance or any other available remedy (as further explained in Section 12 of the Resolution).

Please check or write N/A to the items listed below:

____ The project is currently in the Construction or Rehabilitation phase.

____ The project has incorporated the minimum specifications into the project design for all new construction and rehabilitation projects as evidenced by the attached applicable third party certification (HERS Rater, Green Point Rater or US Green Building Council). For projects under construction or rehabilitation, the information is due following receipt of the verification but in no event shall the documentation be submitted more than two years after the execution and delivery of the Note.

____ For projects that received points for exceeding the minimum requirements please attach the appropriate California Energy Commission compliance form for the project which shows the necessary percentage improvement better than the appropriate standards. The compliance form must be signed by a California Association of Building Consultants, Certified Energy Plans Examiner or HERS Rater as applicable.

________________________________ ____________________

Signature of Officer Date

____

Printed Name of Officer

____

Title of Officer

EXHIBIT H

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 Regulatory Agreement (the "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 the Owner's subcontractors (each, a "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 a 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.

EXHIBIT I

FORM OF RAD-SPECIFIC TENANT SELECTION PLAN

This RAD Tenant Selection Plan shall not apply to Existing Tenants (as defined in the Regulatory Agreement). The Existing Tenants shall have the right to return to the Project, as required under the RAD Program, and as set forth in the Ground Lease and the Relocation Plan. This RAD Tenant Selection Plan is subject to City review within 10 business days from the date it is received and complete. **Please complete and return this form in computer "Word" document format so that our office may track changes directly onto the document.** The approval process typically involves a back-and-forth process between MOHCD and the developer's representative. Please do not submit incomplete plans.

I. General Principles.

I/We agree that the goal of Mission Dolores Housing Associates, L.P., a California limited partnership (the "Owner"), is to ensure that all applicants are screened using consistently applied, fair criteria, to provide a desirable, well-maintained and affordable place to live for an economically, racially, and ethnically integrated resident population, while complying with the provisions of any federal, state, or local law prohibiting discrimination in housing on the basis of race, religion, sex, color, family status, disability status, national origin, marital status, ancestry, gender identity or sexual orientation, source of income, or HIV/AIDS status.

Owner agrees that Owner will "screen in" rather than "screen out" applicants who have a criminal record as per 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.]

- Housing providers shall not automatically bar applicants who have a criminal record[1] 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;[2]
  - juvenile adjudications.
- Housing providers shall consider:
  - the individual circumstances of each applicant;
  - the relationship between the offense, and
    - (1) the safety and security of other tenants, staff and/or the property; and

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[1] 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.
[2] 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."

        - (2) mitigating circumstances such as those listed below.
    - only those offenses that occurred in the prior 7 years; and
    - 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;
        - (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.

In order to inform the public, owners, and prospective tenants about federal fair housing laws and affirmative fair marketing procedures per the MOHCD Loan Agreement and the Ground Lease, Owner will include the Equal Housing Opportunity logotype and/or slogan, and a logotype indicating accessibility to the disabled, in all press releases, solicitations, and program information materials.

II. Building Composition

Today's Date	
Name of Building	
Property Address	
List all Sources of Government Financing for the Project (e.g. CDLAC, TCAC, HUD Loan, Infill Grant, etc.)	
If there is a source of government financing, how long and at what % Area Median Income must your units be restricted as rental units under this financing?	

The following developer contact information for is for internal use only.

Name of Developer	
Developer Address	
Developer Phone	

Developer Email	

Total # Units in Building (including affordable)	
Number of Residential Floors in the Building	
Total # affordable units in Building	

DETAILED DESCRIPTION OF AFFORDABLE UNITS BY BEDROOM SIZE

Refer to Rent Levels Set by MOHCD for Table Below.

Unit #	**Bedroom Count**	**Bath Count**	**Square Feet**	**Unit Acces-sible/ Adapt-able (including Visually or Hearing Impaired)**	**Rent**	**% Area Median Income Limit**	**Max. House-hold Income Allowed**	**Min. Monthly Household Income Required**	**Deposit Required**	**Parking Price**

III. Referral Process

The San Francisco Housing Authority (SFHA) will maintain a Site-based waiting list (or other list as may be prescribed in the SFHA Administrative Plan) and will refer potential tenants from that list. Owner has final decision-making authority regarding Tenant selection, but such selections must be in accordance with this RAD Tenant Selection Plan, including but not limited to any applicable appeal process.

[Developer to insert RAD Applicant Referral Procedures chart, as mutually approved by MOHCD and SFHA.]

IV. Resident Selection Criteria

I/We understand that it is our responsibility to read and understand the income and eligibility restrictions for this development as well as the outreach policies set forth by the City and County of San Francisco Mayor's Office of Housing and Community Development.

[Developer to insert a resident selection criteria document for MOHCD review and approval in addition to completing the section below. The resident selection criteria must also incorporate references to the Fair Chance Ordinance and how criminal background checks will not be used until after all other qualifications have been reviewed.]

A) Applicant Eligibility Criteria

All applicants must qualify based upon:

- Commitment to use the unit as the principal residence.
- Commitment to participate in rental restrictions and compliance recertification.
- Insert project specific eligibility information (household size, income, age, etc.)

[DEVELOPER TO INSERT THE APPLICABLE ANNUAL INCOME LIMITS INTO THE TABLE BELOW]

_______% of Maximum Income by Household Size derived from the Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco 2014

A one person household can make no more than $__________
A two person household can make no more than $__________
A three person household can make no more than $_______
A four person household can make no more than $_______
A five person household can make no more than $_______
A six person household can make no more than $_______
A seven person household can make no more than $_______
(Please visit www.sfmohcd.org for larger households.)

B) Occupancy Preferences

The San Francisco Housing Authority will maintain a Site-based waiting list (or other list as may be prescribed in its Administrative Plan) and will apply preferences including Certificate of Preference (COP) and Ellis Act Housing Preference according to the Administrative Plan. As of September 2015, the San Francisco Housing Authority's preferences are:

Preference	Points
Veteran/Surviving Spouse (add 1 point to the highest eligible preference category)	*(+1)*
San Francisco District Attorney Referrals	15
Public Housing Residents who have been approved for an Emergency Transfer	14
Involuntarily Displaced with Residential Certificate of Preference (COP)	11
Involuntarily Displaced with an Ellis Act Housing Preference (EAHP) Certificate	9
Homeless In Permanent Supportive Housing	7
Involuntarily Displacement from residence in San Francisco	5
Homeless In San Francisco	5
Substandard Non-Homeless in San Francisco	2
Resident in San Francisco Paying More than 70% of household Income in rent	1

[Developer is required to comply with the preferences set forth in the Administrative Plan, which is subject to change anytime as approved by SFHA and HUD. Developers must insert the then-current SFHA preferences into the resident selection criteria document submitted to MOHCD.

Applicants will be required to indicate on their application to SFHA if they believe they qualify for a preference, and must submit documented proof along with their application submission. Failure to provide proof may result in the preference not being granted.

C) Notice of Denial and Appeal Process

Owner shall:

- Hold a comparable unit for the household during the entire appeal process under the RAD Appeal and Grievance Procedure and for the entire appeal process under the Fair Chance Ordinance.
- 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; and
  - describe the evidence that the applicant can present at the appeal.

- If the rejection is based on a criminal background check obtained from a tenant screening agency, the City's Fair Chance Ordinance imposes additional notice

[The Developer should describe its mitigating circumstances policy and procedures. Developer is required to comply with RAD Appeal and Grievance Procedure in the Administrative Plan, which is subject to change anytime as approved by SFHA and HUD. Developer shall insert the then-current RAD Appeal and Grievance Procedure in the resident selection criteria document submitted to MOHCD.]

D) Reasonable Accommodation and Modification Policy

[The plan should provide instructions on filing a Request for Reasonable Accommodation; guidelines for considering and evaluating a Request for Reasonable Accommodation, and the appeal process which must be consistent with MOHCD policies stated below.]

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.

Grievance Policy

The Grievance Policy will be available to all applicants of ("Mission Dolores"). [Developer is required to comply with RAD Appeal and Grievance Procedure in the Administrative Plan, which is subject to change anytime as approved by SFHA and HUD. Developer to insert the then-current RAD Appeal and Grievance Procedure in the resident selection criteria document submitted to MOHCD.]

V. Application/Selection Process and Timeline

[Provide Developer's written and/or electronic application materials which 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; and
- be written in language that is clear and readily understandable.

The process and timeline should include:

- **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 referral 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.
- **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.
- **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.

EXHIBIT J

TENANT PROTECTION LEASE RIDER

SAN FRANCISCO HOUSING AUTHORITY RAD CONVERSION To be attached to Tenant Lease	SUPPLEMENTAL PBV LEASE RIDER

TENANT:______________________________________

DESIGNATED UNIT:_____________________________

1. The purpose of this Rider is to clarify the protections that apply to the tenancy of the household named above ("Tenant"), by virtue of the conversion of the Contract Unit from Public Housing to Section 8 PBV housing under the Department of Housing and Urban Development's Rental Assistance Demonstration Program (RAD).[3]

2. This Rider accompanies and compliments the "Tenancy Addendum Section 8 Project-based Voucher Program" (form HUD 52530.c (04/15)) ("Tenancy Addendum"), and "RAD PBV Lease Rider", which HUD requires as part of the Tenant's lease.

3. HUD Notice PIH 2012-32, Rev 2 ("PIH Notice 2012-32"), which governs RAD conversions, contains certain tenant protections that the Tenancy Addendum and RAD PBV Lease Rider reference and/or incorporate. The purpose of this Rider is to explicitly identify as part of the Tenants' lease the RAD tenant protections enumerated in PIH Notice 2012-32, which include the following:

   a. **No Re-Screening Upon Conversion** (Notice 2012-32, Section 1.6(C)(1)). Pursuant to RAD statue, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to

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[3] The Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, approved November 18, 2011 (2012 Appropriations Act), authorizes the conversion of properties with Public Housing assistance under section 9 of the 1937 Act to properties with PBV assistance under section 8(o)(13) of the 1937 Act. Requirements of the RAD conversion process are further articulated in Notice PIH 2012-32; Rental Assistance Demonstration – Final Implementation.

conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households.

b. **Right To Return** (Notice 2012-32, Section 1.6(C)(2)). Any resident that may need to be temporarily relocated to facilitate rehabilitation or construction under RAD will have a right to return to the development once rehabilitation or construction is completed.

c. **Renewal of Lease** (Notice 2012-31, Section 1.6(C)(3)) and PIH 2012-32, REV 2, page 52. The PHA and Owner must renew all leases upon lease expiration, unless good cause exists. "Good cause" is defined in "Tenancy Addendum Section 8 Project-based Voucher Program" (also attached to this lease), Part B, Paragraphs 8-9. Consequently, 24 CFR § 983.257(b)(3) and Tenancy Addendum Part B, Paragraph 8(e) will not apply. The current lease provision is modified accordingly and initialed by the tenant and owner.

d. **Phase-In of Tenant Rent Increases** ((Notice 2012-32, Section 1.6(C)(4)). If Tenant's monthly rent increases by more than the greater of 10 percent or $25, purely as a result of conversion, the rent increase must be phased in over 3 years, as follows:
   i. Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP and the standard TTP
   ii. Year 2: Year 2 AR and any IR prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP
   iii. Year 3: AR and all subsequent recertifications – Full standard TTP

e. **Resident Participation and Funding** ((Notice 2012-32, Section 1.6(C)(5)). Residents of Tenant's project have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and are eligible for resident participation funding. Specific protections for resident organizations are included in Notice 2012-32, Attachment 1B.2.B.1-6.

f. **Converting Residents and Supportive Services** ((Notice 2012-32, 1.6(A)(2) and Notice 2012-32, Rev 2, 1.6(A)(2)). A household living in the unit at the time of the RAD conversion may decline an offer of supportive services without creating a ground for lease termination. Consequently, Tenancy Addendum Section 8(b)(4) shall not apply.

g. **<u>Earned Income Disregard (EID)</u>** ((Notice 2012-32, Section 1.6(C)(8))**.**((Notice 2012-32, Section 1.6(C)(8))**.** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

h. **<u>Choice Mobility</u>** In accordance with 24 CFR § 983.260, the Tenant may choose to terminate the Lease after one year, and the Housing Authority must offer the Tenant a Housing Choice Voucher or similar tenant-based assistance, *but only if such assistance is available*. If tenant-based assistance is not available, the Housing Authority must give the family priority to receive the next available opportunity for continued tenant-based rental assistance. "See the "Tenancy Addendum Section 8 Project-based Voucher Program" (also attached to this lease), Part B, Paragraph 11, for additional guidance.

i**.** **<u>Limited English Proficiency.</u>** In accordance with Title VI, Executive Order 13166, HUD's 2007 Limited English Proficiency Guidance, 72 Fed. Reg. 2732 (Jan. 22, 2007)), as well as applicable state and local laws, the landlord and the Housing Authority must ensure that all meetings and materials include meaningful language assistance to persons with limited English proficiency. Meaningful language assistance includes, but is not limited to, translation of documents that will foreseeably have an impact on tenant or occupant rights ("vital documents") and access to oral interpretation assistance.

EXHIBIT K

FREDDIE MAC RIDER

This Freddie Mac Rider (the "Rider") is attached to and forms a part of the Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), dated as of September 1, 2016, among the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, duly organized and validly existing under the laws of the State of California (together with any successor to its rights, duties and obligations, the "Governmental Lender"), U.S. BANK NATIONAL ASSOCIATION, as fiscal agent (the "Fiscal Agent"), and Mission Dolores Housing Associates, L.P., (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "Borrower").

1. Definitions. Terms used in this Rider as defined terms shall have the meanings given those terms in the Regulatory Agreement and the Funding Loan Agreement. In addition, the following terms shall have the following meanings:

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States.

"**Funding Lender**" means the holder of the Governmental Note, initially Bank of America, N.A., and any successors or assigns thereof, and on the Freddie Mac Purchase Date, Freddie Mac, and any successors or assigns thereof.

"**Funding Loan Agreement**" means the Funding Loan Agreement dated as of September 1, 2016, by and among the Governmental Lender, the Initial Funding Lender set forth therein and the Fiscal Agent, as such Funding Loan Agreement may from time to time be amended or supplemented.

"Governmental Note" means the Multifamily Note delivered by the Governmental Lender pursuant to the Funding Loan Agreement.

"Project Loan" means the loan to the Borrower pursuant to the Project Loan Documents, which Project Loan is to be assigned to the Fiscal Agent.

"Project Loan Agreement" means the Project Loan Agreement dated as September 1, 2016, among the Borrower, the Governmental Lender and the Fiscal Agent, as such Project Loan Agreement may from time to time be amended or supplemented.

"Project Loan Documents" means the Project Note, the Security Instrument, the Project Loan Agreement, the Tax Regulatory Agreement, the Continuing Covenant Agreement, the Assignment and any and all other instruments documenting, evidencing, securing or otherwise relating to the Project Loan.

"Project Note" means the Project Note, including applicable addenda, to be executed by the Borrower in favor of the Governmental Lender, evidencing the Borrower's financial obligations under the Project Loan, and to be endorsed by the

Governmental Lender, without recourse, to the order of the Fiscal Agent, as the same may be amended, modified, supplemented or restated from time to time.

"Security Instrument" means the Construction Leasehold Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, together with all riders thereto, securing the Project Note, to be executed by the Borrower with respect to the Project, as it may be amended, modified, supplemented or restated from time to time.

"Servicer" means [NAME OF SERVICER], or any successor Servicer selected by the Funding Lender.

2. Applicability. The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Regulatory Agreement.

3. Indemnification. Inasmuch as the covenants, reservations and restrictions of the Regulatory Agreement run with the land, the indemnification obligations of the Borrower contained in the Regulatory Agreement will be deemed applicable to any successor in interest to the Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Regulatory Agreement to the contrary, that neither the Funding Lender nor any successor in interest to the Funding Lender will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to the Funding Lender, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan. The Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to the Funding Lender. The Funding Lender shall indemnify the Governmental Lender following acquisition of the Project by the Funding Lender, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan, during, and only during, any ensuing period that the Funding Lender owns and operates the Project, provided that the Funding Lender's liability shall be strictly limited to acts and omissions of the Funding Lender occurring during the period of ownership and operation of the Project by the Funding Lender. The Funding Lender shall have no indemnification obligations with respect to the Governmental Note or the Project Loan Documents. The Borrower shall remain liable under the Regulatory Agreement for its actions and omissions prior to any transfer of title to the Funding Lender.

4. Sale or Transfer. Restrictions on sale or transfer of the Project or of any interest in the Borrower, Governmental Lender and/or Fiscal Agent consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Project to the Funding Lender or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan. No transfer of the Project shall operate to release the Borrower from its obligations under the Regulatory Agreement. Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any of the other Project Loan Documents that requires the Borrower to obtain the consent of the Funding Lender as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower,

excluding transfers permitted by the Security Instrument. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall have any applicability to a transfer to the Funding Lender upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan by the Funding Lender, or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan; provided that, if the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes, then the Regulatory Agreement shall continue in full force and effect and nothing herein shall be construed to modify or change the obligations of the Borrower thereunder.

5. Enforcement. Notwithstanding anything contained in the Regulatory Agreement to the contrary: (i) the occurrence of an event of default under the Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Project Loan Documents, except as may be otherwise specified in the Project Loan Documents; and (ii) the occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument. No person other than the Funding Lender shall have the right to (a) declare the principal balance of the Project Note to be immediately due and payable or (b) commence foreclosure or other like action with respect to the Security Instrument. The Governmental Lender and the Fiscal Agent acknowledge and agree that the exercise of any rights and remedies under the Regulatory Agreement is subject to the provisions of the Project Loan Documents.

6. Notice of Violations. Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Governmental Lender or the Fiscal Agent shall, by notice in writing to the Borrower, the Servicer and the Funding Lender, inform the Borrower, the Servicer and the Funding Lender that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such violation, neither the Governmental Lender nor the Fiscal Agent shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Project Loan, to enforce the Project Note or to foreclose on the Security Instrument.

7. Amendments. The Regulatory Agreement shall not be amended without the prior written consent of the Funding Lender.

8. Fees; Penalties. The Funding Lender shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Borrower or any subsequent owner of the Project prior to the date of acquisition of the Project by the Funding Lender, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

9. Subordination. The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Section 4(a)(i) and (ii) and of Section 5, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Project Loan Documents.

10. Third-Party Beneficiary. The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of the Funding Lender and are entered into for the benefit of various parties, including the Funding Lender. The Funding Lender shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Governmental Lender and/or the Fiscal Agent, or to cause the Governmental Lender or the Fiscal Agent to enforce, the terms of the Regulatory Agreement. In addition, the Funding Lender is intended to be and shall be a third-party beneficiary of the Regulatory Agreement.

11. Notices. Copies of all notices under the Regulatory Agreement shall be sent to the Servicer at the address set forth below or to such other address as the Servicer may from time to time designate:

[NAME/ADDRESS OF SERVICER]

Any notice to be given to the Funding Lender shall be sent to the Funding Lender at the address set forth below or to such other address as the Funding Lender may from time to time designate:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel – Multifamily Legal Division
Email: joshua_schonfeld@freddiemac.com
Telephone: (703) 903-2000