FIRST AMENDMENT TO
AMENDED AND RESTATED LOAN AGREEMENT
(78 HAIGHT and 120 Octavia)

This First Amendment to the Amended and Restated Loan Agreement ("**First Amendment**") is made as of _____ ___, 2024, 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 **OCTAVIA RSU ASSOCIATES, L.P.**, a California limited partnership (the "Borrower").

RECITALS

A. The City previously loaned Twenty Six Million Seven Hundred Forty Six Thousand Four Hundred Sixty Seven and No/100 Dollars ($26,746,467.00) (the "**Original Loan**") to Borrower to finance development of the property located on 78 Haight Street and 120 Octavia (collectively, the "**Site**"), on which the Borrower is constructing a sixty three (63)-unit multifamily rental housing development (the "Improvements") affordable to low-income households, including thirty-two (32) units for TAY, of which fifteen (15) units will be targeted to residents who qualify under the Homeless Household under No Place Like Home (NPLH) Criteria which will be known as 78 Haight (the "**Project**").

B. The Original Loan is evidenced by the following documents: (1) an Amended and Restated Loan Agreement dated April 1, 2022 (the "**Loan Agreement**"); (2) an Amended and Restated Secured Promissory Note made by Borrower in an amount of Twenty One Million Nine Hundred Sixty Six Thousand Two Hundred Twenty Eight and No/100 Dollars ($21,966,228.00) to the order of the City dated April 1, 2022 (the "**City Funds Note**"); (3) a Secured Promissory Note made by Borrower in an amount of Four Million Seven Hundred Eighty Thousand Two Hundred Thirty Nine and No/100 Dollars ($4,780,239.00) to the order of the City dated April 1, 2022 (the "**NPLH Note**"); (4) a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated April 7, 2022, executed by Borrower for the benefit of the City, and recorded on April 8, 2022 as DOC-2022036073 in the Official Records (the "**Deed of Trust**"); and (5) a Declaration of Restrictions and Affordable Housing Covenant dated April 7, 2022, and recorded on April 8, 2022 as DOC-2022036071 in the 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.

C. The Borrower has requested an additional loan of Funds ("**Additional Loan**") from the City in the principal amount not to exceed Eight Million Five Hundred Fifty Nine Thousand Seven Hundred Sixty Six and No/100 Dollars ($8,559,766.00) ("**Additional Funding Amount**") because of increased Project costs in an estimated amount of $8,559,766 caused by a delay in construction due to unforeseen conditions of the adjacent property, an increase in hard costs to stabilize the adjacent property for the safety and stability of the Project, and an increase in construction loan interest and other soft costs. The Citywide Affordable Housing Loan Committee has reviewed Borrower's application for the Additional Loan and, in reliance on the accuracy of the statements in that application, has recommended to the Mayor to increase the Original Loan by the Additional Funding Amount to finance the additional Project costs.

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

E. On _____, 2024, the City's Board of Supervisors and the Mayor approved this Amendment by Resolution No. _____ to fund the Additional Loan Amount.

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 ~~strikethrough~~):

AMENDED AND RESTATED LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
AFFORDABLE HOUSING FUND INCLUSIONARY AFFORDABLE HOUSING PROGRAM,
AFFORDABLE HOUSING FUND: INCLUSIONARY MARKET AND OCTAVIA PROGRAM,
2019 GENERAL OBLIGATION BOND FOR AFFORDABLE HOUSING,
NO PLACE LIKE HOME (NPLH),
EDUCATION REVENUE AUGMENTATION HOUSING FUND,
HOUSING TRUST FUND)

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

78 HAIGHT
78 Haight Street and 120 Octavia Street, San Francisco, CA
~~$26,746,467~~ $35,306,233

AHF INCLUSIONARY FUND: $5,466,228
AHF INCLUSIONARY MARKET AND OCTAVIA FUND: $10,500,000
2019 GO BOND: ~~$4,000,000~~$9,000,000
NO PLACE LIKE HOME: $4,780,239
ERAF HOUSING FUND: $2,000,000
HOUSING TRUST FUND: $3,559,766

(c) Recital E is hereby deleted in its entirety and replaced as follows:

E. (1) 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 "HTF Funds"). Under Section 16.110 *et seq.* of the San Francisco City Charter, the City is authorized to provide funds from the HTF Funds under this Agreement to Borrower for the development and construction of affordable housing.

(2) Under San Francisco Administrative Code Section 10.100-11, the San Francisco Board of Supervisors established the Affordable Housing Production and Preservation Fund to receive appropriated excess Education Revenue Augmentation Fund ("ERAF") revenues received by the City ("ERAF Housing Fund"). MOHCD administers the ERAF Housing Fund for the purpose of funding land acquisition and production of new 100% affordable housing projects and acquisition and preservation of existing housing to make that housing permanently affordable. MOHCD is authorized to provide funds from the ERAF Housing Fund under this Agreement to Borrower for the development of affordable housing. The funds provided from the AHF Inclusionary Fund, AHF Inclusionary Market and Octavia Fund, 2019 GO Bond, NPLH Funds, ERAF Housing Fund, and the HTF Funds under this Agreement are collectively referred herein as the "Funds."

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

F. Borrower intends to acquire a leasehold interest in the real property located at 78 Haight Street and 120 Octavia Street, San Francisco, California (the "Land") under a Ground Lease dated as of April 7, 2022 by and between City and Borrower ("Ground Lease"). Borrower desires to use the Funds to construct a sixty-three (63)-unit multifamily rental housing development (the "Improvements") affordable to low-income households, including thirty-two (32) units for TAY, of which fifteen (15) units will be targeted to residents who qualify under the Homeless Household under No Place Like Home (NPLH) Criteria., and including the construction of ~~the~~ commercial space, resident services space, and/or additional residential units ~~of a childcare center~~ (the "Commercial Space"), collectively which will be known as 78 Haight (the "Project"). If the context requires, the term "Improvements" will include the Commercial Space. The maximum income and rent requirements set forth in Exhibit A will remain in effect even if the Local Operating Subsidy is no longer available to the Project.

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

H. The Citywide Affordable Housing Loan Committee has reviewed Borrower's application for Funds and, in reliance on the accuracy of the statements in that application, has recommended to the Mayor that the City make a loan of

Funds to Borrower (the "Loan") in the amount of Thirty Five Million Three Hundred Six Thousand Two Hundred Thirty Three ~~Twenty Six Million Seven Hundred Forty Six Thousand Four Hundred Sixty Seven~~ and No/100 Dollars ($35,306,233~~26,746,467~~) (the "Funding Amount") under this Agreement to fund certain costs related to the Project. The Funding Amount is comprised of (i) AHF Inclusionary Fund in the amount of Five Million Four Hundred Sixty Six Thousand Two Hundred Twenty Eight and No/100 Dollars ($5,466,228.00), (ii) AHF Inclusionary Market and Octavia Fund in the amount of Ten Million Five Hundred Thousand and 00/100 ($10,500,000.00), (iii) 2019 GO Bond in the amount of Nine~~Four~~ Million and No/100 Dollars ($9,000,000.00~~4,000,000~~), (iv) NPLH Funds in the amount of Four Million Seven Hundred Eighty Thousand Two Hundred Thirty Nine and No/100 Dollars ($4,780,239), (v) ERAF Housing Fund in the amount of Two Million and No/100 Dollars ($2,000,000), and (vi) Housing Trust Fund in the amount of Three Million Five Hundred Fifty Nine Thousand Seven Hundred Sixty Six and No/100 Dollars ($3,559,766.00).

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

I. Borrower has secured the following additional financing for the Project:

1. a construction loan from Silicon Valley Bank to Borrower in the amount of Eighteen Million Three Hundred Fifty One Thousand Two Hundred Eighty Five and No/100 Dollars ($18,351,285.00), pursuant to a loan agreement dated as of the date hereof;

2. federal and state 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 20, 2021 and a Carryover Allocation dated December 2, 2021, as revised on March 29, 2022, and TCAC extensions to December 31, 2024 and December 31, 2025, including the sponsor loan documents relating to the state low income housing tax credits; and

3. a General Partner equity contribution from Borrower in the amount of One Million One Hundred Thousand and No/100 Dollars ($1,100,000.00)~~One Hundred and No/100 Dollars ($100.00)~~.

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

"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, as amended.

"Notes" means the two promissory notes executed by Borrower in favor of the City, in form and substance acceptable to City: (1) Note A in the original principal amount of Thirty Million Five Hundred Twenty Five Thousand Nine Hundred Ninety Four and No/100 Dollars ~~Twenty One Million Nine Hundred Sixty Six Thousand Two Hundred Twenty Eight and No/100 Dollars ($21,966,228.00)~~; and (2) Note B in the original principal amount of [Four Million Seven Hundred Eighty Thousand Two Hundred Thirty Nine and No/100 Dollars ($4,780,239.00).

(h) Section 2.6 (Other Loan Conditions) of the Agreement is hereby amended as follows (additions in double underline):

2.6 Other Loan Conditions.

• Borrower will repay the Loan with the amount of the COSR 2 (as defined below) unless it is needed for another purpose, which will require MOHCD review and approval.

• Borrower must provide additional information on the commercial space tenant improvement budget prior to construction loan closing, alongside warm shell assumptions for MOHCD staff to verify that it meets the Commercial Space Underwriting Guidelines.

• Borrower must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update until start of construction, including on:

- o Status of neighbor negotiations
- o Outcomes achieved related to racial equity goals, and
- o Commercial-use space development

• Borrower must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.

• Borrower must provide quarterly updated response to any letters requesting corrective action.

• Borrower must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the fiscal year the project will achieve TCO so that MOHCD may request the LOSP subsidy (anticipated to be needed by November 2022).

• Borrower to work with MOHCD and HSH to plan the lease up process for the referrals from Coordinated Entry.

• Borrower to provide monthly updates on progress of re-planning ground floor use space, including additional residential units, service space and / or smaller commercial space, impacts on budget, and will request MOHCD approval prior to finalizing the revised ground floor plan.

• Borrower will reapply for Continuum of Care ("CoC") funding from HUD, and if awarded, Borrower will reduce the amount allocated to the COSR and use Excess Proceeds to repay Note A. Any awarded CoC funding will not be used to pay at-risk developer fee.

• Borrower will apply for additional capital funds and rental subsidies in addition to CoC that might allow Borrower to leverage permanent debt against the Project, as well as to increase Project funding sources. Borrower will seek an allocation of Project Based Vouchers from SFHA with assistance from MOHCD, and/or Veterans Affairs Supportive Housing ("VASH") on the non-Permanent Supportive Housing units to offset the City's additional loan for the Project. If Borrower is awarded Project Based Vouchers and/or VASH, Borrower will (i) use the additional Project Income from such awards to service additional debt for the Project, and (ii) with the prior written approval of MOHCD in its sole discretion, may fund a portion of at-risk developer fee from Excess Proceeds.

(i) Section 3.5 (Repayment of Principal and Interest) of the Agreement is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

3.5 Repayment of Principal and Interest. Except as set forth in Sections 3.5.1, the outstanding principal balance of the Loan, together with all accrued and unpaid interest, if any, will be due and payable on the Maturity Date according to the terms set forth in full in the Notes. Except as set forth in the Notes, no prepayment of the Loan will be permitted without the prior written consent of the City in its sole and absolute discretion.

3.5.1 Notification and Repayment of AHP Bridge Loan. If Borrower is awarded AHP funding, Borrower will deliver to the City a copy of the award notice of such AHP funding award no later than ten (10) days of receiving written notice, unless the City has received such written notice prior to the Agreement Date. Borrower will repay the AHP Bridge Loan to the City within one hundred twenty (120) days of the later of (i) the date the Deed of Trust is recorded in the Official Records, or (ii) the date the Borrower closes the loan for AHP funding and the AHP funds are disbursed to Borrower; provided, however, that if Borrower is not awarded AHP funding or receives AHP funding sufficient for only partial repayment of the AHP Bridge Loan, the unpaid principal balance of the AHP

Bridge Loan and unpaid costs and fees incurred will be due and payable at the Maturity Date according to the terms set forth in full in the Notes. Notwithstanding the foregoing, if Borrower is awarded AHP funding, and if the Funding Amount combined with decreases to permanent loan sources and tax credit equity are insufficient to pay off the outstanding construction loan, the Borrower with City's prior written approval may use the AHP funding to repay the outstanding construction loan or pay construction costs, and the unpaid principal balance of the AHP Bridge Loan and unpaid costs and fees incurred shall be due and payable at the Maturity Date according to the terms set forth in full in Note A.

(j) Section 5.6 (Commencement and Completion of Project) is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

5.6. Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower will: (a) commence demolition, rehabilitation or construction by a date no later than July 1, 2022; (b) complete demolition, rehabilitation or construction by a date no later than ~~January 1, 2024~~July 1, 2026, in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve occupancy of ninety-five percent (95%) of the Units by a date no later than ~~May 1, 2024~~ December 1, 2026.

2. Amendments to Exhibits.

(a) EXHIBIT A is hereby amended to add a new Section 3 as follows:

3. To the extent the Borrower needs to repay the full outstanding loan balance by the Maturity Date, the rent restrictions above may be altered up to a maximum annual rent of thirty percent (30%) of seventy-five (75%) of Median Income, less utility allowance, but only to the extent necessary for the Project to refinance and repay the full outstanding loan balance by the Maturity Date, as determined in City's reasonable discretion. Any Units with such altered rent restrictions will at all times be occupied by Qualified Tenants whose household income will be commensurate to the altered maximum annual rent, but will not exceed seventy-five (75%) of Median Income. In such event, Borrower will provide the City with a written request no less than one year prior to the Maturity Date, and the City will use good faith efforts to meet with Borrower within fifteen (15) days after Borrower's request to meet. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

(b) 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.

3. Secured Residential Amended and Restated Promissory Note. Concurrently herewith, Borrower will execute a Second Amended and Restated Promissory Note (City Funds Note or Note A) in favor of the City. A copy of the Second Amended and Restated Promissory Note is attached to this First Amendment as Attachment 2.

4. 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.

5. First Amendment to Declaration of Restrictions. Concurrently herewith, Borrower will execute a First Amendment to Declaration of Restrictions in form and substance acceptable to the City. A copy of the First Amendment to Declaration of Restrictions is attached to this Frist Amendment as Attachment 4.

6. 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, the Notes, or any other City Documents.

7. 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.

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

Signatures 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: _____
Daniel Adams
Director, Mayor's Office of Housing and Community Development

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Keith Nagayama
Deputy City Attorney

BORROWER:

Octavia RSU Associates, L.P.,
a California limited partnership

By: Octavia RSU 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: 11/1/2023 **# Units:** 63
Project Name: Octavia Parcel U **# *Bedrooms:*** 63
Project Address: 78 Haight Street **# Beds:**
Project Sponsor: Tenderloin Neighborhood Development Corporation

									Total Sources	Comments
SOURCES	**21,021,228**	**8,559,766**	**4,780,239**	**24,624,975**	**2,423,019**	**945,000**	**1,100,000**	**1,546,700**	**65,000,927**	
Name of Sources:	MOHCD/OCII	MOHCD add'l Gap	NPLH (MOHCD)	Fed LIHTC Equity	State LIHTC Equity	AHP	GP Capital	Accrued Interest		
USES										
ACQUISITION										
Acquisition cost or value	0								0	1256607
Legal / Closing costs / Broker's Fee	5,000								5,000	480655.89
Holding Costs	0								0	1737262.89
Transfer Tax	32,438								32,438	
TOTAL ACQUISITION	**37,438**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**37,438**	
CONSTRUCTION (HARD COSTS)										
* Unit Construction/Rehab	2,133,064	2,308,316	4,780,239	14,983,115	2,423,019	945,000			27,572,753	Includes escalation estimates and change orders incurred to date; church off sites are listed in offsite improvements
* Commercial Shell Construction	881,926			1,171,612					2,053,538	
* Demolition									0	
Environmental Remediation	0	100,000							100,000	Soil offhaul
* Onsight Improvements/Landscaping	1,271,135								1,271,135	
* Offsite Improvements	730,885	1,306,607		480,656					2,518,148	$1.3 MM includes Church Repairs directly related to housing in project scope
* Infrastructure Improvements									0	
Parking									0	
GC Bond Premium/GC Insurance/GC Taxes	1,020,527	590,789							1,611,316	Additional cost due to extension **4.0%**
GC Overhead & Profit	1,154,970	0							1,154,970	**2.8%**
CG General Conditions	2,177,954	2,133,307							4,311,261	Additional GCs for time extension **10.6%**
Sub-total Construction Costs	*9,370,461*	*6,439,019*	*4,780,239*	*16,635,383*	*2,423,019*	*945,000*		*0*	*40,593,121*	
Design Contingency (remove at DD)									0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+ **0.0%**
Bid Contingency (remove at bid)									0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+ **0.0%**
Plan Check Contingency (remove/reduce during Plan Review)									0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+ **0.0%**
Hard Cost Construction Contingency	1,707,705	314,451							2,022,156	Recapitalization of hard cost contingency **5.0%**
Sub-total Construction Contingencies	*1,707,705*	*314,451*	*0*	*0*	*0*	*0*		*0*	*2,022,156*	
TOTAL CONSTRUCTION COSTS	**11,078,166**	**6,753,470**	**4,780,239**	**16,635,383**	**2,423,019**	**945,000**	**0**	**0**	**42,615,277**	
SOFT COSTS										
Architecture & Design										
Architect design fees	991,392	355,000							1,346,392	Increased to reflect actuals
Design Subconsultants to the Architect (incl. Fees)	735,488	30,000							765,488	Includes structural engineer costs
Architect Construction Admin	558,110	305,306							863,416	Addition of CA due to time extension
Reimbursables	0	42,768							42,768	
Additional Services	0	125,743							125,743	Reflects costs incurred till date + potential added services
Sub-total Architect Contract	*2,284,990*	*858,817*	*0*	*0*	*0*	*0*	*0*	*0*	*3,143,807*	
Other Third Party design consultants (not included under Architect contract)	152,725	276,961							429,686	Permit Expediter, Dry Utilities Consultant and Geotech Costs
Total Architecture & Design	**2,437,715**	**1,135,778**	**0**	**0**	**0**	**0**	**0**	**0**	**3,573,493**	
Engineering & Environmental Studies										
Survey	25,000	30,000							55,000	Additional scope from work at Church
Geotechnical studies	122,000	65,000							187,000	Added scope due to work at Church
Phase I & II Reports	100,000	-74,399							25,601	Savings since line item is underspent
CEQA / Environmental Review consultants	0								0	
NEPA / 106 Review	0								0	
CNA/PNA (rehab only)	0								0	
Other environmental consultants	250,000	-98,695							151,305	Savings since line item is underspent
Total Engineering & Environmental Studies	**497,000**	**-78,094**	**0**	**0**	**0**	**0**	**0**	**0**	**418,906**	
Financing Costs										
Construction Financing Costs										
Construction Loan Origination Fee		40,000							40,000	Extension fees for construction loan
Construction Loan Interest	681,450	1,040,977		448,159			1,100,000	446,700	3,717,286	Addition of loan interest at higher rate, plus accrued interest
Title & Recording	70,000								70,000	
CDLAC & CDIAC fees									0	
Bond Issuer Fees	238,435	-89,687							148,748	Overbudgeted line item previously
Other Bond Cost of Issuance									0	
Other Lender Costs - inspections		48,000							48,000	Lender inspections budget $1000/mo
Sub-total Const. Financing Costs	*989,885*	*1,039,290*	*0*	*448,159*	*0*	*0*	*1,100,000*	*446,700*	*4,024,034*	
Permanent Financing Costs										
Permanent Loan Origination Fee									0	
Credit Enhance. & Appl. Fee									0	
Title & Recording	10,000								10,000	
Sub-total Perm. Financing Costs	*10,000*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*10,000*	
Total Financing Costs	**999,885**	**1,039,290**	**0**	**448,159**	**0**	**0**	**1,100,000**	**446,700**	**4,034,034**	
Legal Costs										
Borrower Legal fees		44,607		85,000					129,607	Increased legal fees due to church negotiations
Land Use / CEQA Attorney fees									0	
Tax Credit Counsel		71,600		140,000					211,600	Increased budget for legal fees in anticipation of mini closing
Bond Counsel									0	
Construction Lender Counsel	0	100,000							100,000	Adding budget for legal fees in anticipation of mini closing
Permanent Lender Counsel	10,000	-10,000							0	
*									0	
Total Legal Costs	**10,000**	**206,207**	**0**	**225,000**	**0**	**0**	**0**	**0**	**441,207**	
Other Development Costs										
Appraisal	15,000	-10,000							5,000	Overbudgeted line item previously
Market Study	15,000	6,450							21,450	Underbudgeted line item previously
* Insurance		317,389		688,247					1,005,636	Increased insurance costs due to time extension
* Property Taxes	173,000	-172,960							40	
Accounting / Audit	40,726			39,274					80,000	
* Organizational Costs	10,000								10,000	
Entitlement / Permit Fees	608,188	-768,890		691,812					531,110	Overbudgeted line item previously
* Marketing / Rent-up	110,000	-25,000							85,000	Cost cutting
* Furnishings	434,300								434,300	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees		350,000		675,000					1,025,000	Underbudgeted line item previously
TCAC App / Alloc / Monitor Fees		8,700		127,830					136,530	
* Financial Consultant fees	65,000	12,500							77,500	Underbudgeted line item previously
Construction Management fees / Owner's Rep		94,750		118,388					213,138	Increased fee for time extension
Security during Construction	240,000	-240,000							0	Included in hard cost increases
* Relocation		25,000							25,000	Added scope due to work at Church
Community Outreach		15,000							15,000	Added scope for communication with other neighbors
Public Art	121,467								121,467	Includes art consultant fee, artwork design fee, and installation coordination fee
Construction Costs NIC	827,984								827,984	Street space fees, neighbor agreement, storm water prevention, façade testing, solar pv, covid delays, fire pump, etc. and other scopes that aren't included in both PTA and G/S.
Total Other Development Costs	**2,660,665**	**-387,061**	**0**	**2,340,551**	**0**	**0**	**0**	**0**	**4,614,155**	
Soft Cost Contingency										
Contingency (Arch, Eng, Fin, Legal & Other Dev)	831,686	39,205	0	0	0	0	0	0	870,891	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**7,436,951**	**1,955,325**	**0**	**3,013,710**	**0**	**0**	**1,100,000**	**446,700**	**13,952,686**	
RESERVES										
* Operating Reserves		114,922		608,131					723,053	Per updated operating budget
Replacement Reserves									0	
* Tenant Improvements Reserves									0	
* COSR 1		1,314,599		3,889,201					5,203,800	Resized per updated operating budget due to insurance cost increases
* Lease Up Reserves	268,673								268,673	
* COSR 2		-478,550		478,550					0	Combined into one COSR now
TOTAL RESERVES	**268,673**	**950,971**	**0**	**4,975,882**	**0**	**0**	**0**	**0**	**6,195,526**	
DEVELOPER COSTS										
Developer Fee - Cash-out Paid at Milestones	2,200,000	-1,100,000							1,100,000	
Developer Fee - Cash-out At Risk									0	
Commercial Developer Fee									0	
Developer Fee - GP Equity (also show as source)								1,100,000	1,100,000	
Developer Fee - Deferred (also show as source)									0	
Development Consultant Fees									0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)									0	
TOTAL DEVELOPER COSTS	**2,200,000**	**-1,100,000**	**0**	**0**	**0**	**0**	**0**	**1,100,000**	**2,200,000**	
TOTAL DEVELOPMENT COST	**21,021,228**	**8,559,766**	**4,780,239**	**24,624,975**	**2,423,019**	**945,000**	**1,100,000**	**1,546,700**	**65,000,927**	
Development Cost/Unit by Source	333,670	135,869	75,877	390,873	38,461	15,000	17,460	24,551	1,031,761	
Development Cost/Unit as % of TDC by Source	32.3%	13.2%	7.4%	37.9%	3.7%	1.5%	1.7%	2.4%	100.0%	
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit By Source	175,844	107,198	75,877	264,054	38,461	15,000	0	0	676,433	
Construction Cost (inc Const Contingency)/SF	232.36	141.65	100.27	348.93	50.82	19.82	0.00	0.00	893.85	

Construction line item costs as a % of hard costs

Total Soft Cost Contingency as % of Total Soft Costs **6.7%**

**Possible non-eligible GO Bond/COP Amount:*	*6,077,983*
City Subsidy/Unit	333,670
Tax Credit Equity Pricing:	0.985
Construction Bond Amount:	n/a
Construction Loan Term (in months):	24 months
Construction Loan Interest Rate (as %):	7.50%

Attachment 2

Second Amended and Restated Secured Promissory Note

See Attached.

SECOND AMENDED AND RESTATED SECURED PROMISSORY NOTE

(AHF Inclusionary Fund, AHF Inclusionary and Octavia Fund, 2019 GO BOND, No Place Like Home, ERAF Housing Fund, Housing Trust Fund)

Principal Amount: $30,525,994.00 San Francisco, CA

Date: _____ ____, 2024

FOR VALUE RECEIVED, the undersigned, **OCTAVIA RSU 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 Thirty Million Five Hundred Twenty Five Thousand Nine Hundred Ninety Four and No/100 Dollars ($30,525,994.00) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement.

1.1 Pursuant to an Amended and Restated Loan Agreement dated April 1, 2022 by and between Holder and Maker ("Original Agreement"), Holder previously loaned Twenty One Million Nine Hundred Sixty Six Thousand Two Hundred Twenty Eight and No/100 Dollars ($21,966,228.00) (the "Original Loan") to Borrower to finance development of the property located on 78 Haight Street (the "Site"), on which the Borrower is constructing is constructing a sixty three (63)-unit multifamily rental housing development (the "Improvements") affordable to low-income households, including thirty-two (32) units for TAY, of which fifteen (15) units will be targeted to residents who qualify under the Homeless Household under No Place Like Home (NPLH) Criteria which will be known as 78 Haight (the "Project"). The Original Loan is evidenced, in part, by that certain Amended and Restated Secured Promissory Note dated April 1, 2022 made by Borrower in an amount Twenty One Million Nine Hundred Sixty Six Thousand Two Hundred Twenty Eight and No/100 Dollars ($21,966,228.00) ("Original Loan") to the order of the City (the "Original Note") to fund the Improvements. The Original Agreement, the Original Note and the No Place Like Home Note are secured by that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated April 7, 2022 and recorded on April 8, 2022 as DOC-2022036073 of Official Records (the "Deed of Trust").

1.2 Holder is making an additional loan of Eight Million Five Hundred Fifty Nine Thousand Seven Hundred Sixty Six and No/100 Dollars ($8,559,766.00) (the "Additional Loan", and together with the Original Loan, the "Loan") to Maker for increased cost due to the necessary pause in construction due to unforeseen conditions of the adjacent property to cover an increase in hard costs to stabilize that building, escalation in Project cost, as well as an increase in construction loan interest and other soft costs, such that the Original Loan together with the Additional Loan are increased to a total loan amount equal to the Funding Amount. This Amended and 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 _____, 2024, (collectively, 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. Definitions and rules of interpretation set forth in the Agreement apply to this Note. This Note amends, restates and replaces the Original Note in its entirety, and upon execution of this Note by Maker, the Original Note will be canceled and returned to Maker. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of three percent (3%) per annum, simple interest, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents. Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used.

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

4. Repayment of Funding Amount.

4.1 Subject to Section 13.4 of the Agreement, Maker must 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 on the first June 30th after the end of the calendar year of the Completion Date, and continuing each June 30th thereafter up to and including the Maturity Date, as defined below (each, a "Payment Date"). All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The unpaid principal balance of the Loan, together with all accrued and unpaid interest and unpaid costs and fees incurred, will be due and payable on the date that is the later of (a) the Fifty-Seventh (57th) anniversary of the date the Deed of Trust was recorded in the Recorder's Office of San Francisco County or (b) the Fifty-Fifth (55th) anniversary of the Conversion Date (the "Maturity Date"). Any Payment Date, including any Excess Proceeds Payment Date and the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

4.2 Subject to Section 3.7 and Section 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.

4.3 If Maker is awarded AHP funding for the Project, Maker will make a payment of principal and interest (an "AHP Payment") in an amount equal to the AHP Bridge Loan on the date Maker closes the loan for AHP funding and the AHP funds are disbursed to Maker ("AHP Payment Date"); provided, however, that if Maker is not awarded AHP funding for the Project or receives AHP funding sufficient for only partial repayment of the AHP Bridge Loan, the unpaid principal balance of the AHP Bridge Loan will be due and payable on the Maturity Date. Notwithstanding the foregoing, if Maker is awarded AHP funding, and if the Funding Amount combined with decreases to permanent loan sources and tax credit equity are insufficient to pay off the outstanding construction loan, the Maker with Holder's prior written

approval may use the AHP funding to repay the outstanding construction loan or for other construction costs, and the unpaid principal balance of the AHP Bridge Loan and unpaid costs and fees incurred shall be due and payable at the Maturity Date. The AHP Payment 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 are secured by the Deed of Trust, as amended by that certain First Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated the same date as this Note.

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 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.

7.3 Subject to this Section, Holder will not seek or obtain judgment against Maker or its Permitted Limited Partner 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.

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 THE NEXT PAGE***]

"MAKER"

OCTAVIA RSU ASSOCIATES, L.P.,
a California limited partnership

By: Octavia RSU 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 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

APN: 0853-065 and 0853-066
Site Address: 78 Haight Street and 120 Octavia Street

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

FIRST AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING
(Property Address: 78 Haight Street and 120 Octavia Street)

This First Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("First Amendment to Residential Deed of Trust") dated as of _____, 2024, is attached to and made a part of that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated April 1, 2022 and recorded April 8, 2022, as Document Number DOC-2022036073 (the "Deed of Trust"). The Deed of Trust secures a loan in the amount of Twenty Six Million Seven Hundred Forty Six Thousand Four Hundred Sixty Seven and No/100 Dollars ($26,746,467) (the "Original 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 Octavia RSU Associates, L.P., a California limited partnership ("Borrower" or "Trustor"), whose address is 201 Eddy Street, San Francisco, CA 94108, for development expenses associated with the real property described in the attached **Exhibit A**.

The Original Loan was evidenced by that certain Amended and Restated Loan Agreement dated April 1, 2022, by and between Trustor and Beneficiary (the "Loan Agreement") and Amended and Restated Secured Promissory Note dated April 1, 2022 (the "Original Note"), and Secured Promissory Note dated April 1, 2022 (the "No Place Like Home Note"), a Declaration of Restrictions and Affordable Housing Covenant dated as of April 1, 2022 (the "Declaration") and the Deed of Trust.

Pursuant to that certain First Amendment to the Loan Agreement, Beneficiary agreed to increase the Original Note by Eight Million Five Hundred Fifty Nine Thousand Seven Hundred Sixty Six and No/100 Dollars ($8,559,766.00) (the "Additional Loan"), as evidenced by that certain Second Amended and Restated Secured Promissory Note ("Note") executed by Borrower to the order of Beneficiary, each dated as of the date hereof. The new amount of the Original Note is comprised of the Original Loan and the Additional Loan, and when combined with the No Place Like Home Note, the new total Loan is Thirty Five Million Three Hundred Six Thousand Two Hundred Thirty Three and No/100 Dollars ($35,306,233) ("Funding Amount").

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 Residential 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, as it may be amended from time to time, 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 Second Amended and Restated Secured Promissory Note dated _____, 2024, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "City Funds Note"), that certain Secured Promissory Note (NPLH) dated April 1, 2022, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "NPLH Note," and together with the City Funds Note, collectively the "Notes"), and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement, as amended;

(b) payment of the indebtedness evidenced by the Agreement as amended by that certain First Amendment to the Loan Agreement and the City Funds Note in the original principal amount of Thirty Million Five Hundred Twenty Five Thousand Nine Hundred Ninety Four and No/100 Dollars ($30,525,994.00), with interest, if any, according to the terms of the Agreement, as amended, and the City Funds Note;

(c) payment of the indebtedness evidenced by the Agreement as amended by that certain First Amendment to the Loan Agreement and the NPLH Note in the original principal amount of Four Million Seven Hundred Eighty Thousand Two Hundred Thirty Nine and No/100 Dollars ($4,780,239.00), with interest, if any, according to the terms of the Agreement, as amended, and the NPLH Note;

(d) 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 First Amendment to Residential Deed of Trust, 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: _____

Daniel Adams
Director, Mayor's Office of Housing and Community Development

SIGNATURE ABOVE MUST BE NOTARIZED

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____

Keith Nagayama
Deputy City Attorney

[Additional signatures follow this page]

TRUSTOR:

Octavia RSU Associates, L.P.,
a California limited partnership

By: Octavia RSU 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

EXHIBIT A
Legal Description of the Land

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

Leasehold estate as created by that certain Ground Lease dated April 7, 2022 made by and between the City and County of San Francisco, a municipal corporation, as lessor, and Octavia RSU Associates, L.P., a California limited partnership, as lessee, for the term of and upon the terms and conditions contained in said lease, a memorandum thereof recorded concurrently herewith in and to the following:

Parcel A and Parcel B as shown on Parcel Map 10527, which Map recorded December 30, 2021 in Book 52 of Parcel Maps, Pages 31-34, inclusive, San Francisco County Records.

APN: 0853-065 and 0853-066 (formerly APN 0853-032)

Street Address:
78 Haight Street and 120 Octavia Street, San Francisco, CA

Street Address:
78 Haight Street and 120 Octavia Street, San Francisco

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 _____)

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

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

WITNESS my hand and official seal.

_____
Name: _____
Notary Public

Attachment 4

First Amendment to Declaration of Restrictions

See Attached.

Attachment 4

Free Recording Requested Pursuant to
Government Code Section 27383 AND 27388.1

Recording requested by and
when recorded mail to:
City and County of San Francisco
Mayor's Office of Housing
and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Agnes Defiesta

APN#: 0853-065 and 0853-066
Address: 78 Haight Street and 120 Octavia Street, San Francisco, CA

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

FIRST AMENDMENT TO DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS

78 Haight Street and 120 Octavia Street

THIS FIRST AMENDMENT TO DECLARATION OF RESTRICTIONS AND AFFORDABLE HOUSING COVENANTS (this "Amendment") is made and executed as of the ___ day of _____, 2024, (the "Effective Date"), by **OCTAVIA RSU ASSOCIATES, L.P.**, a California Limited Partnership ("Borrower") and 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"), with reference to the following recitals of fact:

RECITALS:

A. Borrower owns that certain real property located in the City and County of San Francisco, State of California, and more particularly described on Exhibit A attached hereto, and incorporated herein by this reference, and certain improvements situated thereon, an affordable housing development that will consist of 63 low income rental units (the "Property").

B. The Property is subject to that certain Declaration of Restrictions and Affordable Housing Covenants by Borrower in favor the City dated as of April 7, 2022, and recorded in the official records of the City and County of San Francisco on April 8, 2022, as Series No. 2022036071 (the "Declaration"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Declaration unless the context clearly indicates otherwise. The Declaration incorporates that certain Amended and Restated Loan Agreement by and between City and Borrower dated April 1, 2022 (the "Loan Agreement") and the First Amendment to Amended and Restated Loan Agreement dated _____, 2024.

C. To satisfy requirements under the Internal Revenue Code related to federal low income housing tax credits, Borrower and City desire to amend the Declaration to adjust the allowable maximum Median Income limits for certain units on or after the maturity date under the Loan Agreement to the extent necessary for repayment of the City's loan to Borrower.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree, from and after the Effective Date as follows:

A. Amendment. A new Section 4 is hereby added to the Declaration as follows:

> 4. To the extent the Borrower needs to repay the full outstanding loan balance by the Maturity Date, the rent restrictions above may be altered up to a maximum annual rent of thirty percent (30%) of seventy five (75%) of Median Income, less utility allowance, but only to the extent necessary for the Project to refinance and repay the full outstanding loan balance by the Maturity Date, as determined in City's reasonable discretion. Any Units with such altered rent restrictions will at all times be occupied by Qualified Tenants whose household income will be commensurate to the altered maximum annual rent, but will not exceed seventy five (75%) of Median Income. In such event, Borrower will provide the City with a written request no less than one year prior to the Maturity Date, and the City will use good faith efforts to meet with Borrower within fifteen (15) days after Borrower's request to meet. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

B. Miscellaneous.

(a) References. No reference to this 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 Amendment, the Declaration will remain unmodified and in full force and effect.

(c) Counterparts. This 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 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 Amendment.

[***signatures on following page***]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

BORROWER:

Octavia RSU Associates, L.P.,
a California limited partnership

By: Octavia RSU 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

CITY:

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: _____
Daniel Adams, Director
Mayor's Office of Housing and Community Development

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: _____
Keith Nagayama, 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 _____)
) ss:
COUNTY OF _____)

On _____, 2020, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____

[Seal]

EXHIBIT A

Legal Description

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

Street Address: 78 Haight Street