

FIRST AMENDMENT TO AMENDED AND RESTATED
LOAN AGREEMENT
(500 Turk/555 Larkin)

This First Amendment to the Amended and Restated Loan Agreement (“First Amendment”) is made as of May 26, 2023, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the “City”), and **TURK 500 ASSOCIATES, L.P.**, a California limited partnership (the “Borrower”).

RECITALS

A. The City previously loaned Nineteen Million Five Hundred Seventy Nine Thousand and No/100 Dollars (\$19,579,000) (the “Original Loan”) to Borrower to finance development of the property located in the Tenderloin neighborhood of San Francisco at 555 Larkin Street (formerly 500 Turk Street) (the “Site”), on which the Borrower is constructing a 108-unit (including one manager’s unit) multifamily rental housing development known as “555 Larkin” (the “Project”). The Loan is evidenced by the following documents: (1) an Amended and Restated Loan Agreement dated January 17, 2020 (the “Loan Agreement”); (2) a Second Amended and Restated Secured Promissory Note made by Borrower in an amount of Nineteen Million Five Hundred Seventy Nine Thousand and No/100 (\$19,579,000.00) to the order of the City dated January 28, 2020 (the “Construction Note”); (4) a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated January 30, 2020, and recorded on January 30, 2020 as DOC-2020-K897598 of Official Records (the “Deed of Trust”); and (5) a Declaration of Restrictions dated January 30, 2020, and recorded on January 30, 2020 as DOC-2020-K9897597 of Official Records (the “Declaration”). All initially capitalized terms used but not defined in this First Amendment have the meanings given to those terms in the Agreement.

B. The Borrower has requested an additional loan of Funds (“Additional Loan”) from the City in the principal amount not to exceed Four Million Two Hundred Twenty Six Thousand Three Hundred Eleven and No/100 Dollars (\$4,226,311.00) (“Additional Funding Amount”) because of increased construction cost associated with PG&E infrastructure that was required after construction commenced for the Project, as well as costs related to the approximately ten month delay in obtaining permanent power to the Site from the San Francisco Public Utilities Commission. The City has reviewed Borrower's application for the Additional Loan and, in reliance on the accuracy of the statements in that application, has agreed to increase the Original Loan by the Additional Funding Amount to finance the additional construction costs and replace the loss of permanent financing sources.

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

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

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

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

**AMENDED AND RESTATED LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
AFFORDABLE HOUSING BOND PROGRAM, AFFORDABLE HOUSING FUND
INCLUSIONARY, HOME PROGRAM, HOUSING TRUST FUNDS)**

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

**500 TURK STREET
500 Turk Street, San Francisco
\$23,805,311**

2015 General Obligation Bond: \$13,904,731
AHF Inclusionary: \$2,074,269
HOME: \$3,600,000
Housing Trust Fund: \$4,226,311

(c) Recital I is hereby added to the Agreement as follows:

I. In November 2012, the voters of the City approved Proposition C, which established a Housing Trust Fund to provide funds for the creation, acquisition, and rehabilitation of rental and ownership housing affordable to households earning up to 120% of the area median income, including, without limitation, the acquisition of land for such purpose (the "Housing Trust Fund"). Under Section 16.110 et seq. of the San Francisco City Charter, the City is authorized to provide funds from the Housing Trust Fund under this Agreement to Borrower for the development and construction of affordable housing. The funds provided from the Housing Trust Fund under this Agreement will be referred to herein as the "HTF Funds." Notwithstanding Recital C, the definition of "Funds" shall be collectively refer to the Housing Fund, 2015 GO Bond, HOME Funds, and the HTF Funds.

(d) Recital G is hereby amended as follows (additions in double underline; deletions in ~~striketrough~~)

G. The City has reviewed Borrower's application for Funds and, in reliance on the accuracy of the statements in that application, has agreed to make a second additional loan of Funds to Borrower in the amount of Eleven Million Three Hundred Fifty Four Thousand Two Hundred Sixty Nine and No/100 Dollars (\$11,354,269.00) (the "Second Additional Loan") to fund completion of predevelopment activities and construction activities, including permanent financing, related to the Project, such that the Original Loan together with the First Additional Loan, less the Purchase Credit, is increased to a total loan amount equal to Nineteen

Million Five Hundred Thousand Seventy Nine No/100 Dollars (\$19,579,000.00) (the "Original Funding Amount") under this Agreement. The Original Funding Amount consist of four allocations: (i) Affordable Housing Fund Inclusionary Fees in the amount of Thirteen Million Nine Hundred Four Thousand Seven Hundred Thirty One and No/100 Dollars (\$13,904,731.00); (ii) Affordable Housing Fund Jobs-Housing Linkage Fees in the amount of Eight Hundred Twenty Four Thousand Two Hundred Sixty Nine and No/100 Dollars (\$824,269.00); (iii) up to One Million Two Hundred Fifty Thousand and No/100 Dollars (\$1,250,000.00) in Affordable Housing Fund Jobs-Housing Linkage Fees to bridge an anticipated Affordable Housing Program ("AHP") loan; and (iv) HOME Funds in the amount of Three Million Six Hundred Thousand and No/100 Dollars (\$3,600,000.00)

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

1. a commitment from the San Francisco Housing Authority for rental assistance payments under a Housing Assistance Payment ("HAP") contract for twenty-seven (27) units;

2. a State of California Housing and Community Development ("HCD") Firm Commitment letter dated July 8, 2019, providing for Affordable Housing and Sustainable Communities ("AHSC") loan funding in the amount of Thirteen Million Seven Hundred Thousand and No/100 Dollars (\$13,700,000.00);

3. federal low income housing tax credits reserved or allocated to the Project by the California Tax Credit Allocation Committee ("TCAC"), pursuant to its Preliminary Reservation of Low Income Housing Tax Credits dated October 16, 2019; and

4. Deferred developer fee in the amount of Nine Million Five Hundred Seventy Eight Thousand Nine Hundred and Thirty Seven and no/100 Dollars (\$9,578,937.00).

5. an equity contribution from the General Partner in the amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00).

6. an equity contribution from the General Partner from predevelopment income in the amount of Two Hundred and Eighty One Thousand and Nine Hundred and Two Dollars (\$281,902.00).

7. a permanent loan from California Community Reinvestment Corporation in the approximate amount of Eight Million Six Hundred Fifty Two Thousand and No/100 Dollars (\$8,652,000.00) ~~Ten Million Nine Hundred Fifty Three Thousand and No/100 Dollars (\$10,953,000.00)~~.

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

J. The City has reviewed Borrower's application for an additional loan of Funds for the increased construction cost from costs associated with PG&E

infrastructure that was required after construction start, as well as costs related to the approximately ten month delay in obtaining permanent power to the Site from the San Francisco Public Utilities Commission, and replace the loss of permanent financing sources, and has agreed to make a third additional loan of Funds (the "Third Additional Loan") in the principal amount of Four Million Two Hundred Twenty Six Thousand Three Hundred Eleven and No/100 Dollars (\$4,226,311), such that the total loan of Funds is equal to Twenty-Three Million Eight Hundred Five Thousand Three Hundred Eleven and No/100 (\$23,805,311.00) ("Funding Amount"). The Third Additional Loan is comprised of HTF Funds.

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

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

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

"Funds" has the meaning set forth in Recital E and supersedes the meaning set forth in Recital C.

"Funding Amount" has the meaning set forth in Recital J.

"Loan" ~~has the meaning set forth in Recital G~~ means collectively the Original Loan, the First Additional Loan, Second Additional Loan, and the Third Additional Loan.

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

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

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

(a) MOHCD will monitor the rate of lease up and interest rates to determine if any savings can come back to the MOHCD. Any cost savings from the Project will be used to reduce the Additional Funding Amount.

(b) Borrower will provide updated Operating Expenses to MOHCD within three (3) months of the Conversion Date and will hold costs constant or look to reduce costs where available.

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

2. Secured Promissory Note. Concurrently herewith, Borrower will execute a Third Amended and Restated Promissory Note in favor of the City, in form and substance acceptable to the City. A copy of the Note is attached to this First Amendment as Attachment 2.

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

4. Residual Receipts Split with HCD. During negotiations of the Agreement, the City anticipates that it will split residual receipts with HCD. The City will receive residual receipt repayment of the Loan and the balance of the Loan available to receive residual receipts payments will be \$23,805,311. The City's residual receipts split with HCD is as shown below.

50/50 Residual Receipts Split Analysis				
Name of Residual Receipts	Initial Loan Amount	Residual Share %	Net Cash Flow %	
HCD Residual Receipts	\$13,700,000	18.3--%	36.5--%	
City & County of San Francisco	\$23,805,311	32.7--%	63.5--%	
Total of City & HCD Residual Receipts	\$--	50.00%	100.00%	

5. Representations and Warranties.

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

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

6. Miscellaneous.

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

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

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

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

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

Signatures Appear on Following Page

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

THE CITY:

CITY AND COUNTY OF SAN
FRANCISCO, a municipal corporation



By: _____
London N. Breed
Mayor



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

BORROWER:

TURK 500 ASSOCIATES, L.P., a California
limited partnership,

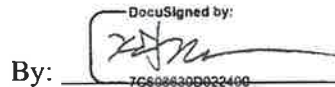
By: Turk 500 GP LLC,
a California limited liability company,
its general partner

By: Tenderloin Neighborhood
Development Corporation,
a California nonprofit public benefit
corporation,
its manager

By: _____
Maurilio Leon
Chief Executive Officer

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

DocuSigned by:


By: _____
7C608830D032400
Keith Nagayama
Deputy City Attorney

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THE CITY:

CITY AND COUNTY OF SAN
FRANCISCO, a municipal corporation

By: _____
London N. Breed
Mayor

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

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Keith Nagayama
Deputy City Attorney

BORROWER:

TURK 500 ASSOCIATES, L.P., a California
limited partnership,

By: Turk 500 GP LLC,
a California limited liability company,
its general partner

By: Tenderloin Neighborhood
Development Corporation,
a California nonprofit public benefit
corporation,
its manager

By: _____

Maurilio Leon
Chief Executive Officer

Attachment 1

Exhibit B-1: Sources & Uses of Funds

See Attached.

Application Date:
Project Name:
Project Address:
Project Sponsor:

2/17/23
555 Larkin (formerly known as 500 Turk)
555 Larkin St
Tenderloin Neighborhood Development Corporation

Units: 108
Bedrooms: 133
Beds:

SOURCES	Total Sources									Comments	
	19,579,000	4,226,311	29,787,566	8,652,000	13,700,000	6,548,937	500,000	329,901	-		83,323,715
Name of Sources: MOHCD/OCII											
	New MOHCD	LP Equity	Perm Debt	AHSC	Deferred Dev Fee	GP Equity	GP - PreDev Income				

USES

ACQUISITION

Acquisition cost or value										0	
Legal / Closing costs / Broker's Fee	274,379									274,379	Broker's Fee + Legal
Holding Costs	450,052									450,052	Preconstruction Property Taxes + Preconstruction Interest
Transfer Tax	1,235									1,235	
TOTAL ACQUISITION	725,666	0	0	0	0	0	0	0	0	725,666	

CONSTRUCTION (HARD COSTS)

* Unit Construction/Rehab	7,683,119	73,070	24,216,713	7,872,563	13,700,000			329,901		53,875,366		Construction line item costs as a % of hard costs
* Commercial Shell Construction			113,167	779,437						892,604		
* Demolition										0		
* Environmental Remediation										0		
* Onsite Improvements/Landscaping										0		
* Offsite Improvements										0		
* Infrastructure Improvements										0	HOPE SF/OCII costs for streets etc.	
Parking										0		
GC Bond Premium/GC Insurance/GC Taxes										0		
GC Overhead & Profit										0		
CG General Conditions										0		0.0% 0.0% 0.0%
Sub-total Construction Costs	7,683,119	73,070	24,329,880	8,652,000	13,700,000	0	0	329,901	0	54,767,970		
Design Contingency (remove at DD)										0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+	
Bid Contingency (remove at bid)										0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+	
Plan Check Contingency (remove/reduce during Plan Review)										0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+	
Hard Cost Construction Contingency										0	5% new construction / 15% rehab	
Sub-total Construction Contingencies	0	0	0	0	0	0	0	0	0	0		
TOTAL CONSTRUCTION COSTS	7,683,119	73,070	24,329,880	8,652,000	13,700,000	0	0	329,901	0	54,767,970		

SOFT COSTS

Architecture & Design												See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Architect design fees	226,334		1,954,628							2,180,962		
Design Subconsultants to the Architect (incl. Fees)										0		
Architect Construction Admin		24,462	965,464							989,926		
Reimbursables			151,208							151,208		
Additional Services			493,130							493,130		
Sub-total Architect Contract	226,334	24,462	3,564,430	0	0	0	0	0	0	3,815,226		
Other Third Party design consultants (not included under Architect contract)			100,089							100,089		
Total Architecture & Design	226,334	24,462	3,664,519	0	0	0	0	0	0	3,915,315		
Engineering & Environmental Studies												Special Inspections - 177K
Survey	14,920									14,920		
Geotechnical studies	153,961									153,961		
Phase I & II Reports	80,807									80,807		
CEQA / Environmental Review consultants	163,543									163,543		
NEPA / 106 Review	27,446									27,446		
CNA/PNA (rehab only)										0		
Other environmental consultants	426,553	17,221								443,774		
Total Engineering & Environmental Studies	867,230	17,221	0	0	0	0	0	0	0	884,451		
Financing Costs												
Construction Financing Costs												
Construction Loan Origination Fee	218,600	63,151								281,751		
Construction Loan Interest	1,387,812	3,813,507	363,167							5,564,486		
Title & Recording	91,105									91,105		
CDLAC & CDIAC fees	21,572									21,572		
Bond Issuer Fees	40,063									40,063		
Other Bond Cost of Issuance										0		
Other Lender Costs: acq loan fees, legal, and interest carry	1,094,889	74,000								1,168,889		
Sub-total Const. Financing Costs	2,854,041	3,950,658	363,167	0	0	0	0	0	0	7,167,866		
Permanent Financing Costs												
Permanent Loan Origination Fee	63,053									63,053		
Credit Enhance, & Appl. Fee										0		
Title & Recording	10,000									10,000		
Sub-total Perm. Financing Costs	73,053	0	0	0	0	0	0	0	0	73,053		
Total Financing Costs	2,927,094	3,950,658	363,167	0	0	0	0	0	0	7,240,919		
Legal Costs												Issuer Financial Advisor, Const. Lender Expenses, Trustee Fee
Borrower Legal fees	196,877	1,051								197,928		
Land Use / CEQA Attorney fees	237,598									237,598		
Tax Credit Counsel	55,000									55,000		
Bond Counsel	80,000									80,000		
Construction Lender Counsel	65,000									65,000		
Permanent Lender Counsel	3,500									3,500		
Other Legal (specify)	103,782									103,782		
Total Legal Costs	741,757	1,051	0	0	0	0	0	0	0	742,808		
Other Development Costs												Total Soft Cost Contingency as % of Total Soft Costs 0.0%
Appraisal	20,200									20,200		
Market Study	10,575									10,575		
* Insurance	707,753	2,614								710,367		
* Property Taxes	100,206	6,687								106,893		
Accounting / Audit	35,000	19,975								54,975		
* Organizational Costs	13,029									13,029		
Entitlement / Permit Fees	930,010	43,022								973,032		
* Marketing / Rent-up	107,000									107,000		
* Furnishings	260,545									260,545		
PGE / Utility Fees	720,563	17,466								738,029		\$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
TCAC App / Alloc / Monitor Fees	75,588									75,588		
* Financial Consultant fees	65,000									65,000		
Construction Management fees / Owner's Rep	222,437	5,085								227,522		
Security during Construction	357,441									357,441		
* Relocation	472,791									472,791		
Community Outreach	7,105									7,105		
License Agreement	200,000									200,000		
Total Other Development Costs	4,305,243	94,849	0	0	0	0	0	0	0	4,400,092		
Soft Cost Contingency												Should be either 10% or 5% of total soft costs. 0.0%
Contingency (Arch, Eng, Fin, Legal & Other Dev)	0	0	0	0	0	0	0	0	0	0		
TOTAL SOFT COSTS	9,067,658	4,088,241	4,027,686	0	0	0	0	0	0	17,183,585		

RESERVES

* Operating Reserves	515,138									515,138	
Replacement Reserves		65,000								65,000	
* Tenant Improvements Reserves										0	
* Lease-Up Reserve	302,701									302,701	
* Capitalized HCD Subsidy Transistion Reserve	184,718									184,718	
* Other (specify)										0	
TOTAL RESERVES	1,002,557	65,000	0	0	0	0	0	0	0	1,067,557	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	1,100,000									1,100,000	
Developer Fee - Cash-out At Risk			1,430,000							1,430,000	
Commercial Developer Fee										0	
Developer Fee - GP Equity (also show as source)							500,000			500,000	
Developer Fee - Deferred (also show as source)						6,548,937				6,548,937	
Development Consultant Fees										0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)										0	
TOTAL DEVELOPER COSTS	1,100,000	0	1,430,000	0	0	6,548,937	500,000	0	0	9,578,937	

TOTAL DEVELOPMENT COST	19,579,000	4,226,311	29,787,566	8,652,000	13,700,000	6,548,937	500,000	329,901	0	83,323,715	
Development Cost/Unit by Source	181,287	39,133	275,811	80,111	126,852	60,638	4,630	3,055	0	771,516	
Development Cost/Unit as % of TDC by Source	23.5%	5.1%	35.7%	10.4%	16.4%	7.9%	0.6%	0.4%	0.0%	100.0%	

Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/Unit By Source	71,140	677	225,277	80,111	126,852	0	0	3,055	0	507,111	
Construction Cost (inc Const Contingency)/SF	69.89	0.66	221.32	78.70	124.62	0.00	0.00	3.00	0.00	498.20	

*Possible non-eligible GO Bond/COP Amount:
City Subsidy/Unit

10,515,782
181,287

Tax Credit Equity Pricing:
Construction Bond Amount:
Construction Loan Term (in months):
Construction Loan Interest Rate (as %):

1.020
44,407,408
44 months
7.02%

Attachment 2

Secured Promissory Note (Additional Loan)

See Attached.

THIRD AMENDED AND RESTATED PROMISSORY NOTE
(2015 GENERAL OBLIGATION BOND FOR AFFORDABLE HOUSING, AFFORDABLE
HOUSING FUND INCLUSIONARY, HOME PROGRAM, HOUSING TRUST FUNDS)

Principal Amount: \$23,805,311

San Francisco, CA

Date: May 26, 2023

FOR VALUE RECEIVED, the undersigned, **TURK 500 ASSOCIATES, L.P.**, a California Limited Partnership ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Twenty Three Million Eight Hundred Five Thousand Three Hundred Eleven and No/100 Dollars (\$23,805,311) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, as provided in this Note.

1. Agreement.

1.1 Pursuant to an Amended and Restated Loan Agreement dated January 17, 2020, by and between Holder and Maker ("Original Agreement"), Holder previously made a loan in the amount of \$19,579,000.00 (the "Construction Loan") for the purpose to funding activities in support of the development, construction, and permanent financing of 107-units of affordable housing for low and very low income households, including 27 units that will have rental subsidies under a contract with the San Francisco Housing Authority (plus one manager's unit) (the "Residential Project") and a ground floor commercial warm shell with a total of approximately 2,380 square feet for one or two (1 or 2) commercial spaces (the "Commercial Space"), which is known as 555 Larkin (the "Project"). The Construction Loan was evidenced by that certain Second Amended and Restated Secured Promissory Note dated January 17, 2020, made by Maker to the order of Holder in an amount equal to the Construction Loan ("Construction Note"). The Original Agreement and the Construction Note were secured by that certain Deed of Trust, Assignments of Rents, Security Agreement and Fixture Filing dated January 30, 2020, executed by Maker for the benefit of Holder, and recorded in the Official Records on January 30, 2020, as Instrument No. 2020-K9897597 ("Deed of Trust").

1.2 Holder is making an additional loan of Four Million Two Hundred Twenty Six Thousand Three Hundred Eleven and No/100 Dollars (\$4,226,311.00) ("Third Additional Loan") to Maker for the completion of construction and permanent financing related to the Project, such that the Construction Loan together with the Third Additional Loan are increased to a total loan amount equal to the Funding Amount. This Third Amended & Restated Secured Promissory Note ("Note") is given under the terms of the Original Agreement, as amended by that certain First Amendment to the Amended and Restated Loan Agreement dated as of the date set forth above (collectively, as amended, the "Agreement") which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by the Deed of Trust, as amended by that certain First Amendment to Deed of Trust dated as of even date herewith. Definitions and rules of interpretation set forth in the Agreement apply to this Note. The Construction Note shall be cancelled and returned to the Maker. This Note amends, restates and replaces the Construction Note in its entirety. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Except as provided in Section 3, no interest will accrue on the Funding Amount.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the

maximum lawful rate of interest, commencing on the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Funding Amount.

4.1 Subject to Section 13.4 of the Agreement, Maker will make annual payments of principal and interest (each, a "Payment") in an amount equal to the Residual Receipts, if any, attributable to the prior calendar year, beginning of the first June 30th after the end of the calendar year of the Completion Date, and continuing each June 30th thereafter up to and including the Maturity Date, as defined below (each, a "Payment Date"). All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The entire unpaid principal balance of the Loan, together with all accrued and unpaid interest (if any) and other unpaid fees and costs incurred, will be due and payable on the date that is the later of (a) the fifty-seventh (57th) anniversary of the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the fifty-fifth (55th) anniversary of the Conversion Date, but in all events not later than December 31, 2077 (the "Maturity Date"). If any Payment Date, including any Excess Proceeds Payment Date and the Maturity Date, falls on a weekend or holiday, it will be deemed to fall on the next succeeding business day.

4.2 Excess Proceeds. Subject to Section 3.7 and 13.4 of the Agreement, Maker must make payments of principal and interest (each, an "Excess Proceeds Payment") in an amount equal to the Excess Proceeds, if any, on the date that is thirty (30) days after the later of the date on which Maker receives its Form 8609 from the California Tax Credit Allocation Committee or the date on which Maker receives Excess Proceeds from its limited partner or other financing sources (the "Excess Proceeds Payment Date"). All Excess Proceeds Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan.

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

6. Terms of Payment.

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

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

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

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole

discretion to determine the order and method of application of Payments to obligations under this Note.

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

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

7. Default.

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

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

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

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

8. Waivers.

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

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

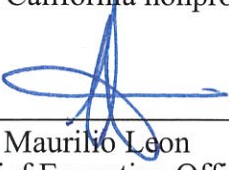
[Signatures on following page]

"MAKER"

Turk 500 Associates, L.P.,
a California limited partnership

By: Turk 500 GP LLC,
a California limited liability company,
its general partner

By: Tenderloin Neighborhood
Development Corporation,
a California nonprofit public benefit corporation, its manager

By: 
Name: Maurilio Leon
Its: Chief Executive Officer

Attachment 3

First Amendment to Deed of Trust

See Attached.

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

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

Lot 002; Block 0741

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

**FIRST AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(Property Address: 555 Larkin)**

This First Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("First Amendment to Deed of Trust") dated as of May 26, 2023, is attached to and made a part of that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated January 30, 2020, and recorded January 30, 2020, as Document Number DOC-2020-K897598 (the "Deed of Trust"). The Deed of Trust secures a loan in the amount of (the "Loan") made by the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation represented by the Mayor and acting through the Mayor's Office of Housing and Community Development ("City" or "Beneficiary"), to TURK 500 ASSOCIATES, L.P., a California Limited Partnership ("Borrower" or "Trustor"), whose address is 201 Eddy Street, San Francisco, CA 94102, for development expenses associated with the real property described in the attached **Exhibit A**.

The Loan was evidenced by that certain Amended and Restated Loan Agreement dated January 30, 2020, by and between Trustor and Beneficiary (the "Loan Agreement") and by that certain Second Amended and Restated Secured Promissory Note dated January 30, 2020 (the "Construction Note"), Declaration of Restrictions dated as of January 30, 2020 (the "Declaration") and the Deed of Trust.

Pursuant to that certain First Amendment to the Amended and Restated Loan Agreement, Beneficiary agreed to increase the Loan ("Additional Loan") by Four Million Two Hundred Twenty Six Thousand Three Hundred Eleven and No/100 Dollars (\$4,226,311) (the "Additional Funding Amount"), as evidenced by that certain Third Amended and Restated Promissory Note executed by Borrower, each dated as of the date set forth above. The new amount of the Loan is \$23,805,311.

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

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

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

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


- (a) performance of all present and future obligations of Trustor set forth in the Agreement, specifically compliance with certain restrictions on the use of the Property recited in that certain Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, that certain Third Amended and Restated Promissory Note dated May 26, 2023, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "Note") and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement, as amended;
 - (b) payment of the indebtedness evidenced by the Agreement as amended by that certain First Amendment to Amended and Restated Loan Agreement and the Note in the original principal amount of Twenty-Three Million Eight Hundred Five Thousand Three Hundred Eleven and No/100 (\$23,805,311), with interest, if any, according to the terms of the Agreement and the Note; and
 - (c) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

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

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

BENEFICIARY:


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

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

SIGNATURE ABOVE MUST BE NOTARIZED


APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: 
7C608639D022490
Deputy City Attorney

BENEFICIARY:


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

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

SIGNATURE ABOVE MUST BE NOTARIZED

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: 
7C608639D022490
Deputy City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Francisco)

On 5/17/2023 before me, Rawan Habash Notary Public
(insert name and title of the officer)

personally appeared Eric D. Shaw,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rawan Habash (Seal)



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Francisco)

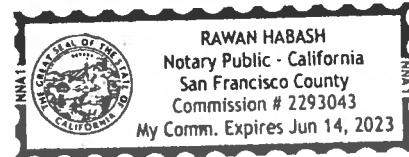
On 5/17/2023 before me, Rawan Habash Notary Public
(insert name and title of the officer)

personally appeared Eric D. Shaw,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rawan Habash (Seal)




"TRUSTOR:"

TURK 500 ASSOCIATES, L.P., a California limited partnership,

By: Turk 500 GP LLC,
a California limited liability company,
its general partner

By: Tenderloin Neighborhood
Development Corporation,
a California nonprofit public benefit corporation,
its manager

By


Maurilio Leon
Chief Executive Officer

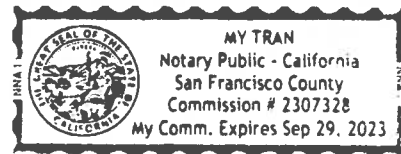
ALL SIGNATURES MUST BE NOTARIZED

State of California)
County of San Francisco)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature:

Many



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