FIRST AMENDMENT TO THE LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
LOW AND MODERATE INCOME HOUSING ASSET FUNDS, 2023 CERTIFICATES OF PARTICIPATION, AND HOUSING TRUST FUNDS)

THIS FIRST AMENDMENT TO LOAN AGREEMENT ("**First Amendment**") is entered into as of [_____, 2026], by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the "**City**"), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "**MOHCD**"), and **1234 GREAT HIGHWAY LLC**, a California limited liability company (the "**Borrower**").

RECITALS

A. The City previously loaned $24,000,000 in Low and Moderate Income Housing Asset Funds ("**LMIHAF**") and 2023 Certificates of Participation funds (the "**Loan**") to Borrower for predevelopment activities related to the development of an approximately 216-unit multifamily residential project affordable to low-income and formerly homeless seniors, including a commercial shell for community serving space (collectively, the "**Project**"). The Loan is evidenced by the following documents: (1) a Loan Agreement dated December 11, 2023 (the "**Original Agreement**"), (2) a Secured Promissory Note made by Borrower to the order of the City dated December 11, 2023 (the "**Original Acquisition Note**"), (3) a Secured Promissory Note dated December 11, 2023 (the "**Original Predevelopment Note**," and together with the Original Acquisition Note, the "**Original Notes**"), (4) a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated January 23, 2024 and recorded in the official records of the City and County of San Francisco (the "**Official Records**") on January 24, 2024 as Document No. 2024009445 (the "**Deed of Trust**"), and (5) a Declaration of Restrictions and Affordable Housing Covenants dated as of January 23, 2024 and recorded in the Official Records on January 24, 2024 as Document Number 2024009444 (the "**Declaration**"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Original Agreement.

B. The Borrower has requested additional funds ("**Additional Loan**") from the City in the total amount not to exceed Three Million Two Hundred Forty-Eight Thousand and No/100 Dollars ($3,248,500.00) (the "**Additional Funding Amount**") to fund certain additional expenses related to the Project. 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 Loan by the Additional Funding Amount.

C. The City and Borrower now desire to amend the Original Agreement in accordance with this First Amendment to increase the Loan by the Additional Funding Amount for a total principal amount not to exceed Twenty-Seven Million Two Hundred Forty Eight Thousand Five Hundred and No/100 Dollars ($27,248,500.00) (the "**Amended Loan**"). Further, the City and Borrower will: 1) amend and restate the Original Predevelopment Note to increase the Loan amount by the Additional Funding Amount; and 2) enter into a First Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing to secure the Amended Loan.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the City and Borrower agree as follows:

AGREEMENT

1. The Original Agreement is hereby amended as follows:

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

LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
2023 CERTIFICATES OF PARTICIPATION, HOUSING TRUST FUND, LOW AND MODERATE INCOME HOUSING ASSET 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~~):

1234 Great Highway, San Francisco, CA 94122
~~24,000,000~~ $27,248,500
Low and Moderate Income Housing Asset Fund: $4,047,507
2023 Certificates of Participation: $19,952,493
Housing Trust Fund: $3,248,500

c) Title on page 1, is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

LOAN AGREEMENT
(City and County of San Francisco
Low and Moderate Income Housing Asset Fund, Housing Trust Fund, and 2023 Certificates of Participation)
1234 Great Highway, San Francisco, CA 94122

d) A new Recital C is hereby added to the Original Agreement as follows, and the subsequent Recitals are hereby renumbered accordingly:

> C. 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. 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 proceeds from the 2023 COP Funds, the Housing Trust Funds and the LMIH Funds under this Agreement will be referred to herein as the "Funds."

e) A New Recital G is hereby added to the Original Agreement as follows:

G. 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 Twenty-Three Million Three Hundred Forty-Eight Thousand Five Hundred and No/100 Dollars ($23,348,500.00) related to the acquisition of the Site ("Acquisition Amount"), and Three Million Nine Hundred Thousand and No/100 Dollars ($3,900,000.00) for certain costs related to the predevelopment of the Project ("Predevelopment Amount"), for a total amount of Twenty-Seven Million Two Hundred Forty-Eight Thousand and No/100 Dollars ($27,248,500.00) (the "Funding Amount") under this Agreement to fund certain costs related to the Project. The Funding Amount is comprised of (i) LMIH Funds in the amount of $4,047,507.00, (ii) 2023 Certificates of Participation in the amount of $19,952,493.00, and (iii) Housing Trust Funds in the amount of $3,248,500.00.

f) A New Recital H is hereby added to the Original Agreement as follows:

H. On December 11, 2023 and [_____], 2026, the City's Board of Supervisors and the Mayor approved this Agreement by Resolution No. 0551-23 and Resolution No. [_____] for the purpose of developing the Project.

g) Section 2.5(k) is hereby added to the Original Agreement:

(k) Borrower shall not apply for any other financing for the Project without consent from MOHCD.

h) Section 3.1(b) of the Original Agreement is hereby deleted in its entirety and replaced with the following:

(b) Predevelopment Amount. Borrower will repay all amounts owing under the Predevelopment Note on the date that is the fifty-fifth (55th) anniversary of the Conversion Date (the "Predevelopment Maturity Date"); provided, however, subject to **Section 3.8**, if Borrower fails to commence construction of the Project on or before December 31, 2031 (the "Outside Construction Commencement Date"), the Predevelopment Maturity Date will be the Outside Construction Commencement Date. The City may agree to extend the Outside Construction Commencement Date in its sole and absolute discretion.

i) Section 5.6 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

> 5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower will: (a) commence demolition and construction by a date no later than December 31, 2031; (b) complete demolition and construction by a date no later than December 31, 2033, 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 December 31, 2034.

j) Exhibit B-1 of the Original Agreement is hereby deleted in its entirety and replaced with **Exhibit A** attached hereto.

2. Original Predevelopment Note. Concurrently herewith, Borrower will execute an Amended and Restated Secured Promissory Note (Predevelopment) in favor of the City. The Original Predevelopment Note will be cancelled and returned to the Borrower.

3. First Amendment to Deed of Trust. Concurrently herewith, Borrower will execute a First Amendment to the Deed of Trust, which will be recorded in the Official Records.

4. Representations and Warranties.

(a) All of the representations and warranties made by Borrower to the City in the Original 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 Original Agreement, Original Notes, or any other City Documents.

5. Miscellaneous.

(a) References. No reference to this First Amendment is necessary in any instrument or document at any time referring to the Original Agreement, the Original Notes or any other City Document. Any reference to such documents shall be deemed a reference to such documents as amended by this First Amendment.

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

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

(d) Successors and Assigns. The terms, covenants and conditions contained in this First Amendment shall bind and inure to the benefit of Parties 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 First 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 on next page]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment at San Francisco, California as of the Effective Date.

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: _____
Daniel Lurie
Mayor

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

BORROWER:

1234 GREAT HIGHWAY LLC, a California limited liability company

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

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Jessica Alfaro-Cassella
Deputy City Attorney

EXHIBIT A

TABLE OF SOURCES AND USES OF FUNDS

Exhibit B-1 in the Original Agreement is deleted in its entirety and replaced with the following Predevelopment Financing Sources and Uses of Funds: