

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

21-AHSC-16993

PURCHASING AUTHORITY NUMBER (if applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME

Sunnydale Block 3A Housing Partners, L.P., City and County of San Francisco, Mercy Housing California, and The Related Companies of California, LLC

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

11/30/2042

3. The maximum amount of this Agreement is:

\$10,850,000.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	AHSC Program Terms and Conditions	25
Exhibit E	Project-Specific Provisions and Special Terms and Conditions	6
TOTAL NUMBER OF PAGES ATTACHED		37

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

See Attached

CONTRACTOR BUSINESS ADDRESS See Attached	CITY See Attached	STATE See Attached	ZIP See Attached
PRINTED NAME OF PERSON SIGNING See Attached	TITLE See Attached		
CONTRACTOR AUTHORIZED SIGNATURE See Attached	DATE SIGNED See Attached		

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS 2020 W. El Camino Ave., Suite 130	CITY Sacramento	STATE CA	ZIP 95833
PRINTED NAME OF PERSON SIGNING Sukhpreet Martinez	TITLE Contracts Office Manager, Contract Services Section		
CONTRACTING AGENCY AUTHORIZED SIGNATURE 	DATE SIGNED 5/11/2023		

California Department of General Services Approval (or exemption, if applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 06/12/1981)

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev. 06/03)

Sunnydale Block 3A Housing Partners, L.P.
City and County of San Francisco
Mercy Housing California
The Related Companies of California, LLC
21-AHSC-16993

CONTRACTOR

Sunnydale Block 3A Housing Partners, L.P.

a California limited partnership

By: Related/Sunnydale Block 3A Development Co., LLC
Its: Administrative General Partner

By: The Related Companies of California, LLC
a California limited liability company
Its: Managing Member

By:  _____ Date: May 10, 2023
Ann Silverberg
Vice President

By: Mercy Transformation LLC
a California limited liability company
Its: Managing General Partner

By: Mercy Housing Calwest
a California nonprofit public benefit corporation
Its: Sole Member


By:  _____ Date: May 10, 2023
Ramie Dare
Vice President

Address:

18201 Von Karman Avenue, Suite 900
Irvine, CA 92612

City and County of San Francisco

a municipal corporation, acting by and through the Mayor's Office of Housing and Community Development

By:  _____ Date: May 10, 2023

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

Address:

1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103


STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev. 06/03)

Sunnydale Block 3A Housing Partners, L.P.
City and County of San Francisco
Mercy Housing California
The Related Companies of California, LLC
21-AHSC-16993

CONTRACTOR

Mercy Housing California

a California nonprofit public housing corporation

By:  _____

Date: May 10, 2023


Ramie Dare
Vice President

Address:

1256 Market St
San Francisco, CA 94102

The Related Companies of California, LLC

a California limited liability company

By:  _____

Date: May 10, 2023

Ann Silverberg
Vice President

Address:

18201 Von Karman Avenue, Suite 900
Irvine, CA 92612

Prep Date: 12/12/2022

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

This Standard Agreement, STD 213, (the “Agreement”) is the result of the Sponsor’s application (the “Application”) for funding under the Affordable Housing and Sustainable Communities Program (“Program”) pursuant to:

- A. Part 1 of division 44 of the Public Resources Code (commencing with Section 75200);
- B. The Round 6 Program Guidelines dated February 24, 2021 (the “Guidelines”) as may be amended from time to time; and
- C. The Program’s Notice of Funding Availability (the “NOFA”) issued by the Department of Housing and Community Development (hereinafter the “Department” or “HCD”), dated February 26, 2021.

This Agreement is entered under the authority of, and in furtherance of the purposes of the Program.

2. Purpose

In accordance with the authority cited above, Sponsor’s Application was made to HCD for financial assistance from the Program for the purpose of assisting in the development, operation and maintenance of a residential rental Affordable Housing Development on certain real property (the “Property”) as identified in the Application. The Application, including all representations made therein, and the Project Report dated as of the date set forth in provision Ex. A-E.1 in Exhibit E of this Agreement (the “Project Report”) are hereby incorporated in this Agreement by this reference. The financial assistance from the Program shall be in the form of a permanent loan as detailed in the award letter dated as of the date specified in provision Ex. A-E.2 of Exhibit E of this Agreement (“Award Letter”) (the “Loan”) either directly to the Sponsor, or to an approved affiliate of the Sponsor (either of the foregoing entities, in the capacity as borrower of the Loan funds only, the “Borrower”), as owner of the Development evidenced by a promissory note, secured by a deed of trust and subject to a regulatory agreement between the Borrower and the Department.

EXHIBIT A

The purpose of the Loan is to ensure that the Development is constructed, owned, managed, maintained and operated in accordance with the requirements of the Program, the requirements of the Guidelines, and the representations of the Application, and to ensure that certain residential units therein shall be occupied by eligible households at affordable rents as defined in the Guidelines for the full term of the Loan, regardless of sale or transfer of the Property or prepayment of the Loan. To further effect this purpose, if Borrower is an entity other than the Sponsor identified in the Application, HCD may require the Sponsor to enter into a Sponsor Operating Guaranty as a condition of closing the Loan. By entering into this Agreement and thereby accepting the award of Program Loan funds, the Sponsor agrees to comply with applicable statutory law, the Guidelines, the NOFA, and this Agreement, and to abide by the representations contained in the Application, and in the Project Report.

3. Definitions

Capitalized terms herein shall have the meaning of the definitions set forth in the Guidelines, and in page 1 of this Exhibit A, in addition:

- A. The “Development” refers to the residential rental Affordable Housing Development described in the Application and meeting the criteria set forth in the Project Report providing the affordable housing units, as described therein, in consideration of the Program Loan. The Development shall meet all criteria as set forth in the Guidelines.
- B. “Agreement” refers to this Standard Agreement.
- C. “Sponsor” refers to the entity or entities that made the Application to the Department for the Development (the “Development”) and identified as “Contractor” on page 1 to this Agreement (STD 213). “Sponsor” also includes any affiliate or assignee of the Sponsor approved by the Department and undertaking all the obligations of the Sponsor hereunder (e.g., the Borrower). In the case of joint applicants, “Sponsor” shall refer to each applicant or the approved assignee of such applicant. Each joint applicant shall be jointly and severally liable for all obligations of a Sponsor as set forth herein.
- D. “TCAC” refers to the California Tax Credit Allocation Committee.

EXHIBIT A

- E. Any reference to a specific “Section” or “section” of the Guidelines shall initially refer to that specific numbered section of the Guidelines adopted on and dated February 24, 2021. Notwithstanding, if and when the Strategic Growth Council (“SGC”) amends any portion of the Guidelines, all references herein to any such portion of the Guidelines shall be deemed to refer to the updated version of the Guidelines, either in whole or in part, as may be applicable. To the extent that any Guidelines section or sections (Section or Sections) provision is or are amended, and thereafter receive(s) a new Guidelines section number(s), any reference herein to the old Guidelines section(s) number(s) shall be interpreted to refer instead to the Guidelines section(s) that is (or are) intended to replace the content and substance of the former Guidelines section(s).

4. **Scope of Work**

The Scope of Work (“Work”) for this Agreement shall consist of the development and construction by or on behalf of Sponsor of the Development identified in the Award Letter and described in the Application. The Development is to be developed and constructed by the Sponsor, or by a developer on behalf of the Sponsor, as provided in the Application, and must meet the criteria specified in Exhibit E of this Agreement as provision Ex. A–E.3:

Upon completion, the Development must meet or exceed the applicable minimum Net Density as set forth in Section 103(a)(1)(A)(iv) of the Guidelines.

Further, the Sponsor shall take such actions, pay such expenses and do all things necessary to complete the Development as identified in the Award Letter and described in the Application, and in the Project Report in accordance with the schedule for completion set forth therein and within the terms and conditions of this Agreement. All written materials or alterations submitted as addenda to the original Application, and which are approved in writing by a Division of Financial Assistance Operations Manager or higher Departmental official, as appropriate, are hereby incorporated as part of the Agreement. The Department reserves the right to review and approve all Work to be performed by the Sponsor in relation to this Agreement. Any proposed revision of the Work must be submitted in writing for review and approval by the Department. Approval shall not be presumed unless such approval is made by the Department in writing.

5. **Evidence of Point Generating Activities**

Based on the points awarded to its Application, Sponsor assures the Department of the existence or planned aspects of all point generating activities as detailed in the Project

EXHIBIT A

Report. At the request of the Department, Sponsor shall provide further and additional evidence sufficient to demonstrate the existence and/or completion of the items for which the Sponsor's Application received points. Failure to provide such evidence to the reasonable satisfaction of the Department may result in a reevaluation of the Application and the reduction or cancellation of the award, require repayments of any disbursed Program funds, and result in the disencumbrance of Program funds awarded.

6. Approved Schedule of the Development

The schedule of construction for the Development approved by the Department, which may be updated from time to time is specified in Exhibit E of this Agreement as provision Ex. A-E.4.

7. Performance Milestones

Recipient shall ensure the completion of the Performance Milestones set forth in Exhibit E of this Agreement as provision Ex. A-E.5 by the designated dates. When Recipient misses or anticipates missing a Performance Milestone deadline, Recipient shall notify the Department in writing as soon as is reasonably practicable. In this notification, Recipient shall explain why the deadline has been or will likely be missed; provide a status update relative to the other Performance Milestone deadlines; and provide assurances that it will meet the remaining Performance Milestone deadlines. Recipient's failure to provide a timely written notification shall be considered a default under this Agreement.

8. HCD Coordinator

The coordinator of this Agreement for HCD is the Loan Closing AHSC Program Manager for the Affordable Housing and Sustainable Communities, Division of Financial Assistance. Any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the AHSC Program Manager at the following address:

Loan Closing, AHSC Program Manager
Department of Housing and Community Development
Division of State Financial Assistance – Loan Closing Branch
P.O. Box 952054
Sacramento, California 94252-2054

Affordable Housing and Sustainable Communities (AHSC) Program
Round 6- Loan
NOFA Date: 02/26/2021
Approved Date: 06/23/2021
Prep. Date: 12/12/2022

EXHIBIT A

9. Sponsor Contract Coordinator

The Sponsor's Coordinator for this Agreement is listed in Exhibit E of this Agreement as provision Ex. A-E.6. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the contact at the address specified in Exhibit E of this Agreement as provision Ex. A-E.6.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Terms of Loan

- A. **Principal Amount:** The principal amount of the Loan shall be the lesser of (i) the principal amount as stated in the Award Letter, or (ii) the amount later approved by the Department as consistent with the requirements of the Guidelines, which incorporate section 7307 of the Multifamily Housing Program Guidelines by reference.
- B. **Interest and Payment:** The Loan shall bear interest at the rate and be payable as provided in section 104 of the Guidelines, which incorporates section 7308 of the Multifamily Housing Program Guidelines by reference, and under the terms of the Department's promissory note to be executed at loan closing. The Loan may not be prepaid without the prior written consent of the Department.

2. Invoicing and Payment

- A. **All Loan proceeds shall be disbursed through an independent escrow/title company. The Department shall prepare and submit instructions to the escrow holder, detailing the requirements for the release of Loan proceeds to the Borrower.**
- B. The Loan shall be released through escrow upon the Department's approval of the estimated settlement statement and the satisfaction of the terms of the Award Letter and this Agreement. HCD reserves the right to retain ten (10) percent of the approved loan proceeds pending receipt and acceptance of any remaining loan closing checklist items.

3. Payees

- A. Payee Data Record Form must be filled out by each Recipient receiving loan funds. All payees receiving loan funds are listed in Exhibit E of this Agreement as provision Ex. B-E.1.

EXHIBIT D

AHSC PROGRAM TERMS AND CONDITIONS

1. Effective Date, Commencement of Work and Completion Dates

This Agreement is effective upon approval by all parties and the Department, which is evidenced by the date signed by the Department on page one, Standard Agreement, STD. 213 (the "Effective Date"). The Sponsor agrees that the construction of the Development has not commenced as of the deadline for submittal of applications set forth in the Notice of Funding Availability. The Sponsor agrees that the Work shall be completed as specified in this Agreement, as set forth in the Project Report, incorporated herein by reference, and subject to the Agreement expiration date specified on page 1, number 2, of this Agreement (STD 213), and in Paragraph 3 below, unless a written request for an extension is submitted and written approval by the Department is provided within 90 days prior to the expiration date of the Agreement. Any extension to the expiration date shall require an amendment to this Agreement executed by all parties.

2. Termination

The Department may terminate this Agreement at any time for cause by giving at least 14 days' notice in writing to the Sponsor. The Department shall have cause if the Sponsor violates any of the General Terms and Conditions, or Special Conditions, of this Agreement. Examples of cause for termination include but are not limited to:

- A. Failure of the Loan to close on or before the Loan closing deadline as stated under Paragraph 3, "Timing", in these General Terms and Conditions.
- B. Failure of the Sponsor to satisfy in a timely manner each of the conditions set forth in these General Terms and Conditions, Special Conditions set forth in Exhibit E of this Agreement, and the Award Letter.
- C. Determination by the Department that: (a) any material fact or representation made or furnished to the Department by the Sponsor in connection with the Application, or the Award Letter shall have been untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue, or (b) the Sponsor shall have concealed any material fact from the Department related to the Application or the Development.

EXHIBIT D

- D. Filing a petition by Sponsor, or any affiliate or general partner of Sponsor, for relief under the Bankruptcy Code; the filing of any pleading or an answer by Sponsor, or any general partner of Sponsor, in any involuntary proceeding under the Bankruptcy Code; a general assignment by Sponsor, or any affiliate or general partner of Sponsor, for the benefit of creditors; or the filing of an application for the appointment of a receiver, trustee, custodian or liquidator of Sponsor or any of its property, or any affiliate or general partner of Sponsor or any of its property.
- E. Failure of Sponsor, or any general partner of Sponsor, to effect a full dismissal of any involuntary petition under the Bankruptcy Code that is filed against Sponsor, or any general partner of Sponsor, or that in any way restrains or limits Sponsor, or any general partner of Sponsor, or the Department regarding the Program Loan or the Development, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or 30 days after the date of filing of such involuntary petition.
- F. Attachment, levy, execution, or other judicial seizure of any portion of the Development, or any substantial portion of the other assets of Sponsor, or any general partner of Sponsor, that is not released, expunged, bonded, discharged, or dismissed within 30 days after the attachment, levy, execution, or seizure.
- G. Pendency of any proceeding challenging the legal existence or authority of Sponsor, or any general partner of Sponsor, or any proceeding challenging the legality of the Development.
- H. Failure of Sponsor to close the Department-approved construction financing on or before the date indicated under Paragraph 3, "Timing", in these General Terms and Conditions. Any reference in this Agreement to "construction" shall include rehabilitation construction, if applicable.

3. Timing

- A. The Sponsor shall close the construction financing approved by the Department and commence construction of the Development in accordance with the development schedule set forth in the Project Report.

EXHIBIT D

- Upon the Department's request, the Sponsor shall promptly provide evidence of recorded deeds of trust for all construction financing, payment of all construction lender fees, issuance of building permits (a grading permit does not suffice to meet this requirement) and notice to proceed delivered to the contractor.
- B. If no construction lender is involved, and the project is receiving low-income housing tax credits, evidence must be submitted that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred.
 - C. Pursuant to section 111 of the Guidelines, construction of the Development must commence within three years of the Program award and must be completed within six years of the Program award date.
 - D. The Sponsor shall satisfy all conditions required to close the Program Loan on or before **April 30, 2028**. In order to ensure this disbursement happens, the Sponsor must provide the Department with a certificate of occupancy (or an equivalent form of occupancy certification or approval) for the Project by no later than **November 30, 2027**. If the Program Loan does not ultimately close by **April 30, 2028**, the Program funds will be disencumbered from the Project.
 - E. This Agreement shall expire on **November 30, 2042**, the date specified on page 1, number 2, of this Agreement (STD 213).

4. Disputes

Applicable law, including the Department's and the Program's statutes, rules, regulations, and Guidelines shall apply and be enforced in the event of any conflict that becomes apparent to the Department at any time, notwithstanding the Department's preliminary prior review of Project documentation at the time of construction loan closing.

5. Consent

The parties agree that wherever the consent or approval of the Department or the Sponsor is required under this Agreement, such consent or approval will not be unreasonably withheld or delayed, unless the same is specified as being in that party's sole discretion or other words of similar import.

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PRE-CONSTRUCTION LOAN REQUIREMENTS

Unless otherwise approved in writing by the Department, the following conditions require compliance prior to the close of the construction loan(s) for the Development (construction loan includes a rehabilitation loan)

6. Site Control

The Sponsor shall have Site Control of the real property on which the Development is located, as required by the Guidelines. Such control shall not be contingent on the approval of any other party. The status and nature of the Sponsor's title and interest in the property shall be subject to the Department's approval. Site Control may be evidenced by one of the following:

- A. Fee title;
- B. A leasehold interest on the project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance, prior to loan closing, with all Program requirements;
- C. An enforceable option to purchase or lease which shall extend through the anticipated date of the Program award as specified in the NOFA;
- D. An executed disposition and development agreement right of way, or irrevocable offer of dedication to a Public Agency;
- E. An executed encroachment permit for construction of improvements or facilities within the public right of way or on public land;
- F. An executed agreement with a public agency that gives the Sponsor exclusive rights to negotiate with that agency for acquisition of the site, provided that the major terms of the acquisition have been agreed to by both parties;
- G. A land sales contract or other enforceable agreement for the acquisition of the property, or;

EXHIBIT D

- H. Other forms of site control that give the Department assurance (equivalent to A-G above) that the applicant or developer will be able to complete the Project and all housing designated in the application in a timely manner and in accordance with all the requirements of the Program.

If the Sponsor's interest in the Property is a leasehold, the lease must provide adequate security for the Loan and comply with the requirements of the Uniform Multifamily Regulations ("UMR"), Section 8316.

The Sponsor shall provide a copy of the ground lease for the Department's approval and review of its compliance with UMR Section 8316. The lessor and lessee will be required to sign the Department's standard form Lease Rider and Estoppel Agreement, unless the lessor agrees to sign the Loan documents as required by the Department and encumber all its interest in the Development. Where the lessee and the lessor are affiliated or related private parties, both the lessee and the lessor must execute the Loan documents so as to encumber both the leasehold and fee interests in the Development.

7. **Title Report**

The Sponsor shall provide a current title report for the real property on which the Development is located. If the Sponsor's interest in the Property is leasehold, then the Sponsor shall provide a current title report for the leasehold interest and the fee interest.

8. **Site Inspection**

The Department reserves the right, upon reasonable notice, to inspect the Development site and any structures or other improvements thereon to determine whether the Development site meets the requirements of the Program Guidelines and the criteria set forth in the Project Report. If the Department reasonably determines that the site is not acceptable for the proposed Development in accordance with the Guidelines, the Department reserves the right to rescind the award and the Loan.

9. **Adaptability and Accessibility**

The Sponsor and the Development shall comply with all applicable federal, state, and local laws regarding adaptability and accessibility in the design, construction, and rehabilitation of residential projects for persons with disabilities.

EXHIBIT D

10. **Physical Needs Assessment**

If the Development involves rehabilitation of existing units, the Sponsor shall provide a post-rehabilitation physical needs assessment acceptable to the Department, in accordance with instructions provided by the Department.

11. **Reserve Study**

Upon request by the Department, Sponsor shall provide an independent, third-party replacement reserve study acceptable to the Department.

12. **Development Budget**

Unless otherwise approved in writing by the Department, prior to the close of any construction financing, the Sponsor shall provide to the Department for its review and approval, a copy of the construction lender's (or lender') approved development budget.

13. **Reasonable Development Costs**

Sponsor shall provide to the Department evidence that total development costs are reasonable and necessary for the proposed improvements. To verify cost reasonableness, the Department may require qualified third-party verification of costs, evidence of the competitive bidding of major trades and real estate appraisals. Where the Development is a component of a larger development, the Sponsor shall submit to the Department for its approval, a development cost sharing breakdown for the entire development which covers all development costs for each of the individual components of the entire development and includes a discrete development budget for the Development consistent with the budget in the Application and Project Report. Eligible costs for Developments are limited to costs as specified in Section 103 of the Guidelines.

14. **Sponsor Control of Development**

Sponsor shall provide evidence satisfactory to the Department that the Sponsor entity identified as the AHD Developer in the Application who demonstrated the requisite experience, pursuant to Section 106 (a)(12) of the Guidelines, in the application process, has and will retain full control over the development, construction, ownership

EXHIBIT D

and management of the Development through control of the Borrower entity either directly as Borrower, or as a managing general partner of Borrower, or as the member/manager of the general partner of the Borrower, if Borrower is a partnership. The same control requirement applies to any Borrower organized as a limited liability company. The failure to demonstrate the requisite control of the Borrower by the AHD Developer Sponsor entity may result in significant delay in the processing, or potentially the cancellation, of the Loan. The AHD Developer Sponsor entity that demonstrated the requisite experience of owning and developing affordable rental housing, shall execute the Department's Sponsor Operating Guaranty to ensure that the Sponsor has the resources and experience to develop, own and manage the Development. The organizational structure of the Borrower, including the control and ownership by the Sponsor or Sponsors, and any changes thereto, must be reviewed and approved by the Department and must comply with all Program requirements.

15. **Borrower Limited Partnership Agreement (LPA)**

If the Borrower is a limited partnership, the Department neither approves nor disapproves of the LPA, but may require changes if necessary to ensure that the Sponsor has sufficient control of the limited partnership entity, and that the term of the LPA is equal to or greater than the term of the Program Loan documents. In the event of any conflict between the LPA and the Program Loan documents, the Program Loan documents, and Program requirements shall control.

16. **Relocation Plan**

If there is or will be any residential or commercial displacement directly or indirectly caused by the Development, the Sponsor shall provide a relocation plan conforming to the requirements of state law and the regulations adopted by the Department in California Code of Regulations, Title 25, Section 6000 et seq. The Development budget shall contain sufficient funds to pay all costs of relocation benefits and assistance as set forth in the relocation plan accepted by the Department.

Should a relocation plan not be required, Sponsor must provide documentation for Department approval that there are no relocation requirements.

EXHIBIT D

17. **Architect Contract**

The Sponsor shall enter into a contract with an architect to provide professional services for the Development.

The contract shall require an architect to supervise the construction work, conduct periodic site visits, prepare periodic inspection reports, verify the validity of the construction contractor's payment requests, prepare or review change orders, and, upon completion of construction, provide the certification described in paragraph 31 of these General Conditions.

18. **Appraisals**

If the property for the Development is being purchased, the Sponsor shall provide an appraisal acceptable to the Department of the as-is value of the property, prepared by a qualified, licensed appraiser.

19. **Non-Department Financing**

The Sponsor shall qualify for and obtain the financial assistance, loans and grants described in the Application for both the construction and permanent periods. Final terms and conditions of the non-Department financing must substantially conform to the terms and conditions of the Sponsor's Loan Application. The terms and conditions of all financing shall be subject to the Department's review and approval.

20. **Senior Loan Terms and Disclosures**

The terms of loans in a lien position senior to the Loan must comply with all the underwriting standards of UMR Sections 8310 and 8315.

No subordination may limit the Department's remedies and must comply with UMR Section 8315.

Balloon payments are not allowed on senior debt, except as provided in UMR section 8310. Senior loans are prohibited from including call option language in the terms of the loan other than is reasonable in case of default, nor may Sponsor be required to remarket bonds prior to expiration of the senior loan.

EXHIBIT D

Financial instruments on senior loans (including but not limited to swaps, collars, and interest rate hedges) must extend for the full term of the senior loan and cannot be required to be renewed or extended prior to the end of the full term.

Sponsors must obtain an interest rate cap on any interest rate that is not fixed for the full term of the senior loan.

The interest rate at the cap must not jeopardize project feasibility. Interest rate resets, renewals, extensions of letters of credit, or other senior loan provisions, must not require the Sponsor to re-qualify.

All payments, lender fees, bond fees, issuer fees, trustee fees, letter of credit fees, swaps fees, hedge fees, enhancement fees, credit facility and liquidity fees, and other fees, charges and costs, in addition to principal and interest payments, must be fully disclosed to the Department in the loan closing transaction summary and in the operating budget.

The Department's lien shall not be subordinated to the liens of a lender affiliated with an entity that has an ownership interest in the Project unless a covenant, regulatory agreement, or similar instrument is recorded senior to the lender's documents that includes the provisions of UMR Section 8310(f).

21. Environmental Conditions

The Sponsor shall provide a Phase I Environmental Site Assessment ("ESA") for the Development, in conformance with ASTM Standard Practice E 1527, evaluating whether the Development is affected by any recognized environmental conditions. In the event the Phase I ESA indicates evidence of recognized environmental conditions and the Sponsor desires to proceed with the Development, the Sponsor shall provide the Department with a Phase II report and such further reports as required by the Department in form acceptable to the Department. Any remediation work to be performed shall be subject to Department approval. The Sponsor shall also provide an asbestos assessment and a lead-based paint report for the Department's approval if the Development involves rehabilitation or demolition of existing improvements.

EXHIBIT D

22. Article XXXIV

All Projects shall comply with Article XXXIV, section 1 of the California Constitution (“Article XXXIV”), as clarified by the Public Housing Election Implementation Law (Health & Safety Code, §§ 37000 – 37002). Prior to construction loan closing, the Sponsor shall submit documentation which shows, to the Department’s satisfaction, that the Project complies with or is exempt from Article XXXIV.

CONSTRUCTION PHASE REQUIREMENTS

23. Construction Phase Information

If requested by the Department, the Sponsor shall provide the Department information during the construction period including but not limited to all change orders and modifications to the construction documents, all inspection reports prepared by the Development architect and other consultants, and information relative to Development income, expenses, occupancy, relocation benefits and expenses, contracts, operations and conditions of the Development. Upon written notice to Sponsor, Department may require its advance written approval of all future change orders and modifications. Deviations from the plans and specifications which have the effect of reducing the quality, life, or utility of a specified item or system must receive the prior written approval of the Department. Should change orders be submitted to the Department for its approval, they shall be deemed accepted if not rejected in writing within 10 business days of receipt by the Department. Sponsor shall not authorize or approve any change orders rejected by the Department.

24. Inspection

The Department, and any authorized representative of the Department, shall have the right, during construction and thereafter, to enter upon and inspect the construction of the Development. Such right to inspect shall include, but shall not be limited to, the right to inspect all work done, all materials and equipment used or to be used, and all books and records, including payroll records, maintained in connection with the construction work. Such right of inspection shall be exercised in a reasonable manner. The Department shall have no affirmative duty to inspect the Development and shall incur no liability for failing to do so.

EXHIBIT D

Once having undertaken any inspection, neither the Department, nor any representative of the Department shall incur any liability for failing to make any such inspection properly, or for failing to complete any such inspection.

The fact that such inspection may or may not have occurred shall not relieve the Sponsor, the contractor, the construction lender, the architect, the structural engineer, the locality, or anyone else of any obligation to inspect the Development.

25. Updated Information

Sponsor shall provide the Department updated documentation for any change in the information previously provided relating to the Loan, including updated sources and uses and income information.

All changes shall be subject to Department approval. However, if the Development is changed in any way as to make it ineligible under Section 103(a)(1) and 106 of the Guidelines, then the Loan commitment will be cancelled and all Loan funds awarded to the Sponsor shall be disencumbered.

26. Evidence of Existence of Application Selection Criteria

Upon request, Sponsor shall provide to the Department evidence of the existence of the amenities, services, improvements, features and characteristics of the Development which were included in the Application and as set forth in the Project Report and awarded points under Section 107 of the Guidelines in the Department's rating of the Application.

27. Signage

Sponsor shall place signs on the construction site for the Work stating that the Department and SGC are providing financing through the Program in an appropriate location(s), typeface and size containing the message set forth in Exhibit E of this Agreement as provision Ex. D-E.1

The sign shall be maintained in a prominent location visible and legible to the public through construction completion. If the job sign includes the acknowledgment and/or logo of one or more other public lenders, the acknowledgment and logos required by this Paragraph 26 shall also be displayed in a similar size and layout.

EXHIBIT D

Copies of the Department, SGC, and California Climate Investments (“CCI”) logos can be obtained by contacting the AHSC Program Manager.

Upon installation of the sign, the Sponsor shall submit a digital photograph thereof to the Department to verify compliance with these signage requirements.

28. Photographs

The Sponsor will provide the Department, upon request, with copies of any photographs that may be taken of the Development by or on behalf of the Sponsor or the Development’s architect. The Sponsor will provide an acceptable written consent and release agreement authorizing use of said photographs, all at no expense to the Department.

COMPLETION OF CONSTRUCTION

29. Relocation Plan Implementation Report

The Sponsor shall provide a report, in a form acceptable to the Department, summarizing the actions taken and identifying all Sponsors of relocation assistance and benefits, and the amounts paid, and benefits provided, to or on behalf of each Sponsor.

30. Architect Certification

Where required by the Department, the Sponsor shall cause the Development architect(s) or other appropriate professional to certify to the Department, in form acceptable to the Department, that all construction is completed in accordance with the “as-built” plans and specifications and in compliance with all applicable federal, state and local laws relating to disabled accessibility.

31. Cost Certification

At the request of the Department, the Sponsor shall submit a Development cost certification audited by an independent certified public accountant in accordance with the requirements of the Department and TCAC, if applicable.

EXHIBIT D

The Sponsor (and the developer or builder if there is an identity of interest with the Sponsor) shall keep and maintain records of all construction costs not representing work done under the construction contract and to make such records available for review by the Department.

32. Recorded Notice of Completion

The Sponsor shall provide to the Department a certified copy of any Notice of Completion for the Development recorded in the county in which the Development is located.

PROGRAM LOAN CLOSING REQUIREMENTS

The Department shall not be obligated to close or fund the Loan unless the Sponsor has complied with and satisfied all the terms and conditions of the Guidelines, the NOFA, this Agreement, representations made in the Application and the criteria set forth in the Project Report, all in a manner satisfactory to the Department in its sole discretion, on or before the earlier of the Loan closing, the Loan closing deadline or such earlier time, all as indicated herein.

33. Development Construction

The Development shall be constructed in compliance with the plans and specifications, subject to any change order(s) accepted by the Department where such acceptance is required.

34. Title Insurance

The Sponsor shall provide an updated title report and an ALTA As-Built Survey acceptable to the Department. The Sponsor shall provide a pro forma ALTA lender's policy of title insurance if requested by Department. The Sponsor shall ensure the issuance to the Department of an ALTA lender's policy of title insurance. The condition of title, insurer, liability amount, form of policy and endorsements shall be subject to the approval of the Department. Such endorsements shall include, but not be limited to a CLTA endorsement 100.2-06, and may include, but shall not be limited to, CLTA endorsements 103.1-06, 105, 110.9-06 and 116-06 (modified for apartments).

EXHIBIT D

The policy shall insure that the Sponsor holds good and marketable fee simple title (or leasehold, if approved by Department) and that the Department holds a fee mortgage (or leasehold) lien on the Development, free and clear of all encumbrances, encroachments, other interests and exceptions to title other than as shall have been previously approved in writing by the Department.

The Department's Deed of Trust and Regulatory Agreement and the other loans indicated under "Permanent Funding" in the Application shall have the lien priority as indicated in the Application.

35. **Sponsor's Status**

The Sponsor shall provide the Department with copies of all organizational documents, including but not limited to, partnership agreements, operating agreements, corporate documents, and related documents and agreements, as required by the Department. As of the date of the Loan closing, the Sponsor and Borrower shall be a duly organized and validly existing limited or general partnership, corporation, limited liability company, nonprofit public benefit corporation, or other valid legal entity under California law. The Sponsor, or Sponsor-controlled Borrower, has and shall have the authority to enter into the Loan and related loan documents.

36. **Prevailing Wage Compliance**

Where applicable, prevailing wage rates shall be paid with respect to the Work, as the term is defined in this Agreement, performed in connection with the Development. Prior to closing the Loan, a certificate signed by the Sponsor is required, certifying compliance with Labor Code Section 1720 et seq., and that labor records shall be maintained and made available to any enforcement agency upon request.

37. **Insurance**

The Sponsor shall obtain and maintain for the term of the Loan hazard and liability insurance for the Development in accordance with the Department's requirements, including flood insurance if applicable. The Department shall be named as a loss payee or an additional insured on all such policies. Such policies also shall provide for notice to the Department in the event of any lapse of coverage and in the event of any claim thereunder. The Sponsor shall provide evidence satisfactory to the Department of compliance with these insurance requirements.

EXHIBIT D

38. Program Loan Documents

The Sponsor shall enter into this Standard Agreement with the Department, which shall govern the encumbrance by the Department of the funds to be used to fund the Loan.

In addition, the Sponsor shall enter into a Regulatory Agreement with the Department, governing certain matters related to the use, operation and occupancy of the Development, including, but not limited to, the imposition of certain low income occupancy requirements, regulation of rents on the low income units, audits and other financial controls and reserve requirements, management oversight by the Department, compliance with federal and state laws, and other Department requirements. In addition to the Regulatory Agreement, the Loan shall be evidenced by a Promissory Note and secured by a Deed of Trust. The Regulatory Agreement shall be recorded prior to the Department's Deed of Trust.

The Sponsor shall execute and enter into additional agreements and documents, as the Department may deem reasonable and necessary to meet the Program requirements and the terms and conditions of this Agreement. The Sponsor and any affiliate of the Sponsor which demonstrated the requisite experience of owning and developing affordable rental housing, must execute the Department's Sponsor Operating Guaranty to ensure that the Sponsor has the resources and experience to develop, own and manage the Development.

39. Restrictions on Transfer and Change of Ownership

The Sponsor shall not, without the prior written approval of the Department: a) sell, transfer, convey, encumber, hypothecate or pledge any of the Development or the Development property, or any portion or interest in either of them; b) discharge or replace any general or managing partner if Sponsor is a partnership, or amend, modify or add to its partnership agreement except that the Sponsor may sell or transfer limited partnership interests without the Department's approval; c) if Sponsor is a limited liability company: change the manager(s), amend, modify or add to its operating agreement or management structure; d) wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation; or e) change the organizational structure of the Sponsor.

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40. **Rental Subsidy Contract**

The Sponsor shall provide the Department with complete copies of all contracts and amendments thereto, regarding rental subsidies to be provided to tenants residing in the Development.

41. **Substitution of Rent or Social Service Subsidy**

Sponsor may substitute a source of funding equivalent to the original rent or social service subsidy. The amount, terms and conditions of the new source of funding must provide an equivalent or greater level of subsidy to the project, acceptable to the Department.

42. **Final Certificate of Occupancy**

The Sponsor shall provide a final certificate of occupancy (or an equivalent form of occupancy certification or approval) issued by the local agency having jurisdiction over such certificates.

43. **Environmental Conditions Remedial Work**

All remedial work on recognized environmental conditions shall be completed prior to Loan closing. The Sponsor shall provide the Department with an environmental update/operations and maintenance plan if remedial work was required with evidence of lead-based paint and/or asbestos-containing materials remediation if applicable.

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44. Reserve Accounts

The Sponsor shall establish and maintain reserve accounts as required by applicable law, the Department and as further described in the Regulatory Agreement. All withdrawals shall require prior written approval from the Department, as provided in the Regulatory Agreement.

45. Operating Reserve Account

The Sponsor shall fund an operating reserve account in accordance with Section 8308 of the UMRs and subject to the requirements thereof. The specific amount of the Operating Reserve Account shall be set forth in the Regulatory Agreement.

46. Replacement Reserve Account

The Sponsor shall establish a replacement reserve account in accordance with Section 8309 of the UMRs. The replacement reserve account shall be funded by monthly deposits from operating income, or a combination of operating income and development sources as indicated in the Regulatory Agreement. The amount of the monthly deposits may be adjusted, as determined by the Department, in its sole discretion, based on reserve studies performed by an independent third party at the Sponsor's expense as requested by the Department or as based on other reliable indicators of future reserve needs.

47. Capitalized Reserve Accounts

If Program funds are used to fund a reserve account, the Department shall disburse such funds in a manner to ensure the proper funding of the reserve. The proceeds of the Loan may be used to capitalize only operating and replacement reserve accounts and amounts required by UMRs Sections 8308 and 8309. Proceeds of the Loan may not be used to capitalize rental subsidy reserves, except as authorized in accordance with Section 104(b)(4) of the Guidelines, or any reserves established to pay recurring operating costs, including, but not limited to, the required 0.42 percent annual payment on the Loan.

EXHIBIT D

48. CalHFA and HUD Funded Projects

Projects subject to the HUD Section 811 and 202 programs or receiving a permanent loan from CalHFA shall not be subject to Program reserve requirements during the time such projects are regulated by HUD or CalHFA and the Sponsor complies with the applicable CalHFA or HUD reserve requirements.

49. Asset Management and Compliance Requirements

The Sponsor shall obtain the Loan Closing Checklist in the course of closing the Program Loan, and must submit all documents required, for the Department's approval, including, but not limited to, the following (in a format provided or approved by the Department):

- A. AMC 186 - Project Closing Report for MHP Projects with Supportive Housing (SH), Governor's Homeless Initiative (GHI), Homeless Youth (HY) and/or Special Needs Populations (SNP).
- B. Proposal for Management Agent.
- C. A management contract, execution of which is subject to the Department's written approval.
- D. A management plan checklist.
- E. Management plan.
- F. Rental Agreement exhibits and HCD Lease Addendum.
- G. Appeal and grievance procedure.
- H. Evidence of hazard and liability insurance. Submit certificate with the liability endorsement.
- I. Initial proposed operating budget and explanation of budgeted costs (electronic version required).
- J. Schedule of Rental Income (electronic budget).

Prior to close of the Program Loan, the Sponsor shall obtain the Department's review and approval of the above-mentioned items A. through J. and any additional documents required by the Department. Furthermore, the Sponsor shall be provided links to Department's Asset Management and Compliance Web page, which, in conjunction with the regulatory agreement, sets forth the obligations and requirements for the use, operation and occupancy of the Development.

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The Department may amend such requirements from time to time and will note such amendments on the Web page or inclusion on the Loan Closing Checklist

50. **Affirmative Fair Housing Marketing Plan and Fair Housing Compliance**

Sponsor shall develop and implement an affirmative fair housing marketing plan satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for assisted units in the Development. Sponsor is encouraged to refer to HUD's guidelines for Affirmative Fair Housing Marketing Plans. Sponsor shall comply with all state and federal fair housing laws. At the request of the Department, Sponsor will submit documentation acceptable to the Department demonstrating that the proposed tenant selection criteria in the tenant selection plan do not violate any applicable state or federal fair housing laws.

51. **CDLAC-TCAC and Other Regulatory Agreements**

The Sponsor shall provide the Department with a copy of the TCAC Regulatory Agreement if the Development budget includes tax credits and any other regulatory agreements pertaining to the Development.

52. **Property Tax Exemption**

Unless expressly waived in writing by the Department, Sponsor shall provide evidence of eligibility for property tax exemption for the Development and a copy of the tax exemption application to the local tax assessor(s).

53. **Compliance with State and Federal Laws, Rules, Guidelines and Regulations**

The Sponsor agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Development, the Sponsor, its Contractors or Subcontractors, and any loan activity.

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54. **Change of Conditions**

The Department reserves the right to re-underwrite the Development based on new information or funding sources. Particular attention will be paid to the continued feasibility of the Development and the maintenance of the security position of the Loan. If the new information demonstrates a reduction or elimination of financing gap being addressed by the Loan, the Department will reduce the amount of the Loan Request stated in the Application and the amount of the award accordingly. If the Department has underwritten the Loan using CalHFA or HUD requirements and the Development subsequently does not utilize the CalHFA or HUD financing, the Loan will be re-underwritten by the Department using Program requirements. In the event the Department determines the Development is no longer financially feasible, the award and any Loan commitment issued by the Department may be revoked.

55. **Investor Commitments**

If the Development will be receiving an allocation of tax credits from TCAC, the Sponsor shall provide the Department with a copy of all tax credit investor commitments, including referenced financial projections and any amendments.

56. **Restricted Units**

All units designated in the Application approved by the Department as restricted units that are not also assisted units, shall be restricted on a long-term basis by a public agency at the income and rent levels shown in the Application. Similarly, all units designated in the Application as restricted units and that are not also assisted units, shall be restricted on a long-term basis by a public agency to the designated target population.

57. **Asset Management Fees**

Asset management, partnership management, and similar fees shall be in compliance with UMR Section 8314(a)(1)(B).

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58. Reduction of AHSC Loan Amount

Notwithstanding any development agreement, in the event that development costs are less than predicted in the development budget, the Department shall reduce its Loan for the amount of the cost savings prorated with other residual receipt lenders.

59. Sponsor Representations

- A. Sponsor represents and warrants that as of the date of this Agreement, the Sponsor is a duly organized and validly existing entity under California law and the person signing this Agreement on behalf of Sponsor has the authority to act on behalf of and bind the Sponsor in accordance with the terms of this Agreement.
- B. Sponsor represents and warrants that as of the date of the Loan closing, the Borrower may be a duly organized and validly existing limited partnership under California law and that such limited partnership will have the authority to enter into the Loan and related loan documents.
- C. Sponsor further represents and warrants that as of the date of the Loan closing, the person(s) executing the Loan documents will have full authority to act on behalf of and bind the Sponsor, and the Borrower, in accordance with the terms of those documents.

60. Survival of Obligations

The obligations of the Sponsor as set forth in this Agreement shall survive the Loan closing, and the Sponsor shall continue to cooperate with the Department and perform acts and provide documents as provided herein.

61. Litigation

If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.

EXHIBIT D

The Sponsor shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

62. Obligations of Sponsor with Respect to Certain Third-Party Relationships

The Sponsor shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Development with respect to which assistance is being provided under this Agreement. The Sponsor shall comply with all lawful requirements of the Department necessary to ensure the completion, occupancy and use of the Development in accordance with this Agreement.

63. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Sponsor of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

64. Audit/Retention and Inspection

A. The Department, its representatives, or employees, or its delegatee shall have the right to review, obtain, and copy all records pertaining to performance of the Agreement. Sponsor shall provide the Department or its delegatee with any relevant information requested and shall permit the Department or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material. Sponsor further agrees to maintain such records for a minimum period of four years after final payment under the Agreement unless a longer period of records retention is stipulated.

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- B. At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Development. At the Department's request, the Sponsor shall provide, at its own expense, a financial audit prepared by a certified public accountant.
- C. The audit shall be performed by a qualified State, Department, local or independent auditor. The Agreement for audit shall include a clause which permits access by the Department to the independent auditor's working papers.
- D. If there are audit findings, the Sponsor shall submit a detailed response to the Department for each audit finding. The Department will review the response and, if it agrees with the response, the audit process ends, and the Department will notify the Sponsor in writing. If the Department is not in agreement, the Sponsor will be contacted in writing and will be informed as to the corrective actions required to cure any audit deficiencies. This action could include the repayment of disallowed costs or other remediation.
- E. If so, directed by the Department upon termination of this Agreement, the Sponsor shall cause all records, accounts, documentation and all other materials relevant to this Agreement to be delivered to the Department as depository.

65. Reporting Requirements

Upon Department's request, the Sponsor shall provide to the Department any and all necessary data that it is legally and factually able to provide that is required to be reported pursuant to the most recently adopted Funding Guidelines for California Climate Investments by the California Air Resources Board.

66. AHSC Cross-Default Provision

- A. This award was based on the total points awarded Sponsor's Application during a highly competitive process. That application proposed an integrated combination of some or all of the following Project components: Affordable Housing Development (AHD); Housing-Related Infrastructure (HRI); Sustainable Transportation Infrastructure (STI); Transportation-Related Amenities (TRA); and Programs (PGM). The Application's point score was based, in part, on the

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Project's total projected reduction of greenhouse gas (GHG) emissions. The Project components (AHD, HRI, STI, TRA, and PGM) that were proposed in the Application and approved by the Department must be completed in order to achieve this projected reduction of GHG emissions.

- B. By executing this Agreement, Sponsor acknowledges and agrees that if the HRI, STI, TRA, or PGM component, as applicable, is not timely completed pursuant to Program requirements, then Sponsor will no longer qualify for the Loan award. In the event the Loan has not yet been disbursed, the Loan award will be disencumbered. In the event the Loan has been disbursed, the Department will avail itself of any and all remedies available to it as set forth in the Loan documents in order to recapture the amount of the Loan disbursement, subject to the limitations set forth in subparagraph C. below.
- C. The Department and Sponsor further acknowledge that the Loan funds provided pursuant to this Agreement constitute a non-recourse loan (NR-Loan) secured against the AHD real property as required by the Program (and as may be required in order to comply with tax credit requirements).

Any proceeds from the foreclosure of the NR-Loan may only be used to satisfy financial obligations owed under the NR-Loan's promissory note; additionally, a foreclosure may also be appropriate and necessary to remedy a substantial breach under the associated regulatory agreement.

The Department hereby represents and warrants that, in the absence of the foregoing, the Department shall not foreclose upon the NR-Loan to obtain proceeds to satisfy any liability related to or arising out of the failure of the timely completion of the HRI, STI, TRA, or PGM components, as applicable.

- D. The Department recognizes that the Sponsor may enter into a separate side agreement to address each individual Sponsor entity's responsibilities with respect to each other and with regard to the Loan and Program Grant funds; provided, however, in no event shall any such agreement alter or amend the respective obligations of the Sponsors to the Department under the applicable Loan Documents or Program Grant Documents.

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67. Departmental Cross-Default Provision

In the event the Project or Development is or has been awarded any other Departmental grant or loan funding in addition to the Program Loan and Program Grant contemplated by the Award Letter from the Department to Sponsor (each such funding, including the Program Loan and Program Grant referenced in the Award Letter, being a “**Departmental Funding**”), then each Departmental Funding will be cross defaulted to the other Departmental Fundings so that:

- A. the compliance by the obligated party(ies) under the Department’s documentation relating to one Departmental Funding shall be a condition precedent to the funding and disbursement of the funds to be provided under all of the other Departmental Fundings; and
- B. a default under one Departmental Funding shall constitute a default under all of the other Departmental Fundings.

The loan and grant documentation for each Departmental Funding shall reflect the cross-defaulted nature of all such fundings.

EXHIBIT E

PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS

Project-Specific Provisions

1.

The following are project-specific terms and conditions and shall inform the references made to project-specific information not contained in prior exhibits.

Provision Ex. A-E.1 (As Referenced in Exhibit A, paragraph 2)

The date of the Project Report is December 30, 2021

Provision Ex. A-E.2 (As Referenced in Exhibit A, paragraph 2)

The date of the Award Letter is February 4, 2022.

Provision Ex. A-E.3 (As Referenced in Exhibit A, paragraph 4)

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Lot 3 Final Map 11040 APN: 6311-013 (proposed), 6311-011 (existing) 1545 Sunnydale Avenue (proposed) San Francisco, CA		Sunnydale HOPE SF Block 3A		
Enter the number of units by bedroom size and income level.				
# of Bedrooms	# of Project Units	AHSC Assisted Units*	Income Limit (Percent of AMI)	TOTAL RESTRICTED UNITS**
0	4	3	60%	4
1	5	4	30%	5
1	11	3	50%	11
1	8	7	60%	8
2	7	6	30%	7
2	14	5	50%	14
2	7	6	60%	7
3	3	2	30%	3
3	12	4	50%	12
4	2	1	30%	2
4	6	3	50%	6
Total Project Units	80	44		79

*Program Assisted Units must equal at least twenty percent of the total residential units.

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**Total Restricted units include all units restricted by the Program and TCAC. The Program Loan amount was calculated based on the number of Total Restricted Units.

Provision Ex. A-E.4 (As Referenced in Exhibit A, paragraph 6)

DEVELOPMENT	APPROVAL DATE
Executed binding agreement between the Sponsor and developer of the proposed Development detailing the terms and conditions of the Project development.	03/03/2017
Site Control of Development site(s) by proposed housing developer.	03/03/2017
Completion of all necessary environmental clearances, including those required under CEQA and NEPA.	11/17/2016
Obtaining all necessary and discretionary public land use approvals.	11/17/2016
Obtaining all enforceable funding commitments for at least the first phase of the Development supported by the Infrastructure Project.	08/31/2023
Obtaining all enforceable funding commitments for all construction period financing.	08/31/2023
Obtaining enforceable commitments for all construction/permanent financing described in the Sources and Uses including substantially final construction and permanent loan documents, and tax credit syndication documents for remaining phases of Project.	08/31/2023
Submission of final construction drawings and specifications to the appropriate local building department or permitting authority.	08/31/2023
Occupancy by eligible households	11/30/2027
Program funds fully disbursed.	04/30/2028

Provision Ex. A-E.5 (As Referenced in Exhibit A, paragraph 7)

Affordable Housing and Sustainable Communities (AHSC) Program
Round 6 - Loan
NOFA Date: 02/26/2021
Approved Date: 06/23/2021
Prep. Date: 12/12/2022

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AHD PERFORMANCE MILESTONES	DATE
Commencement of Development construction.	N/A
Construction of the Development complete, as evidenced by receipt of a Certificate of Occupancy	N/A

Provision Ex. A-E.6 (As Referenced in Exhibit A, paragraph 9)

Sponsor:	City and County of San Francisco
Authorized Representative Name:	Eric Shaw
Authorized Representative Title:	Director
Address:	1 South Van Ness Avenue San Francisco, CA 94103
Phone No.:	(415) 701-5616
Email Address:	Eric.shaw@sfgov.org

Recipient:	Mercy Housing California
Authorized Representative Name:	Ramie Dare
Authorized Representative Title:	Vice President
Address:	1256 Market Street San Francisco, CA 94102
Phone No.:	415-355-7118
Email:	rdare@mercyhousing.org

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Sponsor:	The Related Companies of California, LLC
Authorized Representative Name:	Ann Silverberg
Authorized Representative Title:	CEO NorCal Affordable
Address:	44 Montgomery Street, Suite 1300
Phone No.:	(415) 677-9000
Email Address:	asilverberg@related.com

Provision Ex. B-E.1 (As Referenced in Exhibit B, paragraph 3)

Payee Name	Activity	Award Amount
Sunnydale Block 3A Housing Partners, L.P.	AHD	\$10,850,000

Provision Ex. D-E.1 (As Referenced in Exhibit D, paragraph 27)

Sunnydale HOPE SF Block 3A
THIS PROJECT HAS BEEN MADE POSSIBLE
BY FINANCING FROM
CALIFORNIA CLIMATE INVESTMENTS
(funded through the GREENHOUSE GAS REDUCTION FUND)
AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM
THROUGH THE
STRATEGIC GROWTH COUNCIL AND
THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT

EXHIBIT E

2. Special Terms and Conditions

Exhibit A, Paragraph 2A –Definition of Sponsor: This provision is amended to add the following:

Sunnydale Block 3A Housing Partners, L.P. (“LP”) is an affiliate of The Related Companies of California, LLC and Mercy Housing California. Mercy Housing California, Managing Member of Mercy Transformation, LLC (“LLC”), the Managing General Partner of LP. Mercy Housing California, The Related Companies, LLC and City and County of San Francisco were awarded the Program Loan funds pursuant to the Award Letter. The Department acknowledges that the LP will be considered the ultimate borrower of the Program Loan funds and as such will execute the Program Loan Documents. For the purposes of this Agreement, LP, Mercy Housing California, The Related Companies, LLC, and City and County of San Francisco will be collectively referred to herein as “Sponsor.” As such, the LP, Mercy Housing California, The Related Companies, LLC, and City and County of San Francisco shall be jointly and severally liable for all the obligations of a Sponsor as set forth herein. Performance satisfactory to the Department by the LP or the Mercy Housing California, The Related Companies, LLC, and City and County of San Francisco of any duties and obligations under this Agreement, or under any other agreements as required by the Department, will be deemed as performance by the Sponsor.

Section 67 of Exhibit D Departmental Cross-Default Provision is deleted in its entirety.

The Department acknowledges that the City and County of San Francisco shall not be a party to the promissory note, deed of trust or regulatory agreement evidencing or relating to the Affordable Housing and Sustainable Communities Loan which is the subject of this Standard Agreement.