



## EXECUTIVE SUMMARY

MEETING DATE: January 19, 2024

HCR24-010

SUBJECT: Final Bond Authorization and Tax, Equity and Fiscal Responsibility Act (TEFRA) Hearing and Resolution for Cuatro at City Heights

COUNCIL DISTRICT: 9

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Jennifer Kreutter (619) 578-7709

### REQUESTED ACTION:

Authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds, in an aggregate amount not to exceed \$47,111,000 and taxable bonds in an amount not to exceed \$30,000,000, to fund Cuatro at City Heights LP's construction of Cuatro at City Heights, a new 117-unit affordable rental housing development at three scattered sites at 4050 El Cajon Blvd. (Project 1), 3951 University Ave. (Project 2), and 4050 and 4102-4122 University Avenue (Project 3) in the City Heights neighborhood of San Diego, which will consist of 115 units affordable for 55 years for individuals and families earning 30 percent to 60 percent of San Diego's Area Median Income (AMI) and two unrestricted managers' units.

### EXECUTIVE SUMMARY OF KEY FACTORS:

- On April 6, 2023, the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) approved taking preliminary steps to authorize the issuance of up to \$50,000,000 of tax-exempt Multifamily Housing Revenue Bonds to finance the new construction of Cuatro at City Heights.
- The Housing Commission has awarded 48 Project-Based Housing Vouchers to the development to help pay rent for individuals and families earning 30 percent to 60 percent of AMI who are not experiencing homelessness. No Housing Commission cash loan funds are proposed for Cuatro at City Heights.
- On August 23, 2023, the California Debt Limit Allocation Committee (CDLAC) approved a \$47,111,000 tax-exempt bonds allocation, and the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.
- Cuatro at City Heights will be a 117-unit, new construction, scattered-site, mixed-use, transit-oriented development at three projects consisting of four scattered sites in the City Heights neighborhood in San Diego.
- Of the 115 affordable apartments, 85 units will be reserved as general affordable housing units for families with low income, including large families, and 30 units will be reserved for veterans with low income experiencing homelessness. Of these 30 units, six will be reserved for veterans experiencing homelessness with a disabling condition.
- City Heights Community Development Corporation (CHCDC) will provide resident services for all tenants. Interfaith Community Services will provide supportive services for the 30 units for veterans experiencing homelessness.
- Mass transit is available within 0.1 mile.
- CHCDC and United Women of East Africa will occupy commercial space at the 4040 University Ave. and 4102-4122 University Ave. sites. Tax-exempt bonds will not be used to finance the commercial portion of the development. Tenant improvements to the commercial portion will be the responsibility of the tenant.
- The development has an estimated total development cost of \$99,096,133 (\$846,975/unit).



## REPORT

**DATE ISSUED:** January 11, 2024

**REPORT NO:** HCR24-010

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of January 19, 2024

**SUBJECT:** Final Bond Authorization and Tax, Equity and Fiscal Responsibility Act (TEFRA)  
Hearing and Resolution for Cuatro at City Heights

**COUNCIL DISTRICT:** 9

*A Tax Equity and Fiscal Responsibility Act (TEFRA) hearing is scheduled to be heard by the San Diego Housing Commission (Housing Commission) Board of Commissioners on January 19, 2024, at 9 a.m. Any two members of the Housing Authority of the City of San Diego (Housing Authority) or San Diego City Council (City Council) may request that this hearing not take place and instead be heard by the Housing Authority and City Council by giving notice to the Housing Commission's President & Chief Executive Officer, or designee, within seven days of the date of this notice.*

### **REQUESTED ACTION**

Authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds, in an aggregate amount not to exceed \$47,111,000 and taxable bonds in an amount not to exceed \$30,000,000, to fund Cuatro at City Heights LP's construction of Cuatro at City Heights, a new 117-unit affordable rental housing development at three scattered sites at 4050 El Cajon Blvd. (Project 1), 3951 University Ave. (Project 2), and 4050 and 4102-4122 University Avenue (Project 3) in the City Heights neighborhood of San Diego, which will consist of 115 units affordable for 55 years for individuals and families earning 30 percent to 60 percent of San Diego's Area Median Income (AMI) and two unrestricted managers' units.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions and recommend that the Housing Authority of the City of San Diego (Housing Authority) and San Diego City Council (City Council) take the following actions:

#### **Housing Commission Board**

- 1) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$47,111,000 to finance the development of Cuatro at City Heights, a scattered-site development in the City Heights neighborhood of San Diego, consisting of three projects: a 25-unit affordable rental housing development at 4050 El Cajon Blvd. (Project 1), in an amount not to exceed \$9,413,179; a 21-unit affordable housing development at 3951 University Ave. (Project 2), in an amount not to exceed \$8,036,219; and a 71-unit affordable housing development at 4050 and 4102-4122 University Ave. (Project 3), in an amount not to exceed \$29,661,602. The scattered-site development will consist of a total of 115 units affordable for 55 years for individuals and families earning 30 percent to 60 percent of San Diego's Area Median

Income (AMI) and two unrestricted managers’ units. The three sites composing Cuatro at City Heights are identified separately in the TEFRA resolution and public hearing notice solely to comply with the requirements of TEFRA regulation section 1.147(f)-1(f)(2)(ii).

- 2) Approve an updated financing team to include Jones Hall as the Bond Counsel.

**Housing Authority**

- 1) Authorize the issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$47,111,000 and taxable bonds in an amount not to exceed \$30,000,000 to fund Cuatro at City Heights LP’s construction of Cuatro at City Heights, a new 117-unit affordable rental housing development at three scattered sites at 4050 El Cajon Blvd. (Project 1), 3951 University Ave. (Project 2), and 4050 and 4102-4122 University Ave. (Project 3) in the City Heights neighborhood of San Diego, which will consist of 115 units affordable for 55 years for individuals and families earning 30 percent to 60 percent of San Diego’s Area Median Income (AMI) and two unrestricted managers’ units.
- 2) Authorize the Housing Commission’s President and Chief Executive Officer (President and CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel of the Housing Authority and of the Housing Commission and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel.

**City Council**

Adopt a Tax Equity and Fiscal Responsibility Act (TEFRA) resolution, approving the issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$47,111,000 to finance the development of Cuatro at City Heights, a scattered-site development in the City Heights neighborhood of San Diego, consisting of three projects: a 25-unit affordable rental housing development at 4050 El Cajon Blvd. (Project 1), in an amount not to exceed \$9,413,179; a 21-unit affordable housing development at 3951 University Ave. (Project 2), in an amount not to exceed \$8,036,219; and a 71-unit affordable housing development at 4050 and 4102-4122 University Ave. (Project 3), in an amount not to exceed \$29,661,602. The scattered-site development will consist of a total of 115 units affordable for 55 years for individuals and families earning 30 percent to 60 percent of San Diego’s Area Median Income (AMI) and two unrestricted managers’ units. The three sites composing Cuatro at City Heights are identified separately in the TEFRA resolution and public hearing notice solely to comply with the requirements of TEFRA regulation section 1.147(f)-1(f)(2)(ii).

**SUMMARY**

A development Summary is as follows:

**Table 1 –Development Details**

Address	Parcel #1 – 4050 El Cajon Blvd. Parcel #2 – 3951 University Ave. Parcel #3 – 4050 University Ave. Parcel #4 – 4102-4122 University Ave.
Council District	Council District 9

Community Plan Area	City Heights Community Plan
Developer	Wakeland Housing and Development Corporation
Development Type	Acquisition and New Construction
Construction Type	Type V, four-story buildings (four buildings)
Parking Type	Four small, infill, Transit-Oriented Development (TOD) sites; seven parking spaces at the 4050 University Ave. site. No other parking, as all sites are in a TOD designated area.
Local Amenities	<u>Mass Transit</u> : Blue / Red (0.1 miles) Bus lines 1, 60, 215, 235 <u>Grocery</u> : North Park Produce (0.6 miles), Eagle Food Center (1.2 miles), Fairmount Supermarket (1.5 miles) <u>Schools</u> : Central Elementary (0.4 miles), Wilson Middle (0.3 miles), Herbert Hoover High (0.6 miles)
Housing Type	Affordable for families with low income, including large families, and veterans experiencing homelessness
Accessibility	Wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment.
Lot Size	1.603 Acres (69,826 square feet)
Units	115 affordable units and two unrestricted manager’s unit
Density	73.125 dwelling units per acre (117 units ÷ 1.603 acres)
Unit Mix	26 studio units, 29 one-bedroom units, 33 two-bedroom units (including two managers’ units), and 29 three-bedroom units
Gross Building Area	132,958 square feet
Net Rentable Area	78,160 square feet
Project Based Housing Vouchers (PBV)	48 PBVs for individuals and families earning 30% to 60% of AMI who are not experiencing homelessness
Affordable Units in Service by Council District	Council District 9 includes 2,933 affordable rental housing units currently in service, which represents 11 percent of the 25,601 affordable rental housing units in service citywide.

Background

On April 6, 2023, the Housing Commission (Report No. HCR23-045; Resolution No. HC-1983) approved taking preliminary steps to authorize the issuance of up to \$50,000,000 of tax-exempt Multifamily Housing Revenue Bonds, to finance the new construction of Cuatro at City Heights and held a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986.

The Housing Commission Board is authorized to hold TEFRA hearings pursuant to Multifamily Mortgage Revenue Bond Program Policy Amendments the Housing Authority approved March 9, 2021 (Report No. HAR20-043; Resolution No. HA-1906).

The TEFRA regulations require that if the issuance of tax-exempt bonds finances multiple “projects” (as defined in the federal tax law regulations), the TEFRA hearing notice and approval must specify separately the maximum principal amount of such bonds to be issued to finance each project. Bond counsel has identified three “projects” for federal tax law purposes: parcel 1 (Project 1), parcel 2 (Project 2) and parcels 3 and 4 (collectively, Project 3).

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- Project 1 will be financed by tax-exempt bonds in the maximum principal amount of \$9,413,179.
- Project 2 will be financed by tax-exempt bonds in the maximum principal amount of \$8,036,219.
- Project 3 will be financed by tax-exempt bonds in the maximum principal amount of \$29,661,602.

The total maximum principal amount of tax-exempt bonds to be issued will equal the \$47,111,000 tax-exempt bonds allocation the California Debt Limit Allocation Committee (CDLAC) approved on August 23, 2023. The California Tax Credit Allocation Committee (CTCAC) also approved a 4 percent tax credits allocation on August 23, 2023.

### The Development

Cuatro at City Heights will be a 117-unit, new construction, scattered-site, mixed-use, transit-oriented development at three projects consisting of four scattered sites in the City Heights neighborhood in San Diego. The four infill, vacant sites are at 4050 El Cajon Blvd. 3951 University Ave., 4050 University Ave. and 4102-4122 University Ave., San Diego, CA 92105 (Attachment 1 –Site Map). Of the 115 affordable apartments, 85 units will be reserved as general affordable housing units for families with low income, including large families, consistent with CTCAC definitions and regulations, and 30 units will be reserved for veterans with low income experiencing homelessness. Of these 30 units, six will be reserved for veterans experiencing homelessness with a disabling condition. In addition, two units will be on-site managers' units.

Cuatro at City Heights will include approximately 13,094 square feet of commercial space. City Heights Community Development Corporation will be relocating its offices to 3,356 square feet of commercial space at 4050 University Ave. United Women of East Africa will purchase the 9,738 square feet of commercial space at 4102-4122 University Ave. United Women of East Africa will partner with other local immigrant groups to make immigrant services available to the City Heights Community at one convenient location. The commercial cold shell development costs will be covered by the Commercial Tenant Contribution of approximately \$4.9 million. The tax-exempt bonds will not be used to finance the commercial portion of the development. Any tenant improvements expected to be made to the commercial portion will be the responsibility of the tenants. Tenant improvements are to be completed at a later date.

The ownership of the project will be structured utilizing a condo or air space parcel map structure to create separate legal parcels for each individual commercial space and the separate legal parcel for the residential portions of the project.

The development's unit amenities will include heating / air conditioning, refrigerator, oven, dishwasher, garbage disposal, blinds, computer access, and cable television prewiring. Site amenities will include: a lobby / mail room, bicycle storage room, large common room with kitchen, managers' offices and conference room, computer room, laundry room, and outdoor synthetic turf courtyards. The courtyards will include play areas with tot-lots with playhouses and climbing nets, tables and benches, and a barbecue area. Cuatro at City Heights will be four four-story, wood-frame buildings with exterior stucco and a concrete slab-on-grade foundation. The 117-unit development will consist of studio, one-,

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two- and three-bedroom units, along with associated common areas, parking and landscape improvements.

### The Property

The Cuatro at City Heights sites are north and south of El Cajon Boulevard, east of Interstate 805, west of Fairmont Avenue, and south of Adams Avenue. All four sites are in the City Heights Community Planning Area, near bus service, grocery stores, pharmacies and healthcare options.

### Services

City Heights Community Development Corporation (CHCDC) will provide resident services for all tenants. CHCDC's mission is to enhance the quality of life in City Heights. Founded in 1981 by a small group of local residents, CHCDC works in collaboration with neighborhood residents, focusing on improving the quality of life by focusing on social determinants of health, such as transit access, safe and walkable neighborhoods, and economic opportunities. As a place-based community development nonprofit, CHCDC is committed to advancing public infrastructure, small businesses, and policies that support low-income families. CHCDC will provide a full-time resident services coordinator at Cuatro at City Heights.

Through referral and advocacy, all residents will have assistance and access to a range of organized services free of charge. Tenant enrichment services include community activities, social events, celebrations and health and wellness classes. Case management services are one-on-one meetings designed to identify goals and meet the unique needs of families and individuals.

Supportive services for the 30 units set aside for veterans experiencing homelessness (HCD Veterans Housing and Homeless Prevention Program) will be provided by Interfaith Community Services (Interfaith) and are included in the operating budget. Founded in 1979 as a direct response to the rising rates of hunger and homelessness in North San Diego County, Interfaith works to break the cycle of poverty and homelessness by "helping people help themselves."

Defined as a Service Provider by the State of California's Veterans Housing and Homeless Prevention (VHHP) program, Interfaith commits to provide and assess the need for the following services for veteran clients. The local U.S. Department of Veterans Affairs office will be providing in-kind services to the 30 VHHP units. Services include on-site case management and service coordination; Homeless Management Information System (HMIS) entry; and local Coordinated Entry System (CES) administration; benefits counseling; mental, primary and preventative health care; substance use treatment services; educational services; employment services; life skills training; peer support and advocacy; resources for legal services; social and recreational services; financial counseling; and transportation assistance.

### Developer's Request

In response to the Housing Commission's Fiscal Year (FY) 2022 Notice of Funding Availability (NOFA), Wakeland Housing and Development Corporation (Wakeland) submitted an application for federal Project-Based Housing Vouchers (PBV) for the Cuatro at City Heights development. On January 21, 2022, Housing Commission staff provided a preliminary recommendation of award of 48 PBVs for the development.

Prevailing Wages

Cuatro at City Heights’ proposed use of 48 U.S. Department of Housing and Urban Development PBVs, which the Housing Commission administers, will require the development to pay federal prevailing wages. Since a reservation for state Multifamily Housing Program funds has been secured, state prevailing wages are also required. Wakeland will be subject to paying the higher prevailing wage rate of the two (federal and state).

Appraisal

An appraisal for each of the four subject sites with an effective date of February 10, 2023, valued the properties at a total of \$11,845,000 assuming current market conditions. Assuming the proposed affordable housing restrictions, the properties were appraised at \$8,794,550. The developer obtained the appraisals, which The Dore Group conducted. The appraisals for each parcel are detailed below:

<b>Parcel</b>	<b>Project</b>	<b>Current Market Conditions</b>	<b>Assumed Affordable Restrictions</b>
Parcel #1	Project #1	\$2,540,000	\$1,903,607
Parcel #2	Project #2	\$2,075,000	\$1,384,468
Parcel #3	Project #3	\$4,500,000	\$2,776,475
Parcel #4	Project #3	\$2,730,000	\$2,730,000

Relocation

The subject properties are vacant. No relocation is necessary.

Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units, and an additional 4 percent of the units are required to have communication features for residents with visual and/or hearing impairment. The same units can satisfy both accessibility requirements. The Cuatro at City Heights units will be accessible in accordance with the Americans with Disabilities Act and Section 504.

Project Sustainability

Cuatro at City Heights will be constructed in conformance with CTCAC minimum energy efficiency standards. The development’s features will include Energy Star-rated efficient appliances and a solar component for the common area’s electrical load. Water efficiency and conservation has been incorporated into the development’s design, including low-flow fixtures and drought-resistant landscaping. The development has been designated LEED Gold.

Development Team

During the tax credit compliance period, Cuatro at City Heights will be owned by Cuatro at City Heights LP, a California limited partnership (a single-asset limited partnership) consisting of Cuatro at City Heights LLC as the Managing General Partner, and US Bank as the tax credit limited partner (Attachment 2 – Organization Chart).

Wakeland, the developer, is a nonprofit that develops and operates affordable and supportive housing. Since 1998, Wakeland has developed more than 7,900 affordable homes at 56 properties throughout California.

**Table 2 Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developer	Wakeland Housing and Development Corporation
Owner/Borrower	Cuatro at City Heights LP
Managing General Partner	Cuatro at City Heights LLC
Administrative General Partner	Cuatro at City Heights LLC
Tax Credit Investor Limited Partner	US Bank
Architect	Studio E Architects
General Contractor	Allgire General Contractors
Property Management	ConAm Management Corporation
Construction and Permanent Lender	Banner Bank
Tenant Services Providers	<u>Lead Service Provider (LSP):</u> City Heights Community Development Corporation <u>Service Provider for Veterans (VHHP):</u> Interfaith Community Services

Property Management

Cuatro at City Heights will be managed by ConAm Management Corporation (ConAm). Established in 1975, ConAm is a nationwide management company, based in San Diego, with a management portfolio of approximately 53,000 units in more than 26 metropolitan areas. It is experienced in property management, marketing, maintenance, renovations and tax credit developments. ConAm manages 24 developments for Wakeland.

**FINANCING STRUCTURE**

Cuatro at City Heights has an estimated total development cost of \$99,096,133 (\$846,975 per unit). Financing will include a combination of sources as described in Table 3. The developer’s pro forma is included as Attachment 3 and summarized below. No Housing Commission cash loan funds are proposed for Cuatro at City Heights.

**Table 3 – Cuatro at City Heights Estimated Permanent Sources and Uses**

<b>Permanent Financing Sources</b>	<b>Amounts</b>	<b>Permanent Financing Uses</b>	<b>Amounts</b>	<b>Per Unit</b>
Bond Financed Permanent Loan	\$6,901,000	Land Acquisition & Closing Costs	\$7,240,000	\$61,880
City of San Diego Loan	4,000,000	Design & Engineering	4,286,000	36,632
Accrued Deferred Interest – City of San Diego	159,000	Legal / Financial / Consultants	335,000	2,863
<sup>1</sup> VHHP (HCD)	8,443,317	Permits & Fees	3,000,000	25,641
<sup>2</sup> MHP (HCD)	22,155,752	Construction Costs	58,861,967	503,094
<sup>3</sup> IIG – GP Loan (HCD)	5,343,300	Financial Costs	10,657,328	91,088
<sup>4</sup> FHLBSF AHP	1,000,000	Marketing / Administrative	150,000	1,282
Deferred Developer Fee	8,400,000	Developer’s Fee	10,600,000	90,598
GP Capital Contribution (Commercial)	4,913,212	Hard Cost Contingency	2,919,598	24,954
Limited Partner Capital Contribution	37,780,452	Soft Cost Contingency	453,000	3,872
		Reserves	593,240	5,070
<b>Total Development Cost</b>	<b>\$99,096,133</b>	<b>Total Development Cost (TDC)</b>	<b>\$99,096,133</b>	<b>\$846,975</b>

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<sup>1</sup> VHHP (*Veterans Housing and Homelessness Prevention*)

<sup>2</sup> MHP (*Multifamily Housing Program*)

<sup>3</sup> IIG (*Infill Infrastructure Grant*)

<sup>4</sup> FHLBSF AHP (*Federal Home Loan Bank of San Francisco's Affordable Housing Program*)

<sup>5</sup> HCD (*California Department of Housing & Community Development*)

#### Developer Fee

\$10,600,000 – Gross developer fee

- 8,400,000 – Minus deferred developer fee

\$ 2,200,000– Net cash developer fee

The proposed developer fee complies with the Housing Commission’s developer fee guidelines.

#### Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators that were used to evaluate the proposed development and make a funding recommendation. The key performance indicators listed in Table 4 are commonly used by industry professionals and affordable housing developers.

**Table 4 - Key Performance Indicators**

Development Cost Per Unit	$\$99,096,133 \div 117 \text{ units} =$	\$846,975
Housing Commission Subsidy Per Unit	$\$0 \div 117 \text{ units} =$	\$0
Land Cost Per Unit	$\$4,984,000 \div 117 \text{ units} =$	\$42,598
Gross Building Square Foot Hard Cost	$\$58,391,967 \div 132,958 \text{ sq. ft.} =$	\$439
Net Rentable Square Foot Hard Cost	$\$58,391,967 \div 78,160 \text{ sq. ft.} =$	\$747

The total hard cost of \$58,391,967 includes costs of residential and two commercial spaces (cold shell only, approximately 13,094 square feet).

When the commercial space is removed from the project’s total development cost, the cost per unit decreases to \$804,982. The tax-exempt bonds proceeds will not be used to cover the commercial space. When consolidating the residential and commercial space, the total per unit cost is \$846,975.

Cuatro at City Heights’ non-residential portion will be funded with taxable bond proceeds, tax credit equity proceeds, and a General Partner Commercial Contribution. The tax-exempt bonds proceeds may not be used to fund the non-residential commercial/office space.

#### Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over recent years are listed in Table 5.

These developments are similar in terms of new construction and target population and are provided as a comparison to the subject development.

**Table 5 - Comparable Development Projects**

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
<b>Proposed Subject – Cuatro at City Heights</b>	<b>2024</b>	<b>117</b>	<b>\$99,096,133</b> <b>(with prev. wage)</b>	<b>\$846,975</b>	<b>\$0</b>	<b>\$439</b>
Rancho Bernardo Transit Village	2023	100	\$90,943,122 (with prev. wage, commercial component)	\$909,431	\$0	\$331
Iris at San Ysidro	2023	100	\$66,209,153 (with prev. wage)	\$662,902	\$23,000	\$348

Cuatro at City Heights’ \$846,975 development cost per unit is higher than a typical multifamily rental housing development because of various factors, including:

- Uncertain interest rates, while interest rates are beginning to decline as a whole, they are still significantly higher than 1-2 years prior.
- Construction costs, including code changing and inflation, have significantly increased in the past year.
- Changes to the building design have increased the permits and fees to cover additional review and to expedite the City of San Diego’s process.
- Necessary increase in the contingency budget to compensate for increasing interest and construction costs.
- The project triggers the higher of federal or state prevailing wage rates as a result of the funding sources for the development.
- Volatility in the insurance market has increased the insurance costs.
- Due to the mixed-use zoning, the Cuatro at City Heights design will include commercial/office space.

**TAX EXEMPT AND TAXABLE MULTIFAMILY HOUSING REVENUE BONDS**

Proposed Housing Bonds Financing

The Housing Commission utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority’s ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to CDLAC for a bond allocation. On April 6, 2023, prior to submitting applications to CDLAC, the proposed development was presented to the Housing Commission Board. A bond inducement resolution was obtained prior to the application submittal to CDLAC. On May 23, 2023, an application was submitted to CDLAC for a bond allocation of up to \$47,111,000. On August 23, 2023, CDLAC approved the \$47,111,000 bond allocation, and CTCAC approved an allocation of 4 percent tax credits. The developer proposes that the bonds be issued through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission’s Multifamily Housing \$30,000,000 in taxable obligations, which do not require an allocation from CDLAC.

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The financing amount that will ultimately be set will be based upon development costs, revenues and interest rates prevailing at the time of the bonds issuance. The financing proceeds will be used for both construction financing and permanent financing. Attachment 4 provides a general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings.

#### Public Disclosure and Bond Authorization

The tax-exempt debt will be issued in the form of a bond (issuance Series C-1) and will be sold through a direct purchase by Banner Bank. The taxable debt will be in the form of a bond (issuance Series C-2) which will also be purchased by Banner Bank.

Banner Bank is a “qualified institutional buyer” within the meaning of the U.S. securities laws. At closing, Banner Bank will sign an Investor’s Letter, certifying, among other things, that it is buying each of the bonds for their own account and not for public distribution. Because such bonds are being sold through a private placement, an Official Statement will not be used. In addition, the bonds will be neither subject to continuing disclosure requirements, nor credit enhanced, nor rated.

Under the direct purchase structure for the bonds, Banner Bank will make a tax-exempt and taxable loan to the Housing Authority pursuant to the terms of a Funding Loan Agreement among Banner Bank, the Housing Authority, and US Bank as the Fiscal Agent. The loans made by Banner Bank to the Housing Authority (Funding Loan) will be evidenced by separate bonds, which will obligate the Housing Authority to pay Banner Bank the amounts it receives from the Borrower, as described below. The Housing Authority and the Borrower will enter into a Borrower Loan Agreement pursuant to which the proceeds of the Funding Loan will be advanced to the Borrower. In return, the Borrower agrees to pay the Fiscal Agent amounts sufficient for the Fiscal Agent to make payments on the bonds.

Under the direct purchase structure for the bonds, bonds will be issued under a Trust Indenture between the Housing Authority and US Bank as the Trustee (which will be the same institution as the Fiscal Agent for the bonds). The bonds will be payable from residual project revenues. bond proceeds will be loaned by the Housing Authority to the Borrower under a Loan Agreement.

The Housing Authority’s obligation to make payments on the bonds is limited to amounts the Fiscal Agent and Trustee receive from the Borrower under the Borrower Loan Agreement with respect to the bonds and the Loan Agreement with respect to the bonds, and no other funds of the Housing Authority are pledged to make payments on the bonds. The transfer of the bonds to any subsequent purchaser will comply with Housing Commission’s “Bond Issuance and Post-Issuance Compliance Policy” (policy number PO300.301). Moreover, any subsequent bondholder will be required to represent to the Housing Authority that it is a qualified institutional buyer or accredited investor who is buying such bonds for investment purposes and not for resale, and it has made do investigation of any material information necessary in connection with the purchase of the bonds.

The following documents will be executed on behalf of the Housing Authority with respect to the bonds: the Funding Loan Agreement, the Borrower Loan Agreement, the Assignment of Deed of Trust, the Regulatory Agreement, the Loan Agreement and Trust Indenture, and other ancillary loan documents. At the time of docketing, documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents following Housing Authority

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approval require the consent of the City Attorney's Office and Bond Counsel. The bonds will be issued pursuant to the Funding Loan Agreement and the Trust Indenture. Based upon instructions contained in the Funding Loan Agreement and the Borrower Loan Agreement, Banner Bank will disburse the bond proceeds for eligible costs and will, pursuant to an assignment from the Housing Authority, receive payments from the Borrower. Bond proceeds will be disbursed by the Trustee pursuant to the direction of the Borrower.

The Borrower Loan Agreement and the Loan Agreement set out the terms of repayment and the security for the loan made by the Housing Authority to the Borrower, and the Housing Authority assigns its rights to receive repayments under the loan to Banner with respect to the bonds and the Trustee with respect to the bonds. The Regulatory Agreement will be recorded against the property to ensure the long-term use of the development as affordable housing. The Regulatory Agreement will also ensure that the development complies with all applicable federal and California State laws so that interest on the tax-exempt bonds remains tax-exempt. An Assignment of Deed of Trust, and other loan documents, will assign the Housing Authority's rights and responsibilities as the issuer to Banner Bank and the Trustee on behalf of the bondholders. These documents will be signed by the Housing Authority for the benefit of Banner Bank and the bondholders. Rights and responsibilities that are assigned to Banner Bank and the Trustee include the right to collect and enforce the collection of loan payments, the right to monitor project construction and related budgets, plus the right to enforce insurance and other requirements. Banner Bank will use these rights to protect its financial interests as the bondholder.

### **Financial Advisor's Recommendation**

Jones Hall will be the Bond Counsel. Public Financial Management (PFM) will be the Bond Financial Advisor. The Financial Advisor's analysis and recommendation is at Attachment 5.

### **AFFORDABLE HOUSING IMPACT**

#### **Project-Based Vouchers (PBV)**

The Housing Commission has provided a preliminary award recommendation of 48 PBVs for Cuatro at City Heights, which are for households earning 30 percent to 60 percent of AMI. The recommendation for these vouchers is contingent upon completion of a subsidy layering review, execution of an Agreement to Enter into Housing Assistance Payment and verification of services. Under the PBV program, the tenant's rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross rent level approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for residents in Cuatro at City Heights' 48 voucher-assisted units. The PBV units will be: 10 studio units, 11 one-bedroom units, 14 two-bedroom units and 13 three-bedroom units. The tenants will be selected from the Housing Commission's low-income PBV Wait List.

#### **Affordability**

The Cuatro at City Heights development will be subject to applicable tax credit and bond regulatory agreements, which will restrict affordability of 115 units for 55 years. CTCAC's required rent and occupancy restrictions will apply

**Table 6 – Affordability and Monthly Estimated Rent Table**

<b>Unit Type</b>	<b>AMI</b>	<b>Units</b>	<b>CTCAC Gross Rents</b>
Studio	30% (Currently \$28,950/ year for a one-person household)	11	\$723
Studio	40% (Currently \$38,600/ year for a one-person household)	3	\$965
Studio	50% (Currently \$48,250/ year for a one-person household)	10	\$1,206
Studio	60% (Currently \$57,900/ year for a one-person household)	2	\$1,447
<b>Subtotal Studio Units</b>		<b>26</b>	
One bedroom	30% (Currently \$33,100/ year for a two-person household)	13	\$775
One bedroom	40% (Currently \$44,100/ year for a two-person household)	3	\$1,034
One bedroom	50% (Currently \$55,150/ year for a two-person household)	12	\$1,292
One bedroom	60% (Currently \$66,180/ year for a two-person household)	1	\$1,551
<b>Subtotal One Bedroom Units</b>	--	<b>29</b>	
Two bedrooms	30% (Currently \$37,250/ year for a three-person household)	8	\$930
Two bedrooms	40% (Currently \$49,600/ year for a three-person household)	3	\$1,241
Two bedrooms	50% (Currently \$62,050/ year for a three-person household)	10	\$1,551
Two bedrooms	60% (Currently \$74,460/ year for a three-person household)	10	\$1,861
<b>Subtotal Two Bedroom Units</b>	--	<b>31</b>	
Three bedrooms	30% (Currently \$41,350/ year for a four-person household)	8	\$1,075
Three bedrooms	40% (Currently \$55,100/ year for a four-person household)	3	\$1,433
Three bedrooms	50% (Currently \$68,900/ year for a four-person household)	9	\$1,791
Three bedrooms	60% (Currently \$82,680/ year for a four-person household)	9	\$2,150
<b>Subtotal Three Bedroom Units</b>	--	<b>29</b>	--
Manager’s two-bedrooms unit	--	<b>2</b>	
<b>Total Units</b>	--	<b>117</b>	--

**FISCAL CONSIDERATIONS**

The proposed funding sources and uses approved by this proposed action are included in the Housing Authority-approved Fiscal Year (FY) 2024 Housing Commission Budget.

Funding sources approved by this action will be as follows

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Bond Issuer Fee: (\$47,111,000 [Tax-exempt] + \$30,000,000 [Taxable]) x 0.0025 = \$192,777.50

Total Funding Sources – up to \$192,777.50

Funding uses approved by this action

Administrative costs - \$192,777.50

Total Funding Uses - up to \$192,777.50

The bonds will not constitute a debt of the City of San Diego. If the bonds are ultimately issued for the project, the bonds will not financially obligate the City, the Housing Authority, nor the Housing Commission because security for the repayment of the bonds will be limited to specific project-related revenue sources. Neither the faith and credit nor the taxing power of the City, nor the faith and credit of the Housing Authority will be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission’s issuer fee, annual bond administration fee, as well as the Housing Commission’s Bond Counsel fee and Financial Advisor’s fee.

Development Schedule

The estimated development timeline is as follows:

<b>Milestones</b>	<b>Estimated Dates</b>
<ul style="list-style-type: none"><li>• Housing Authority consideration of bond authorization</li><li>• Estimated bond issuance and escrow/loan closing</li><li>• Estimated start of construction work</li><li>• Estimated completion of construction work</li></ul>	<ul style="list-style-type: none"><li>• February 13, 2024</li><li>• February 2024</li><li>• March 2024</li><li>• November 2025</li></ul>

**EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE**

The Housing Commission’s Strategic Plan for Fiscal Year (FY) 2022-2024 includes the following statement regarding the Housing Commission’s commitment to equity and inclusivity: “At SDHC, we are about people. SDHC embraces diverse approaches and points of view to improve our programs, projects and policies. We believe in delivering programs and services in innovative and inclusive ways. We are committed to advancing equity and inclusion both internally and externally.”

**HOUSING COMMISSION STRATEGIC PLAN**

This item relates to Strategic Priority Area No. 1 in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024: Increasing and Preserving Housing Solutions.

**COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

On November 5, 2018, Wakeland Housing and Development Corporation presented the proposed development as an action item to the City Heights Area Planning Committee. The community-planning group voted 11-4-1 to approve the motion supporting the project.

**KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders include Wakeland as the developer, the Housing Commission as a proposed lender, Banner Bank as a proposed lender, the City Heights neighborhood and the families that will reside at the development. The development is anticipated to have a positive impact on the community as it will

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contribute to the quality of the surrounding neighborhood, contribute to a better quality of life for the proposed development's tenants, and create 115 new affordable rental homes for families.

**STATEMENT for PUBLIC DISCLOSURE**

The developer's Disclosure Statement is at Attachment 6.

**ENVIRONMENTAL REVIEW**

California Environmental Quality Act

The proposed activity to authorize the issuance of tax-exempt Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds to fund Cuatro at City Heights LP's construction of Cuatro at City Heights, a new 117-unit affordable rental housing scattered site development at 4050 El Cajon Boulevard and 3951, 4050 and 4102-4122 University Avenue South has been reviewed for consistency with and is covered in the Final Environmental Impact Report (EIR) for Mid-City Communities Plan Update (Project No. 98-8207/SCH No. 1998031095) which was certified by City Council Resolution No. R-290608 on August 4, 1998. This activity is a subsequent discretionary action within the scope of the development program analyzed in the EIR and is therefore not considered to be a separate project for the purposes of CEQA review pursuant to CEQA Guidelines Sections 15378(c) and 15060(c)(3). Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15162, there is no change in circumstance, additional information, or project changes to warrant additional environmental review for this action.

National Environmental Policy Act

Federal funds constitute a portion of the funding for this project. An Environmental Assessment is being processed in accordance with the requirements of the National Environmental Policy Act (NEPA). The parties agree that the provision of federal funds as a result of this action is conditioned on the approval of the Environmental Assessment by the City of San Diego and the receipt of Authority to Use Grant Funds from the U.S. Department of Housing and Urban Development. Final authorization to utilize grant funds is expected to be received from HUD prior to beginning construction.

Respectfully submitted,

*Jennifer Kreutter*

Jennifer Kreutter  
Vice President  
Multifamily Housing Finance  
Real Estate Division

Approved by,

*Jeff Davis*

Jeff Davis  
Deputy Chief Executive Officer  
San Diego Housing Commission

Attachments: 1) Site Map  
2) Organization Chart  
3) Developer's Project Pro Forma  
4) Bond Program Summary  
5) Financial Advisor's Analysis  
6) Developer's Disclosure Statement

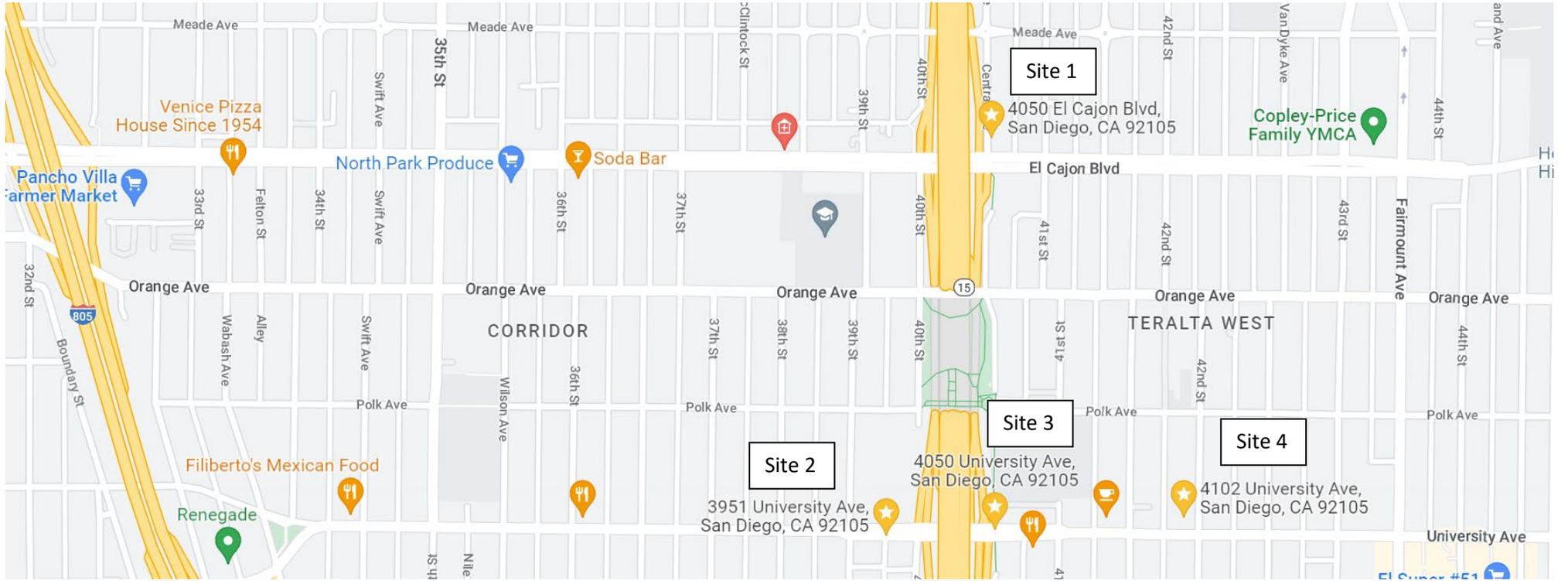
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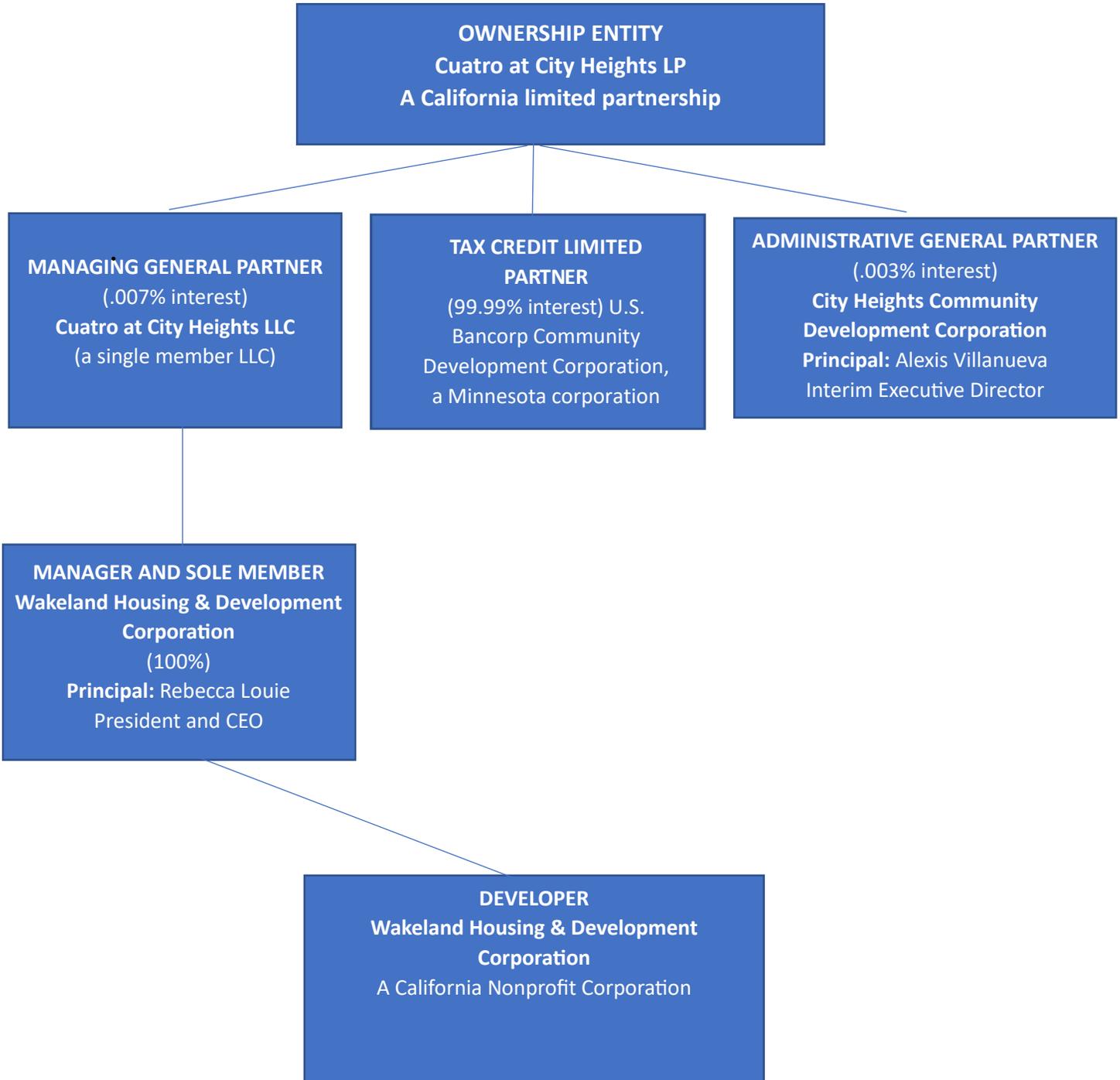
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Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

# Attachment 1 – Site Map



## OWNERSHIP ORGANIZATIONAL CHART POST CLOSING



# Cuatro at City Heights

<b>Prepared For:</b>	Wakeland Housing and Development Corporation
<b>Prepared By:</b>	California Housing Partnership Corporation
<b>Version:</b>	4.2 Closing
<b>Revised:</b>	12/6/2023
<b>Filename:</b>	Cuatro at City Heights 4.2 Closing 120623.xlsm

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## SOURCES OF FUNDS - PERMANENT

	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	AMORT (Yr)	COMMENTS
Permanent Loan - Tax-Exempt	6,901,000	6.093%		35.0	<i>Total Permanent Debt: 6,901,000</i>
City of San Diego	4,000,000	3.000%	1.788%	55.0	<i>Term - 17 (yrs.) Index - 10Y T - 4.110% Spread - 310 bps Multiplier: 80%</i>
Accrued Deferred Interest - City of San Diego	159,000				<i>Per Unit:</i>
HCD VHP	8,443,317	3.000%	1.903%	55.0	<i>Per Unit: 72,165</i>
HCD MHP	22,155,752	3.000%	1.903%	55.0	<i>Per Unit: 189,365</i>
HCD IIG (GP Loan)	5,343,300	0.000%	0.000%	55.0	<i>Per Unit: 45,669</i>
FHLBSF AHP	1,000,000	0.000%	0.000%	55.0	<i>Per Unit: 8,547</i>
Deferred Developer Fee	8,400,000	0.000%	0.000%		<i>Priority: 1,300,000 Non-Priority: 7,100,000</i>
Capital Contributions					
General Partner (Developer Fee)	0				<i>LP equity from non-priority + contributed fee: 3,299,002</i>
GP Capital - Commercial Space Sale	4,913,212				
GP Capital - Sponsor	100				
Limited Partners	37,780,452				<i>Fed LIHTC: \$0.9400 State LIHTC: \$0.8600</i>
<b>TOTAL SOURCES</b>	<b>99,096,133</b>				<i>Net Fed Price for TCAC \$0.93652</i>
<i>Surplus/(Shortfall)</i>	<i>0</i>				<i>Synd Costs 140,000</i>
					<i>Net Equity for TCAC 37,640,452</i>

PERMANENT LOAN INTEREST RATE	TRANCHE A	TRANCHE B	INVESTOR EQUITY STACK	OTHER ASSUMPTIONS
Index - 10Y T	4.110%	4.110%	LIHTC Equity (Federal+Sta) 37,780,452	Current AFR: 5.03%
Spread	3.100%	3.100%	Historic Tax Credit 0	AFR Month: Dec-23
Cushion	0.250%	0.250%	Investment Tax Credit (Sol) 0	AFR Cushion: 0.00%
Multiplier	80%	0.000%	<b>Subtotal LP Equity 37,780,452</b>	<b>Total U/W AFR: 5.03%</b>
Issuer	0.125%	0.125%	CA Certificated Credit Sale 0	
Trustee	0.000%	0.000%	<b>Total Investor Equity 37,780,452</b>	
<b>Total</b>	<b>6.093%</b>	<b>7.585%</b>		
<i>All-In Interest Rate (excl. bond fees):</i>		<b>5.968%</b>		

## SOURCES OF FUNDS - CONSTRUCTION

	AMOUNT	INTEREST RATE	TERM (Mos.)	COMMENTS
Construction Loan - Tax-Exempt	47,111,000	8.270%	28	
Construction Loan - Taxable	22,923,641	8.670%	28	
City of San Diego	4,000,000	3.000%	28	
Accrued Deferred Interest - City of San Diego	159,000			
HCD IIG (GP Loan)	4,808,970	0.000%	28	<i>10% withheld to conversion</i>
FHLBSF AHP	1,000,000	0.000%	28	
Costs Deferred Until Conversion	2,001,210			<i>See page 2 - right column</i>
Deferred Developer Fee	8,400,000			
Capital Contributions				
General Partner (Developer Fee)	0			
GP Capital - Commercial Space Sale	4,913,212			
GP Capital - Sponsor	100			
Limited Partners*	3,779,000			<i>Total Equity During Const. 3,779,000 10.00%</i>
<b>TOTAL SOURCES</b>	<b>99,096,133</b>			<i>Syndication Costs 140,000</i>
<i>Surplus/(Shortfall)</i>	<i>0</i>			<i>Net Equity for TCAC 3,639,000</i>
Sources Less Deferred To Conversion:	97,094,923			

CONSTRUCTION LOAN INTEREST RATE	CONSTRUCTION LOAN VALUATION	TAX-EXEMPT BOND DATA
Index Type: 1M Term SOFR	Restricted NOI 717,873	50% Test (see Page 7): 53.30%
Current Index: 5.370%	OAR 5.00%	Issuer Inducement: 50,000,000
Spread: 1.650%	FMV per NOI 14,357,468	CDLAC Allocation: 47,111,000
Base Interest Rate (not including cushi) 7.020%	Agg. Credit Value @ 0.9399 37,780,452	Percent of CDLAC Allocator 100.00%
Cushion - Total 1.250%	Perm-Only Soft Debt 31,133,399	Const-only portion: 40,210,000
<b>Interest Rate (All-In) 8.270%</b>	Total Value 83,271,319	CDLAC Per-Unit Limit 67,021,000
Cushion includes:	LTV: 80.00%	CDLAC 55% Limit 48,609,446
Bank Underwriting 1.000%	Max. Const. Loan Amount 66,617,055	50% Test Target 55.00%
Increase to Close 0.250%	Commitment Amount TBD	Target Limit 48,609,446

Uses of Funds										Version: 4.2 Closing				
	Res Cost:		95.28%		COST ALLOCATIONS				LIHTC ELIGIBLE BAS		OTHER COST ALLOCATIONS			
	Res Sq Foot:		90.25%		Assuming 266 Election? No									
	TOTAL	Per Unit	Total Residential	Total Non-Residential	Non-Depreciable	Residential	Non-Resid.*	Expensed	Amortized	Constr./Rehab	Acquis.	Deferred to Permanent Conversion	Aggregate Basis for 50% Test	ITC Tax Credit Basis (Solar PV)
<b>ACQUISITION COSTS</b>														
<i>Total Purchase Price - Real Estate:</i>														
<i>4,984,000</i>														
Land - Cuatro at City Heights	4,984,000	42,598	4,478,337	505,663	4,984,000								4,478,337	
Title/Recording/Escrow - Acquisition	2,500	21	2,256	244	2,500	0	0			0			2,256	
Legal - Acquisition	2,500	21	2,256	244	2,500	0	0			0			2,256	
Land Holding Costs	251,000	2,145	226,524	24,476	251,000					0			226,524	
Acq. Loan Interest/Fees	2,000,000	17,094	1,804,971	195,029	2,000,000	0	0			0	0		1,804,971	
Off-Site Improvements	327,486	2,799	295,551	31,935	0	327,486	0			327,486			295,551	
<b>HARD COSTS</b>														
<b>Total Construction Contract:</b>														
<b>58,391,967</b>														
<b>NEW CONSTRUCTION</b>														
Demolition	151,149	1,292	136,410	14,739	151,149	0	0			0			136,410	
Hard Costs-Unit Construction	43,112,329	368,481	43,112,329	0	43,112,329					43,112,329			43,112,329	
Personal Property in Construction Contract	1,012,889	8,657	1,012,889	0	1,012,889					1,012,889			1,012,889	
Site Improvements/Landscape	2,121,664	18,134	1,914,771	206,893	1,914,771	0	0			1,914,771			1,914,771	
Rough Grading	475,000	4,060	428,681	46,319	475,000					0			428,681	
GC - General Conditions	3,772,904	32,247	3,772,904	0	3,772,904					3,772,904			3,772,904	
GC - Overhead & Profit	2,170,105	18,548	2,170,105	0	2,170,105					2,170,105			2,170,105	
GC - Insurance	822,321	7,028	822,321	0	822,321					822,321			822,321	
GC - Bond Premium	578,138	4,941	578,138	0	578,138					578,138			578,138	
Construction - Other - Photo/Voltaic System	713,497	6,098	713,497	0	713,497					713,497			713,497	713,497
Construction - Other - Environmental Remed	0	0	0	0	0					0			0	
Construction - Commercial - Core & Shell	2,133,534	18,235	0	2,133,534	0	0	0			0			0	
Contingency - Escalation	1,000,951	8,555	903,344	97,607	903,344					903,344			903,344	
Contingency - Owner's Construction (5%)	2,919,598	24,954	2,634,895	284,703	2,634,895	0	0			2,634,895			2,634,895	
<b>SOFT COSTS</b>														
Architecture - Design	2,100,000	17,949	1,895,220	204,780	1,895,220	0	0			1,895,220			1,895,220	25,660
Architecture - Supervision	300,000	2,564	270,746	29,254	270,746	0	0			270,746			270,746	3,666
Design/Engineering - Civil, Survey, Utilities	520,000	4,444	469,292	50,708	469,292	0	0			469,292			469,292	
Design/Engineering - VIMS (Parcels 1 & 2)	200,000	1,709	180,497	19,503	180,497					180,497			180,497	
Design/Engineering - CASp, façade, fire, PV	241,000	2,060	217,499	23,501	217,499	23,501	0			217,499			241,000	
Geotech/Soils Report	125,000	1,068	112,811	12,189	112,811	0	0			112,811			112,811	
Phase I/II/Toxics Report	50,000	427	45,124	4,876	45,124	0	0			45,124			45,124	
Special Inspections/Testing	100,000	855	90,249	9,751	90,249	0	0			90,249			90,249	
Environmental Consulting	50,000	427	45,124	4,876	45,124	0	0			45,124			45,124	
Prevailing Wage Monitor	100,000	855	90,249	9,751	90,249	0	0			90,249			90,249	1,222
Owner's Rep / Construction Supervision	400,000	3,419	360,994	39,006	360,994	0	0			360,994			360,994	4,888
Consultant: Energy	100,000	855	90,249	9,751	90,249	0	0			90,249			90,249	
Local Permits/Fees	3,000,000	25,641	2,707,457	292,543	2,707,457	0	0			2,707,457			2,707,457	
Security During Const	220,000	1,880	198,547	21,453	198,547	0	0			198,547			198,547	
Relocation - Permanent	0	0	0	0	0					0			0	
Real Estate Taxes During Const	60,000	513	54,149	5,851	54,149	0	0			54,149			54,149	
Insurance During Const	611,180	5,224	551,581	59,599	551,581	0	0			551,581			551,581	7,468
Appraisal	25,000	214	22,562	2,438	22,562	0	0			22,562			22,562	
Market/Rent Comp Study	25,000	214	25,000	0	25,000					0			0	
Soft Cost - Misc - City Cost Review & Legal	10,000	85	9,025	975	9,025	0	0			9,025			9,025	
Soft Cost - Misc - Developer Performance Bo	15,000	128	13,537	1,463	13,537	0	0			13,537			13,537	
Soft Cost Contingency (5%)	453,000	3,872	408,826	44,174	408,826	0	0			408,826			408,826	
Predev. Loan Interest/Fees	510,000	4,359	510,000	0	0					0	0		0	
Construction Loan Interest	6,352,000	54,291	6,352,000	0	4,154,000	0	2,198,000			4,154,000	0		4,154,000	48,341
Construction Loan Interest - Tail	1,362,000	11,641	1,362,000	0	360,000	0	1,002,000			360,000	0		360,000	4,189
Accrued Interest - City of San Diego	159,000	1,359	159,000	0	109,000	0	50,000			109,000	0		109,000	
Title/Recording/Escrow - Construction	52,000	444	46,929	5,071	46,929	0	0			46,929			46,929	
Title/Recording/Escrow - Permanent	15,000	128	13,537	1,463	13,537					15,000			15,000	
Legal (Owner): Construction Closing	175,000	1,496	157,935	17,065	157,935	0	0			157,935			157,935	
Permanent Closing	20,000	171	18,050	1,950	18,050					20,000			20,000	
Organization of Ptshp	15,000	128	15,000	0	15,000					15,000			15,000	
Syndication - LP	0	0	0	0	0					0			0	
Syndication Consulting	100,000	855	100,000	0	100,000					0	5,000		0	
Audit/Cost Certification	25,000	214	25,000	0	25,000					25,000			25,000	
TCAC Application/Res/Monitoring Fee	90,000	769	90,000	0	90,000					90,000			90,000	
Marketing	50,000	427	50,000	0	50,000					0			0	
Furnishings Not in Contract	250,000	2,137	250,000	0	250,000	0	0			250,000			250,000	
Start-up/Lease-up Expenses	100,000	855	100,000	0	100,000					100,000			100,000	
Capitalized Operating Reserve (3 mos.)	444,016	3,795	444,016	0	444,016	0	0			0			444,016	
HCD Pooled Transition Reserve Fee	149,224	1,275	149,224	0	0	0	0	149,224		0			149,224	
Developer Fee	10,600,000	90,598	10,100,165	499,835	10,100,165	0	0			10,100,165	0	1,320,000	10,100,165	121,340
<b>COSTS OF ISSUANCE</b>														
Bond Counsel	70,000	598	70,000	0	0	0	0	70,000		0			0	
Issuer Financial Advisor	50,000	427	50,000	0	0	0	0	50,000		0			0	
Issuer Application Fee	3,000	26	3,000	0	0	0	0	3,000		0			0	
Issuer Fee - Upfront	175,087	1,496	175,087	0	0	0	0	175,087		0			0	
Issuer Fee - Annual During Const.	262,630	2,245	262,630	0	0	0	0	262,630		0			0	
Construction Lender Origination Fee (0.62%)	431,670	3,689	431,670	0	228,747	0	0	202,923		228,747			228,747	
Construction Lender Expenses	31,200	267	31,200	0	16,533	0	0	14,667		16,533			16,533	
Construction Lender Counsel	70,000	598	70,000	0	37,094	0	0	32,906		37,094			37,094	
Other Bond Fee: SDHC Costs	100,000	855	100,000	0	52,991	0	0	47,009		52,991			52,991	
Permanent Lender Expenses	10,000	85	10,000	0	0	0	0	10,000		0			0	
Permanent Lender Counsel	15,000	128	15,000	0	0	0	0	15,000		0			0	
Permanent Loan Origination Fee (1%)	69,010	590	69,010	0	0	0	0	69,010		0			0	
Trustee Fee During Construction	45,000	385	45,000	0	0	0	0	45,000		0			0	
CDLAC Fee	17,689	151	17,689	0	0	0	0	17,689		0			0	
CDIAC Fee	5,000	43	5,000	0	0	0	0	5,000		0			0	
COI Contingency	15,862	136	15,862	0	0	0	0	15,862		0			0	
Subtotal - Financing/Costs of Issuance	1,371,148	11,719	1,371,148	0	0	335,365	0	1,035,783		335,365	0		335,365	0
<b>TOTAL DEVELOPMENT COSTS</b>	<b>99,096,133</b>	<b>846,975</b>	<b>94,182,921</b>	<b>4,913,212</b>	<b>8,410,165</b>	<b>81,309,810</b>	<b>23,501</b>	<b>3,935,000</b>	<b>1,352,445</b>	<b>81,309,810</b>	<b>0</b>	<b>2,001,210</b>	<b>88,380,812</b>	<b>930,271</b>
TDC Per Unit	846,975		95.04%											
TDC Net of accrued interest:	98,937,133													
TDC TCAC	98,956,133		94,042,921											

\*No cost basis in commercial space because it will be sold at cost at or before conversion to permanent financing.

## Cuatro at City Heights

## Developer Fee Calculation

Version: 4.2 Closing

## TCAC DEVELOPER FEE LIMITS

	ACQUISITION	CONSTRUCTION	COMMERCIAL	TOTAL
Eligible Basis less Developer Fee	0	71,209,645	23,501	
Percentage of Basis in Fee	15.00%	15.00%	15.00%	
Total Developer Fee per Basis Limits	0	10,681,447	3,525	10,684,972
Developer Fee Cap per Regulations				10,684,972
<b>Net Allowable Total Fee</b>				<b>10,684,972</b>
Base Cash Developer Fee Limit				2,500,000
Large Project Boost				340,000
BIPOC Boost				0
<b>Total Base Cash Fee Limit</b>				<b>2,840,000</b>
<b>Net Allowable Total Fee</b>				<b>10,684,972</b>
<b>Net Allowable Cash Fee</b>				<b>2,840,000</b>
<b>Fee Included in TCAC Application</b>				<b>8,695,369</b>

## OTHER APPLICABLE FEE LIMITS

	CASH FEE LIMIT	PRIORITY DDF LIMIT	TOTAL FEE LIMIT
Fee Limit per HCD	2,200,000	1,300,000	10,684,972
Fee Limit per City of San Diego	N/A	N/A	N/A
Fee Limit per Owner	2,200,000	1,300,000	10,600,000

## MOST RESTRICTIVE FEE LIMITS

Total Developer Fee Limit	10,600,000
Total Cash Fee Limit	2,200,000
Total Priority Deferred Fee Limit	1,300,000

## ALLOCATION OF DEVELOPER FEE

	ACQUISITION	CONSTRUCTION	TOTAL
Pct. of Potential Fee per Basis Limits	0.00%	100.00%	100.00%
Allocation of Total Developer Fee	0	10,600,000	10,600,000

## CASH DEVELOPER FEE BREAKOUT AND PAYMENT SCHEDULE

Total Developer Fee	10,600,000		
Total Cash Fee Paid	2,200,000		
Non-Cash Fee per Program Limits	8,400,000		
Non-Cash Fee per Funding Gap	0		
Total Non-Cash Fee	8,400,000		
	<b>AMOUNT</b>	<b>% OF CASH FEE</b>	<b>% OF TOTAL FEE</b>
Construction Close	880,000	40.00%	8.30%
50% Completion	0	0.00%	0.00%
Completion	0	0.00%	0.00%
Conversion	1,210,000	55.00%	11.42%
Final LP Pay-in 1	110,000	5.00%	1.04%
<b>Total Cash Fee</b>	<b>2,200,000</b>		
Plus: Priority Developer Fee	1,300,000		12.26%
Plus: Non-Priority DDF	7,100,000		66.98%
Plus: GP Capital	0		0.00%
<b>Total Developer Fee</b>	<b>10,600,000</b>		

Cuatro at City Heights

<b>Unit Mix &amp; Rental Income</b>	Version: 4.2 Closing
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<b>AVERAGE AFFORDABILITY FOR LIHTC UNITS (% of Median)</b>	<b>43.91%</b>
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<b>9% TCAC INCOME TARGETING PTS:</b>	<b>50.00</b>
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<b>RENT LIMITS AS OF YEAR:</b>	<b>2023</b>
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UTILITY ALLOWANCES	0BR	1BR	2BR	3BR	4BR	5BR
Cuatro at City Heights	110	130	181	230	-	-
Site 2	-	-	-	-	-	-
Site 3	-	-	-	-	-	-
Site 4	-	-	-	-	-	-
Site 5	-	-	-	-	-	-

**RESIDENTIAL INCOME**

LIHTC - Tier 1 <i>Cuatro at City Heights</i> <span style="color: red;">RDA</span> <span style="color: red;">30% AMI</span> % of Units: 13.04%										NOT SUBSIDIZED					
Unit Type	Qty	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent HSC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	7	467	25.4%	30.0%	613	503	503	3,521	42,252	0	0	0	0	0	42,252
1BR	8	594	25.4%	28.1%	657	527	527	4,216	50,592	0	0	0	0	0	50,592
<b>TOTAL</b>	<b>15</b>	<b>VHHP</b>						<b>7,737</b>	<b>92,844</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>92,844</b>

LIHTC - Tier 2 <i>Cuatro at City Heights</i> <span style="color: red;">RDA</span> <span style="color: red;">30% AMI</span> % of Units: 21.74%										SDHC HCV SUBSIDIZED					
Unit Type	Qty	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent HSC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	4	467	25.4%	30.0%	613	503	503	2,012	24,144	4	1,144	641	2,564	30,768	54,912
1BR	5	594	25.4%	28.1%	657	527	527	2,635	31,620	5	1,260	733	3,665	43,980	75,600
2BR	8	773	25.4%	30.0%	788	607	607	4,856	58,272	8	1,617	1,010	8,080	96,960	155,232
3BR	8	1,028	25.4%	31.2%	910	680	680	5,440	65,280	8	2,300	1,620	12,960	155,520	220,800
<b>TOTAL</b>	<b>25</b>							<b>14,943</b>	<b>179,316</b>	<b>25</b>			<b>27,269</b>	<b>327,228</b>	<b>506,544</b>

LIHTC - Tier 3 <i>Cuatro at City Heights</i> <span style="color: red;">TCAC</span> <span style="color: red;">40% AMI</span> % of Units: 10.43%										SDHC HCV SUBSIDIZED					
Unit Type	Qty	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent HSC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	3	467	40.0%	47.2%	965	855	855	2,565	30,780	3	1,144	289	867	10,404	41,184
1BR	3	594	40.0%	44.3%	1,034	904	904	2,712	32,544	3	1,260	356	1,068	12,816	45,360
2BR	3	773	40.0%	47.2%	1,241	1,060	1,060	3,180	38,160	3	1,617	557	1,671	20,052	58,212
3BR	3	1,028	40.0%	49.1%	1,433	1,203	1,203	3,609	43,308	3	2,300	1,097	3,291	39,492	82,800
<b>TOTAL</b>	<b>12</b>							<b>12,066</b>	<b>144,792</b>	<b>12</b>			<b>6,897</b>	<b>82,764</b>	<b>227,556</b>

LIHTC - Tier 4 <i>Cuatro at City Heights</i> <span style="color: red;">TCAC</span> <span style="color: red;">50% AMI</span> % of Units: 13.04%										NOT SUBSIDIZED					
Unit Type	Qty	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent HSC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	7	467	50.0%	59.0%	1,206	1,096	1,096	7,672	92,064	0	0	0	0	0	92,064
1BR	8	594	50.0%	55.3%	1,292	1,162	1,162	9,296	111,552	0	0	0	0	0	111,552
<b>TOTAL</b>	<b>15</b>	<b>VHHP</b>						<b>16,968</b>	<b>203,616</b>	<b>0</b>			<b>0</b>	<b>0</b>	<b>203,616</b>

LIHTC - Tier 5 <i>Cuatro at City Heights</i> <span style="color: red;">TCAC</span> <span style="color: red;">50% AMI</span> % of Units: 9.57%										SDHC HCV SUBSIDIZED					
Unit Type	Qty	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent HSC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	3	467	50.0%	59.0%	1,206	1,096	1,096	3,288	39,456	3	1,144	48	144	1,728	41,184
1BR	3	594	50.0%	55.3%	1,292	1,162	1,162	3,486	41,832	3	1,260	98	294	3,528	45,360
2BR	3	773	50.0%	59.0%	1,551	1,370	1,370	4,110	49,320	3	1,617	247	741	8,892	58,212
3BR	2	1,028	50.0%	61.3%	1,791	1,561	1,561	3,122	37,464	2	2,300	739	1,478	17,736	55,200
<b>TOTAL</b>	<b>11</b>							<b>14,006</b>	<b>168,072</b>	<b>11</b>			<b>2,657</b>	<b>31,884</b>	<b>199,956</b>

LIHTC - Tier 6 <i>Cuatro at City Heights</i> <span style="color: red;">TCAC</span> <span style="color: red;">50% AMI</span> % of Units: 13.04%										NOT SUBSIDIZED					
Unit Type	Qty	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent HSC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	0	467	50.0%	59.0%	1,206	1,096	1,096	0	0	0	0	0	0	0	0
1BR	1	594	50.0%	55.3%	1,292	1,162	1,162	1,162	13,944	0	0	0	0	0	13,944
2BR	7	773	50.0%	59.0%	1,551	1,370	1,370	9,590	115,080	0	0	0	0	0	115,080
3BR	7	1,028	50.0%	61.3%	1,791	1,561	1,561	10,927	131,124	0	0	0	0	0	131,124
<b>TOTAL</b>	<b>15</b>							<b>21,679</b>	<b>260,148</b>	<b>0</b>			<b>0</b>	<b>0</b>	<b>260,148</b>

LIHTC - Tier 7 <i>Cuatro at City Heights</i> <span style="color: red;">TCAC</span> <span style="color: red;">60% AMI</span> % of Units: 19.13%										NOT SUBSIDIZED					
Unit Type	Qty	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent HSC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	2	467	60.0%	70.8%	1,447	1,337	1,337	2,674	32,088	0	0	0	0	0	32,088
1BR	1	594	60.0%	66.3%	1,550	1,420	1,420	1,420	17,040	0	0	0	0	0	17,040
2BR	10	773	60.0%	70.8%	1,861	1,680	1,680	16,800	201,600	0	0	0	0	0	201,600
3BR	9	1,028	60.0%	73.6%	2,150	1,920	1,920	17,280	207,360	0	0	0	0	0	207,360
<b>TOTAL</b>	<b>22</b>							<b>38,174</b>	<b>458,088</b>	<b>0</b>			<b>0</b>	<b>0</b>	<b>458,088</b>

Staff Units - Site <i>Cuatro at City Heights</i>									
Unit Type	Qty	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent HSC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent
2BR	2	773	0.0%	0.0%	0	0	0	0	0
<b>TOTAL</b>	<b>2</b>							<b>0</b>	<b>0</b>

Attachment 3 - Proforma

TOTAL RESIDENTIAL INCOME													
	Total Monthly Qty	Total Monthly Net Rent	Total Annual Net Rent	Monthly SDHC HCV Income	Annual SDHC HCV Income	Monthly Subsidy B Income	Annual Subsidy B Income	Monthly Subsidy C Income	Annual Subsidy C Income	Monthly Subsidy D Income	Annual Subsidy D Income	Grand Total Income	Total Floor Area
LIHTC	115	125,573	1,506,876	36,823	441,876	0	0	0	0	0	0	1,948,752	83,143
Non-LIHTC	0	0	0	0	0	0	0	0	0	0	0	0	0
Staff Units	2	0	0	0	0	0	0	0	0	0	0	0	1,546
<b>TOTAL</b>	<b>117</b>	<b>125,573</b>	<b>1,506,876</b>	<b>36,823</b>	<b>441,876</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,948,752</b>	<b>84,689</b>

MISCELLANEOUS INCOME			
	Per Unit Per Month	Monthly Total	Annual Total
Laundry / Vending	12.11	1,417	17,000
Other	0.00	0	0
Parking	0.00	0	0
<b>TOTAL</b>	<b>12.11</b>	<b>1,417</b>	<b>17,000</b>

SUBSIDIZED UNIT MIX SUMMARY						
Unit Type	Units With SDHC HCV	Units With Subsidy B	Units With Subsidy C	Units With Subsidy D	Units Without Subsidy	Total Units
0BR	10	0	0	0	16	26
1BR	11	0	0	0	18	29
2BR	14	0	0	0	19	33
3BR	13	0	0	0	16	29
<b>TOTAL</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>69</b>	<b>117</b>

TOTAL ALL TYPES					
Unit Type	Cuatro at City Heights	Site 2	Site 3	Site 4	Site 5
0BR	26	0	0	0	0
1BR	29	0	0	0	0
2BR	33	0	0	0	0
3BR	29	0	0	0	0
<b>TOTAL</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Calculation of Tax Credits** Version: 4.2 Closing

	FEDERAL			CALIFORNIA		
	ACQUISITION	CONST/ REHAB	TOTAL	ACQUISITION	CONST/ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	0	81,309,810	81,309,810	0	0	0
Less:						
50% Energy Investment Tax Credit (Res. Portion)	0	0	0	0	0	0
Historic Tax Credit (Res. Portion)		0	0		0	0
Non-Eligible Federal Financing	0	0	0	0	0	0
Non-Eligible Grants	0	0	0	0	0	0
Soft Loan Basis Deduction	0	0	0	0	0	0
Voluntary Reduction for Tie-Breaker	0	0	0	0	0	0
ELIGIBLE BASIS	0	81,309,810	81,309,810	0	0	0
Threshold Basis Limit			135,259,904			
TBL: Exclude GP Cap/DDF for 4%/State			0			
REQUESTED UNADJUSTED ELIGIBLE BASIS (For Tiebreaker)	0	81,309,810	81,309,810	0	0	0
HIGH COST ADJUSTMENT (Y or N)	Y	100.0%	123.59%	100.0%	100.0%	
	Partial QCT 2023					
ADJUSTED ELIGIBLE BASIS	0	100,489,981	100,489,981	0	0	0
APPLICABLE FRACTION*	100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS	0	100,489,981	100,489,981	0	0	0
CREDIT RATE (TCAC UNDERWRITING)	Total State			13.00%	13.00%	
	Annual Federal / Yr 1-3 State	4.00%	4.00%	4.00%	4.00%	
	Yr 4 State			1.00%	1.00%	
MAX. POTENTIAL FEDERAL CREDIT (No Vol Basic Reduct/Actual Rate)						
Credit Rates	4.00%	4.00%				
Potential Credit	0	4,019,599	4,019,599			
Credit Rate Locked? YES						
Jan-21						
MAX. CREDIT AMOUNT PER TCAC UNDERWRITING						
Annual Federal / Yr 1 State	0	4,019,599	4,019,599	0	0	0
Yr 2 State				0	0	0
Yr 3 State				0	0	0
Yr 4 State				0	0	0
Total				0	0	0
REQUESTED TOTAL STATE CREDIT AMOUNT				N/A	N/A	N/A
MAX ANNUAL FEDERAL CREDITS PER GEOGRAPHIC REGION - BLENDED (x 125%)			N/A			
MAX ANNUAL FEDERAL PER PROJECT ALLOCATION			N/A			
ACTUAL TCAC CREDIT RESERVATION						
Annual Federal / Total State	N/A	N/A	N/A	N/A	N/A	N/A
MAXIMUM ALLOWABLE CREDITS (Lesser of above)						
Annual Federal / Total State	0	4,019,599	4,019,599			0
UNADJUSTED ELIGIBLE BASIS AT MAX CREDIT AMOUNT	0	81,309,805	81,309,805			
UNADJUSTED BASIS EXCLUDED AT MAX CREDIT AMOUNT	(0)	5	5			
MAXIMUM ALLOWABLE - TEN YEAR TOTAL			40,195,990			0

TOTAL STATE + FEDERAL LIHTC AMOUNTS - 10 YEARS			
Total Federal + State		40,195,990	Blended Credit Request: 4,019,599
General Partner Share	0.01%	4,020	Est. 125% Target for San Diego Co.: N/A
Limited Partner Share	99.99%	40,191,970	Credit Request Under / (Over) Geographic Region: N/A

FIRST YEAR CREDIT CALCULATION (Federal)							
Actual Basis Method?	N	Acquisition	Rehab/NC	"A" Bldgs: Acq	Rehab/NC	"B" Bldgs: Acq	Rehab/NC
Maximum Potential Federal Credit w/ Actual Basis-Annual		0	4,019,599	0	4,019,599	0	0
Wgt Avg Lease-up (from Page 7)				100.0%	100.0%	0.0%	0.0%
Maximum Potential Prorated Credit w/ Actual Basis				0	4,019,599	0	0
TCAC Credit Reservation-Annual		0	4,019,599	0	4,019,599	0	0
<b>First Year Credit (Lesser of Above)</b>				<b>0</b>	<b>4,019,599</b>	<b>0</b>	<b>0</b>

PARTIAL HIGH COST ADJUSTMENT	
Total Eligible Basis	81,309,810
Less: basis-eligible 100% DDA/QCT costs	(0)
Less: basis-eligible 100% non-DDA/QCT costs	(0)
Total Shared Eligible Basis	81,309,810
DDA/QCT percentage	78.63%
Shared Basis eligible for 130% boost	63,933,904
Plus: 130% * basis-eligible 100% DDA/QCT cost	0
Total Basis eligible for 130% boost	63,933,904
Total Boosted Basis	83,114,075
Total Basis ineligible for 130% boost	17,375,906
Total Adjusted Eligible Basis	100,489,981

*APPLICABLE FRACTION				
	Number of Units	Fraction	Total Sq Ft	Fraction
LIHTC	115	100.0000%	83,143	100.0000%
Non-LIHTC	0	0.0000%	0	0.0000%
TOTAL	115	100.0000%	83,143	100.0000%
<b>Applicable Fraction</b>		<b>100.0000%</b>		
<i>(Lesser of Low Income Units or Sq Ft %)</i>				

## Cuatro at City Heights

## Base Year Income &amp; Expense

Version: 4.2 Closing

<b>INCOME</b>		
Scheduled Gross Income - Residential		1,506,876
Total Gross Subsidy Income - SDHC HCV		441,876
Misc. Income		17,000
Vacancy Loss - Residential	5.0%	(76,194)
Vacancy Loss - SDHC HCV	5.0%	(22,094)
<b>EFFECTIVE GROSS INCOME</b>		<b>1,867,464</b>
<b>EXPENSES - RESIDENTIAL</b>		
<b>Administrative</b>		
Advertising	700	
Legal	1,200	
Accounting/Audit	23,232	
Security	58,968	
Other: Office Exp, Comms, Payroll Svcs, Auto Exp, Training, Travel, Misc	14,460	
<b>Total Administrative</b>		<b>98,560</b>
<b>Management Fee</b>		<b>84,240</b>
<b>Utilities</b>		
Gas	0	
Electricity	98,280	
Water/Sewer	84,240	
<b>Total Utilities</b>		<b>182,520</b>
<b>Payroll/Payroll Taxes</b>		
On-Site Manager/Office Admin	84,000	
Maintenance Payroll	78,000	
Manager Unit Expense/(Credit)	0	
Payroll Taxes/Benefits	67,740	
<b>Total Payroll/Payroll Taxes</b>		<b>229,740</b>
<b>Insurance</b>		<b>81,900</b>
<b>Maintenance</b>		
Painting	7,020	
Repairs	13,200	
Trash Removal	35,100	
Exterminating	21,060	
Grounds	24,000	
Elevator	15,000	
Other Maint, Janitorial	45,060	
<b>Total Maintenance</b>		<b>160,440</b>
<b>Other</b>		
Misc. Tax/License	2,946	
<b>Total Other</b>		<b>2,946</b>
<b>Resident Services</b>		
Resident Services	132,685	
Supportive Services	108,060	
<b>Total Resident Services</b>		<b>240,745</b>
<b>Replacement Reserve</b>		<b>58,500</b>
<b>Real Estate Taxes</b>		<b>10,000</b>
<b>TOTAL EXPENSES - RESIDENTIAL</b>		<b>1,149,591</b>
<i>Per Unit Per Annum (incl. Reserves)</i>	9,826	
<i>Per Unit Per Annum (w/o taxes/res/svc)</i>	7,182	
<i>TCAC Minimum (w/o taxes/res/svc)</i>	5,700	
<b>NET AVAILABLE INCOME</b>		<b>717,873</b>
Less: Mandatory Annual HCD Payment (Grossed Up for DSCR Factor)	1.15	(147,794)
Less: Ground Lease - Minimum Payment		0
Less: City of San Diego Monitoring Fee		(17,550)
<b>ADJUSTED NET AVAILABLE INCOME: TOTAL</b>		<b>552,530</b>
<b>ADJUSTED NET AVAILABLE INCOME: NET OF OP SUBSIDY</b>		<b>132,748</b>
Debt Service Coverage Ratio		1.15
<b>AVAILABLE FOR DEBT SERVICE (NET OF OP SUBSIDY)</b>		<b>115,433</b>
<b>AVAILABLE FOR DEBT SERVICE (OP SUBSIDY OVERHANG)</b>		<b>365,028</b>
<b>NET AVAILABLE INCOME AFTER SENIOR DEBT SERVICE</b>		<b>72,069</b>

## Cuatro at City Heights

## Mortgage Calculation/Bond Ratios

Version: 4.2 Closing

## TRANCHE A

Uses baseline year NOI; includes annual fees  
 Financing Type: Permanent Loan - Tax-Exempt

	Underwriting Constraint	Maximum Loan Amount		
Debt Service Coverage	1.15	6,901,786	Rate:	5.968%
Lender Commitment		NA	Term (mths):	420
			NOI for DS:	<u>552,530</u>
<b>MAXIMUM MORTGAGE</b>		<b>6,901,786</b>	Max PMT @ DSCR:	480,461
			Annual Fees:	<u>10,000</u>
			Annual DS Payment:	470,461

INTEREST RATE STACK	TRANCHE A	SELECTED
Index - 10Y T	4.1100%	4.1100%
Spread	3.1000%	3.1000%
Cushion	0.2500%	0.2500%
Multiplier	<u>80%</u>	<u>80%</u>
<b>Subtotal All-In Rate</b>	<b>5.9680%</b>	<b>5.9680%</b>
Issuer	0.1250%	0.1250%
Trustee	<u>0.0000%</u>	<u>0.0000%</u>
<b>Total Rate Equivalent for Loan Sizing</b>	<b>6.0930%</b>	<b>6.0930%</b>
DCR	1.15	1.15

LOAN AMOUNT COMPARISON	TRANCHE A	SELECTED
TRANCHE A	6,901,786	6,901,786
TRANCHE B	0	0
221(d)(4)	6,662,555	0

## BOND / REHABILITATION RATIOS

Tax-Exempt Financing Ratio	CDLAC Allocation Limit	Effective Date Limits.		6/1/20
		Units	Per-Unit Limit	Total Limit
	Studio and SRO	26	522,000	13,572,000
	One BR	29	544,000	15,776,000
Series A Bonds	6,901,000	Two BR	33	580,500
Series B Bonds	0	Three BR	29	638,500
Short Term Bonds (Construction Loan Portion)	<u>40,210,000</u>	Four BR or More	0	671,500
TOTAL TAX-EXEMPT FINANCING	47,111,000			
			<b>TOTAL</b>	<b>67,021,000</b>
TOTAL BASIS + LAND ALLOCATION	88,380,812		Potential Bond Size	47,111,000
			Over/(Under)	(19,910,000)
<b>Percent Tax-Exempt Financing</b>	<b>53.30%</b>			

Lease-Up / Placed-in-Service Schedule

Version: 4.2 Closing

SCHEDULE

	Dates	Months to Milestones	Cumulative Months
Start of Construction	February 1, 2024	0	0
Completion	October 1, 2025	20	20
100% Occupancy	January 1, 2026	3	23
Conversion	June 1, 2026	5	28
Form(s) 8609	December 1, 2026	6	34

LIHTC SCHEDULE

SINGLE BUILDING / MULTIPLE BUILDINGS - GROUP A				
1st Tax Credit Year:		2026		
Total # Units:		115		
Month	Total QO by Month	Total Vacated by Month	Cumulative Occupancy	Cumulative Occupancy %
Jan-26	115	0	115	100.00%
Feb-26	0	0	115	100.00%
Mar-26	0	0	115	100.00%
Apr-26	0	0	115	100.00%
May-26	0	0	115	100.00%
Jun-26	0	0	115	100.00%
Jul-26	0	0	115	100.00%
Aug-26	0	0	115	100.00%
Sep-26	0	0	115	100.00%
Oct-26	0	0	115	100.00%
Nov-26	0	0	115	100.00%
Dec-26	0	0	115	100.00%
<b>1st Year Occupancy: 2026</b>				<b>100.00%</b>

LIHTC SCHEDULE - 2/3 CREDITS

SINGLE BLDG / MULTIPLE BLDGS - GROUP A			
1st Tax Credit Year (2/3 Units):		2027	
Month	No. Units	Percent	
Jan-27	0	0.0%	
Feb-27	0	0.0%	
Mar-27	0	0.0%	
Apr-27	0	0.0%	
May-27	0	0.0%	
Jun-27	0	0.0%	
Jul-27	0	0.0%	
Aug-27	0	0.0%	
Sep-27	0	0.0%	
Oct-27	0	0.0%	
Nov-27	0	0.0%	
Dec-27	0	0.0%	
<b>Total</b>	<b>0</b>	<b>0.0%</b>	
<b>Total Avg % Qual. Occ.</b>		<b>0.0%</b>	

OPERATIONS SCHEDULE

YEAR 0		
2025		
Completed Lease Up by Month		
Month	No. Units	Percent
Jan-25	0	0.0%
Feb-25	0	0.0%
Mar-25	0	0.0%
Apr-25	0	0.0%
May-25	0	0.0%
Jun-25	0	0.0%
Jul-25	0	0.0%
Aug-25	0	0.0%
Sep-25	0	0.0%
Oct-25	0	0.0%
Nov-25	39	33.3%
Dec-25	39	33.3%
<b>Total</b>	<b>78</b>	<b>66.7%</b>
<b>Total % Operating in First Year</b>		<b>8.33%</b>

MULTIPLE BUILDINGS - GROUP B

SINGLE BUILDING / MULTIPLE BUILDINGS - GROUP B				
1st Tax Credit Year:		2027		
Total # Units:		0		
Month	Total QO by Month	Total Vacated by Month	Cumulative Occupancy	Cumulative Occupancy %
Jan-27	0	0	0	0.00%
Feb-27	0	0	0	0.00%
Mar-27	0	0	0	0.00%
Apr-27	0	0	0	0.00%
May-27	0	0	0	0.00%
Jun-27	0	0	0	0.00%
Jul-27	0	0	0	0.00%
Aug-27	0	0	0	0.00%
Sep-27	0	0	0	0.00%
Oct-27	0	0	0	0.00%
Nov-27	0	0	0	0.00%
Dec-27	0	0	0	0.00%
<b>1st Year Occupancy: 2027</b>				<b>0.00%</b>

MULTIPLE BUILDINGS - GROUP B

SINGLE BLDG / MULTIPLE BLDGS - GROUP B			
1st Tax Credit Year (2/3 Units):		2028	
Month	No. Units	Percent	
Jan-28	0	0.0%	
Feb-28	0	0.0%	
Mar-28	0	0.0%	
Apr-28	0	0.0%	
May-28	0	0.0%	
Jun-28	0	0.0%	
Jul-28	0	0.0%	
Aug-28	0	0.0%	
Sep-28	0	0.0%	
Oct-28	0	0.0%	
Nov-28	0	0.0%	
Dec-28	0	0.0%	
<b>Total</b>	<b>0</b>	<b>0.0%</b>	
<b>Total Avg % Qual. Occ.</b>		<b>0.0%</b>	

YEAR 1 (cumulative)

YEAR 1 (cumulative)		
2026		
Month	No. Units	Percent
Jan-26	117	100.0%
Feb-26	0	0.0%
Mar-26	0	0.0%
Apr-26	0	0.0%
May-26	0	0.0%
Jun-26	0	0.0%
Jul-26	0	0.0%
Aug-26	0	0.0%
Sep-26	0	0.0%
Oct-26	0	0.0%
Nov-26	0	0.0%
Dec-26	0	0.0%
<b>Total</b>	<b>117</b>	<b>100.0%</b>
<b>Total % Operating in 2nd Year</b>		<b>100.0%</b>

PIS SCHEDULE FOR ACQ BASIS DEPRECIATION

YEAR 0			
Mid-Month Convention		2025	
Month	No. Units	Bldg. PIS by Month Dep. Percent	
Jan-25	0	0.0%	
Feb-25	0	0.0%	
Mar-25	0	0.0%	
Apr-25	0	0.0%	
May-25	0	0.0%	
Jun-25	0	0.0%	
Jul-25	0	0.0%	
Aug-25	0	0.0%	
Sep-25	0	0.0%	
Oct-25	0	0.0%	
Nov-25	0	0.0%	
Dec-25	0	0.0%	
<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>	
<b>Total Avg % PIS Y1</b>		<b>0.0%</b>	
YEAR 2 (cumulative)			
Jan-26	0	0.0%	
Feb-26	0	0.0%	
Mar-26	0	0.0%	
Apr-26	0	0.0%	
May-26	0	0.0%	
Jun-26	0	0.0%	
Jul-26	0	0.0%	
Aug-26	0	0.0%	
Sep-26	0	0.0%	
Oct-26	0	0.0%	
Nov-26	0	0.0%	
Dec-26	0	0.0%	
<b>TOTAL</b>	<b>0</b>	<b>0.0%</b>	
<b>Total Avg % PIS Y2</b>		<b>0.0%</b>	

PIS SCHEDULE FOR REHAB/NC BASIS DEPRECIATION

YEAR 1			
Mid-Month Convention		2025	
Month	Building No.	No. Units	Percent
Jan-25	0	0	0.0%
Feb-25	0	0	0.0%
Mar-25	0	0	0.0%
Apr-25	0	0	0.0%
May-25	0	0	0.0%
Jun-25	0	0	0.0%
Jul-25	0	0	0.0%
Aug-25	0	0	0.0%
Sep-25	0	0	0.0%
Oct-25	1	117	4.2%
Nov-25	0	117	8.3%
Dec-25	0	117	8.3%
<b>TOTAL</b>		<b>117</b>	<b>20.8%</b>
<b>Total Avg % PIS Y1</b>		<b>20.8%</b>	
YEAR 2 (cumulative)			
Jan-26	0	117	8.3%
Feb-26	0	117	8.3%
Mar-26	0	117	8.3%
Apr-26	0	117	8.3%
May-26	0	117	8.3%
Jun-26	0	117	8.3%
Jul-26	0	117	8.3%
Aug-26	0	117	8.3%
Sep-26	0	117	8.3%
Oct-26	0	117	8.3%
Nov-26	0	117	8.3%
Dec-26	0	117	8.3%
<b>TOTAL</b>		<b>117</b>	<b>100.0%</b>
<b>Total Avg % PIS Y2</b>		<b>100.0%</b>	

PIS SCHEDULE FOR SITEWORK/PERS. PROP. DEPRECIATION

YEAR 1			
Mid-Quarter Convention		2025	
Month	Building No.	No. Units	Percent
Jan-25	0	0	0.0%
Feb-25	0	0	0.0%
Mar-25	0	0	0.0%
Apr-25	0	0	0.0%
May-25	0	0	0.0%
Jun-25	0	0	0.0%
Jul-25	0	0	0.0%
Aug-25	0	0	0.0%
Sep-25	0	0	0.0%
Oct-25	1	117	4.0%
Nov-25	0	0	4.2%
Dec-25	0	0	8.3%
<b>TOTAL</b>		<b>117</b>	<b>12.5%</b>
<b>Total Avg % PIS Y1</b>		<b>12.5%</b>	
YEAR 2 (non-cumulative)			
Jan-26	0	0	8.3%
Feb-26	0	0	8.3%
Mar-26	0	0	8.3%
Apr-26	0	0	8.3%
May-26	0	0	8.3%
Jun-26	0	0	8.3%
Jul-26	0	0	8.3%
Aug-26	0	0	8.3%
Sep-26	0	0	8.3%
Oct-26	0	0	8.3%
Nov-26	0	0	8.3%
Dec-26	0	0	8.3%
<b>TOTAL</b>		<b>0</b>	<b>100.0%</b>
<b>Total Avg % PIS Y2</b>		<b>100.0%</b>	

## Cuatro at City Heights

## Calculation of Net Syndication Proceeds

Version: 4.2 Closing

			<u>As of Closing</u>
Total Federal Credit (10 yr) & State Credit		40,195,990	0
<i>Total Federal Credit</i>	40,195,990		0
<i>Total State Credit</i>	0		0
Gross Proceeds (Total)		37,780,452	0
<i>Gross Proceeds - Federal Credit</i>	37,780,452		0
<i>Gross Proceeds - State Credit</i>	0		0
Gross Proceeds (net of Energy/Historic Credit Proceeds)		37,780,452	0
Less: LP Syndication Costs			
Attorney	15,000		
Accountant	25,000		
Consulting	100,000		
Other:			
Total Syndication Costs		140,000	0
Total Syndication Costs/Gross Proceeds		0.37% (Syndication Load)	0.00000%
<b>Net Proceeds</b>		<b>37,640,452</b>	<b>0</b>
<b>Net Proceeds/Total Fed and State Credit</b>		<b>0.936423 tax credit price</b>	<b>0.00000</b>
<b>Gross Proceeds (Total)/Total Fed and State Credit</b>		<b>0.939906 tax credit price</b>	<b>0.00000</b>
<b>Gross Proceeds - Federal/State Disaggregated</b>			
Federal		0.940000 tax credit price	1.00000
State		0.860000 tax credit price	0.70000
<b>Net Proceeds - Federal/State Disaggregated</b>			
Federal		0.936423 tax credit price	0.00000
State		- tax credit price	0.00000
<b>Total Equity</b>			
Gross Proceeds from LIHTC	37,780,452		
Gross Proceeds from Energy Credit	0		
Gross Proceeds from Historic Credit	0		

Cuatro at City Heights

<b>TCAC Calculations &amp; Scoring</b>	<b>Version: 4.2 Closing</b>
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THRESHOLD BASIS LIMIT						
County:	San Diego	TCAC Project #:	CA-23-563			
9% or 4% credits:	4%	CDLAC Project #:	23-563			
Year:	2023					
Base Limits for Geographic Region			Threshold Basis Limit for This Project			
Unit Type	9%	4%	Unit Type	# Units	Per Unit Basis Limit	Total
0 BR	353,173	353,173	0 BR	26	353,173	9,182,498
1 BR	407,205	407,205	1 BR	29	407,205	11,808,945
2 BR	491,200	491,200	2 BR	33	491,200	16,209,600
3 BR	628,736	628,736	3 BR	29	628,736	18,233,344
4 BR	700,451	700,451	4 BR	0	700,451	0
5 BR	700,451	700,451	5 BR	0	700,451	0
			117		55,434,387	
Energy/Resource Efficiency Boosts			Additional Basis Adjustments			
Renewables (50% tot./90% area)	0%		Boost for Prevailing Wage	20.0%		
Renewables (75% CA/90% area)	0%		Boost for Project Labor Agreement	0.0%		
Title 24 + 15%	0%		Boost for Parking beneath Units	0.0%		
Post-rehab improvement > 80%	0%		Boost for Childcare	0.0%		
Greywater landscaping	0%		Boost for 100% Special Needs	0.0%		
Community gardens > 60 s.f.	0%		Boost for elevator service	10.0%		
Natural flooring kitchens	0%		Boost for Type I construction	0.0%		
Natural flooring common area	0%		Boost for Type III construction	0.0%		
EPA Indoor Air Plus Program met	0%		<b>Subtotal Boost</b>	<b>30.0%</b>		16,630,316
<b>Subtotal Efficiency (Max 10%)</b>	<b>0%</b>		Boost for Energy / Resource Efficiency	0.0%		0
			Toxic/Seismic Abatement Costs	0.0%		0
			Local Development Impact Fees			0
			High Opportunity Area	0%		0
			BONDS: Boost for units ≤ 50% AMI (excl. CA credit project)	1.0%		25,499,818
			BONDS: Boost for units ≤ 35% AMI (excl. CA credit project)	2.0%		37,695,383
			<b>Total Threshold Basis Limit</b>			<b>135,259,904</b>
			Potential Eligible Basis			81,309,810
			Eligible Basis Surplus/(Deficit)			53,950,094

TCAC HIGH COST TEST			
	Federal Credit	CA State Credit	HCD 2017 UMR
Total Eligible Basis	81,309,810	81,309,810	81,309,810
Total Adjusted TBL	135,259,904	72,064,703	72,064,703
<b>Percentage of ATBL</b>	<b>60.11%</b>	<b>112.83%</b>	<b>112.83%</b>
Amount Over/(Under) 130% Limit (160% Limit for HCD)	(94,528,065)	(12,374,304)	(33,993,715)

TCAC 9% POINTS						
<b>Lowest Income Points</b>						
Rural Project?	N					
Number of Targeted Tax Credit Units	Percent of Area Median Income (AMI) (30% - 55%)	Percentage of Units to Total Units (before rounding down)	Percent of Income Targeted Units to Total Tax Credit Units (exclusive of mgr units)	Points Earned		
0	20	0.00	0	0		
40	30	34.78	30	45		
0	35	0.00	0	0		
12	40	10.43	10	10		
0	45	0.00	0	0		
41	50	35.65	35	17.5		
0	50	0.00	0	0	<i>Rural Projects Only</i>	
0	55	0.00	0	0	<i>Rural Projects Only</i>	
<b>93</b>						
<b>Total Lowest Income Points (No Cap)</b>				<b>72.5</b>		
<b>Total Lowest Income Actual Points</b>				<b>50</b>		
<b>Lowest Income Bonus Points</b>					<i>Total @ 30% AMI Required for Points 12</i>	
Bedroom Selection	Total Number of Tax Credit Units per Bedroom Size	Number of Targeted Tax Credit Units @ 30% AMI	Percentage of Units to Total Units (by bedroom size)	10% by Unit Type	Minimum Units Required at / below 30% AMI	
5 BR	0	0	0.0000	0.0000	0.0000	Pass
4 BR	0	0	0.0000	0.0000	0.0000	Pass
3 BR	29	8	0.2759	3.0000	3.0000	Pass
2 BR	31	8	0.2581	4.0000	4.0000	Pass
1 BR	29	13	0.4483	3.0000	3.0000	Pass
SRO	26	11	0.4231	3.0000	2.0000	Pass
<b>Total</b>	<b>115</b>	<b>40</b>				
<b>Total Lowest Income Bonus Points</b>				<b>2</b>		



Schedule of Outstanding Debt and Reserves - Book Basis		Version: 4.2 Closing																		
		Credit Period Year:	(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
<b>Permanent Loan - Tax-Exempt</b>	AMORTIZING PERIOD ONLY																			
Beginning Balance	6,901,000	0	0	6,901,000	6,871,356	6,809,353	6,743,548	6,673,705	6,599,579	6,520,906	6,437,407	6,348,786	6,254,729	6,154,903	6,048,954	5,936,505	5,817,159	5,690,493	5,556,056	5,413,374
Interest Paid (Interest Rate Only)	5.968%	0	0	205,559	408,405	404,602	400,565	396,281	391,734	386,908	381,786	376,350	370,581	364,458	357,959	351,061	343,741	335,971	327,725	318,972
Annual P&I	COMPOUND	0	0	235,204	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407
Ending Balance		0	0	6,871,356	6,809,353	6,743,548	6,673,705	6,599,579	6,520,906	6,437,407	6,348,786	6,254,729	6,154,903	6,048,954	5,936,505	5,817,159	5,690,493	5,556,056	5,413,374	5,261,939
<b>City of San Diego</b>	PERM SOURCE ONLY?: N																			
Beginning Balance	4,000,000	3,600,000	3,699,000	4,210,000	4,330,000	4,450,000	4,570,000	4,690,000	4,810,000	4,930,000	5,050,000	5,170,000	5,290,000	5,410,000	5,527,743	5,641,194	5,754,425	5,867,457	5,980,315	6,093,025
Interest Accrued @	3.000%	99,000	111,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	0	(2,257)	(6,549)	(6,770)	(6,968)	(7,142)	(7,290)	(7,411)
Mandatory Minimum Payment	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	CONSTRUCT AOB: 90%	3,699,000	4,210,000	4,330,000	4,450,000	4,570,000	4,690,000	4,810,000	4,930,000	5,050,000	5,170,000	5,290,000	5,410,000	5,527,743	5,641,194	5,754,425	5,867,457	5,980,315	6,093,025	6,205,614
<b>HCD VHHP</b>	PERM SOURCE ONLY? Y																			
Beginning Balance	8,443,317	0	0	0	8,570,389	8,788,226	9,006,064	9,223,902	9,441,739	9,659,577	9,877,414	10,095,252	10,313,090	10,530,927	10,744,001	10,948,015	11,151,563	11,354,693	11,557,456	11,759,905
Interest Accrued @	3.000%	0	0	147,758	253,300	253,300	253,300	253,300	253,300	253,300	253,300	253,300	253,300	253,300	253,300	253,300	253,300	253,300	253,300	253,300
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	0	(4,764)	(13,824)	(14,289)	(14,707)	(15,075)	(15,388)	(15,644)
Mandatory Minimum Payment	0.42%	0	0	(20,686)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)
Ending Balance	CONSTRUCT AOB: 0%	0	0	8,570,389	8,788,226	9,006,064	9,223,902	9,441,739	9,659,577	9,877,414	10,095,252	10,313,090	10,530,927	10,744,001	10,948,015	11,151,563	11,354,693	11,557,456	11,759,905	11,962,099
<b>HCD MHP</b>	PERM SOURCE ONLY? Y																			
Beginning Balance	22,155,752	0	0	22,489,196	23,060,814	23,632,433	24,204,051	24,775,670	25,347,288	25,918,906	26,490,525	27,062,143	27,633,762	28,192,880	28,728,224	29,262,347	29,795,372	30,327,433	30,858,671	31,389,240
Interest Accrued @	3.000%	0	0	387,726	664,673	664,673	664,673	664,673	664,673	664,673	664,673	664,673	664,673	664,673	664,673	664,673	664,673	664,673	664,673	664,673
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	(12,500)	(36,274)	(37,496)	(38,593)	(39,557)	(40,380)	(41,050)	
Mandatory Minimum Payment	0.42%	0	0	(54,282)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	
Ending Balance	CONSTRUCT AOB: 0%	0	0	22,489,196	23,060,814	23,632,433	24,204,051	24,775,670	25,347,288	25,918,906	26,490,525	27,062,143	27,633,762	28,192,880	28,728,224	29,262,347	29,795,372	30,327,433	30,858,671	31,389,240
<b>HCD IIG (GP Loan)</b>	PERM SOURCE ONLY? N																			
Beginning Balance	5,343,300	4,007,475	4,007,475	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,340,285	5,331,537	5,322,494	5,313,187	5,303,647	5,293,908
Interest Accrued @	0.000%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	0	(3,015)	(8,748)	(9,043)	(9,308)	(9,540)	(9,738)	(9,900)
Mandatory Minimum Payment	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	CONSTRUCT AOB: 75%	4,007,475	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,340,285	5,331,537	5,322,494	5,313,187	5,303,647	5,293,908	5,284,008	
<b>FHLBSF AHP</b>	PERM SOURCE ONLY? N																			
Beginning Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Interest Accrued @	0.000%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mandatory Minimum Payment	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	CONSTRUCT AOB: 100%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>TOTAL OUTSTANDING DEBT (BOOK BASIS)</b>		8,706,475	10,553,300	48,604,241	49,451,694	50,295,345	51,134,958	51,970,288	52,801,071	53,627,028	54,447,863	55,263,262	56,072,892	56,853,863	57,585,476	58,307,988	59,021,201	59,724,907	60,418,884	61,102,900
LP ASSET MGT. FEE Accruals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIORITY DEF. DEVELOPER FEE Accruals		0	0	915,307	820,917	718,245	607,477	488,818	362,491	228,739	87,827	0	0	0	0	0	0	0	0	0
GP PARTNERSHIP MGT. FEE Accruals		0	0	25,750	52,273	79,591	107,728	136,710	166,562	197,308	228,978	201,640	80,893	0	0	0	0	0	0	0
NON-PRIORITY DEF. DEVELOPER FEE Accruals		0	0	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,077,465	7,012,070	6,944,472	6,874,896	6,803,582	6,730,786	6,656,780
<b>TOTAL OUTSTANDING DEBT+ACCRUALS (BOOK BASIS)</b>		8,706,475	10,553,300	56,645,298	57,424,884	58,193,180	58,950,164	59,695,817	60,430,123	61,153,075	61,864,668	62,564,902	63,253,785	63,931,328	64,597,545	65,252,460	65,896,097	66,528,488	67,149,669	67,759,680
<b>RESERVE BALANCES</b>																				
<b>Replacement Reserve</b>																				
<i>Deed-Secured? Y</i>																				
Previous Balance		0	0	4,875	63,473	123,242	184,207	246,391	309,819	374,515	440,505	507,816	576,472	646,501	717,931	790,790	865,106	940,908	1,018,226	1,097,091
Deposit to Reserve		0	4,875	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500
Interest on Reserve	2.0%	0	0	98	1,269	2,465	3,684	4,928	6,196	7,490	8,810	10,156	11,529	12,930	14,359	15,816	17,302	18,818	20,365	21,942
Withdrawal from Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		0	4,875	63,473	123,242	184,207	246,391	309,819	374,515	440,505	507,816	576,472	646,501	717,931	790,790	865,106	940,908	1,018,226	1,097,091	1,177,532
<b>Capitalized Operating Reserve (3 mos.)</b>																				
<i>Deed-Secured? Y</i>																				
Previous Balance		0	0	444,016	452,896	461,954	471,193	480,617	490,230	500,034	510,035	520,236	530,640	541,253	552,078	563,120	574,382	585,870	597,587	609,539
Deposit to Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Reserve	2.0%	0	0	8,880	9,058	9,239	9,424	9,612	9,805	10,001	10,201	10,405	10,613	10,825	11,042	11,262	11,488	11,717	11,952	12,191
Withdrawal from Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		444,016	0	452,896	461,954	471,193	480,617	490,230	500,034	510,035	520,236	530,640	541,253	552,078	563,120	574,382	585,870	597,587	609,539	621,730

Cuatro at City Heights

Schedule of Outstanding Debt - Tax Basis		Version: 4.2 Closing																		
		Credit Period Year:	(1) 2024	0 2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036	12 2037	13 2038	14 2039	15 2040	16 2041
<b>Permanent Loan - Tax-Exempt</b> AMORTIZING PERIOD ONLY																				
Beginning Balance	6,901,000	0	0	6,901,000	6,871,356	6,809,353	6,743,548	6,673,705	6,599,579	6,520,906	6,437,407	6,348,786	6,254,729	6,154,903	6,048,954	5,936,505	5,817,159	5,690,493	5,556,056	5,413,374
Interest Paid (Interest Rate Only)	5.968%	0	0	205,559	408,405	404,602	400,565	396,281	391,734	386,908	381,786	376,350	370,581	364,458	357,959	351,061	343,741	335,971	327,725	318,972
Annual P&I		0	0	235,204	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407	470,407
Ending Balance		0	0	6,871,356	6,809,353	6,743,548	6,673,705	6,599,579	6,520,906	6,437,407	6,348,786	6,254,729	6,154,903	6,048,954	5,936,505	5,817,159	5,690,493	5,556,056	5,413,374	5,261,939
<b>City of San Diego</b> PERM SOURCE ONLY? N																				
Beginning Balance	4,000,000	3,600,000	3,658,995	4,126,195	4,199,960	4,275,043	4,351,469	4,429,261	4,508,444	4,589,042	4,671,081	4,754,587	4,839,585	4,926,104	5,011,912	5,094,962	5,179,276	5,264,899	5,351,879	5,440,265
Interest Accrued @	1.788%	58,995	67,200	73,765	75,083	76,426	77,792	79,183	80,598	82,039	83,506	84,999	86,518	88,065	89,599	91,084	92,591	94,122	95,677	97,257
Residual Receipts Payment	COMPOUND	0	0	0	0	0	0	0	0	0	0	0	0	(2,257)	(6,549)	(6,770)	(6,968)	(7,142)	(7,290)	(7,411)
Mandatory Minimum Payment	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	CONSTRUCT AOB: 90%	3,658,995	4,126,195	4,199,960	4,275,043	4,351,469	4,429,261	4,508,444	4,589,042	4,671,081	4,754,587	4,839,585	4,926,104	5,011,912	5,094,962	5,179,276	5,264,899	5,351,879	5,440,265	5,530,110
<b>HCD VVHP</b> PERM SOURCE ONLY? Y																				
Beginning Balance	8,443,317	0	0	8,516,377	8,643,012	8,772,058	8,903,561	9,037,566	9,174,122	9,313,277	9,455,080	9,599,583	9,746,836	9,892,128	10,031,126	10,172,303	10,315,750	10,461,559	10,609,830	10,760,668
Interest Accrued @	1.903%	0	0	93,746	162,098	164,508	166,964	169,467	172,018	174,617	177,266	179,965	182,715	185,518	188,283	190,929	193,616	196,346	199,122	201,944
Residual Receipts Payment	COMPOUND	0	0	0	0	0	0	0	0	0	0	0	0	(4,764)	(13,824)	(14,289)	(14,707)	(15,075)	(15,388)	(15,644)
Mandatory Minimum Payment	0.42%	0	0	(20,686)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)	(35,462)
Ending Balance	CONSTRUCT AOB: 0%	0	0	8,516,377	8,643,012	8,772,058	8,903,561	9,037,566	9,174,122	9,313,277	9,455,080	9,599,583	9,746,836	9,892,128	10,031,126	10,172,303	10,315,750	10,461,559	10,609,830	10,760,668
<b>HCD MHP</b> PERM SOURCE ONLY? Y																				
Beginning Balance	22,155,752	0	0	22,347,465	22,679,764	23,018,388	23,363,458	23,715,095	24,073,426	24,438,576	24,810,677	25,189,861	25,576,261	25,957,516	26,322,254	26,692,712	27,069,124	27,451,736	27,840,809	28,236,616
Interest Accrued @	1.903%	0	0	245,994	425,354	431,678	438,124	444,692	451,385	458,205	465,155	472,237	479,455	486,809	494,066	501,008	508,059	515,224	522,506	529,912
Residual Receipts Payment	COMPOUND	0	0	0	0	0	0	0	0	0	0	0	0	(12,500)	(36,274)	(37,496)	(38,593)	(39,557)	(40,380)	(41,050)
Mandatory Minimum Payment	0.42%	0	0	(54,282)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)	(93,054)
Ending Balance	CONSTRUCT AOB: 0%	0	0	22,347,465	22,679,764	23,018,388	23,363,458	23,715,095	24,073,426	24,438,576	24,810,677	25,189,861	25,576,261	25,957,516	26,322,254	26,692,712	27,069,124	27,451,736	27,840,809	28,236,616
<b>HCD IIG (GP Loan)</b> PERM SOURCE ONLY? N																				
Beginning Balance	5,343,300	4,007,475	4,007,475	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,340,285	5,331,537	5,322,494	5,313,187	5,303,647	5,293,908
Interest Accrued @	0.000%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residual Receipts Payment	COMPOUND	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,015)	(8,748)	(9,043)	(9,308)	(9,540)	(9,738)
Mandatory Minimum Payment	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	CONSTRUCT AOB: 75%	4,007,475	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,343,300	5,340,285	5,331,537	5,322,494	5,313,187	5,303,647	5,293,908	5,284,008
<b>FHLBSF AHP</b> PERM SOURCE ONLY? N																				
Beginning Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Interest Accrued @	0.000%	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Residual Receipts Payment	COMPOUND	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mandatory Minimum Payment	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	CONSTRUCT AOB: 100%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>TOTAL OUTSTANDING DEBT (TAX BASIS)</b>		8,666,470	10,469,495	48,278,457	48,750,473	49,228,763	49,713,285	50,203,984	50,700,795	51,203,641	51,712,431	52,227,058	52,747,404	53,250,795	53,716,383	54,183,944	54,653,451	55,124,876	55,598,186	56,073,342
LP ASSET MGT. FEE Accruals		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIORITY DEF. DEVELOPER FEE Accruals		0	0	915,307	820,917	718,245	607,477	488,818	362,491	228,739	87,827	0	0	0	0	0	0	0	0	0
GP PARTNERSHIP MGT. FEE Accruals		0	0	25,750	52,273	79,591	107,728	136,710	166,562	197,308	228,978	201,640	80,893	0	0	0	0	0	0	0
NON-PRIORITY DEF. DEVELOPER FEE Accruals		0	0	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,077,465	7,012,070	6,944,472	6,874,896	6,803,582	6,730,786	6,656,780
<b>TOTAL OUTSTANDING DEBT+ACCRUALS (TAX BASIS)</b>		8,666,470	10,469,495	56,319,514	56,723,662	57,126,599	57,528,491	57,929,512	58,329,847	58,729,688	59,129,235	59,528,698	59,928,297	60,328,259	60,728,453	61,128,416	61,528,347	61,928,458	62,328,971	62,730,122

Net Cash Flow Fee Accruals																	Version: 4.2 Closing			
Credit Period Year:	(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
<b>LP ASSET MGT. FEE</b>																				
Beginning Accrual Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Current Year LP Asset Mgt. Fee	-	500	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348	9,628	9,917	
Total Payment	-	(500)	(6,180)	(6,365)	(6,556)	(6,753)	(6,956)	(7,164)	(7,379)	(7,601)	(7,829)	(8,063)	(8,305)	(8,555)	(8,811)	(9,076)	(9,348)	(9,628)	(9,917)	
Ending Accrual Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Potential LP Asset Mgt. Fee:	6,000																			
Inflator:	3.00%																			
Potential LP Asset Mgt. Fee:	0	500	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348	9,628	9,917	
<b>PRIORITY DEF. DEVELOPER FEE</b>																				
Beginning Accrual Balance	-	-	1,300,000	915,307	820,917	718,245	607,477	488,818	362,491	228,739	87,827	-	-	-	-	-	-	-	-	
Current Year DDF Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Payment	-	-	(384,693)	(94,390)	(102,672)	(110,768)	(118,659)	(126,328)	(133,752)	(140,912)	(87,827)	-	-	-	-	-	-	-	-	
Ending Accrual Balance	-	-	915,307	820,917	718,245	607,477	488,818	362,491	228,739	87,827	-	-	-	-	-	-	-	-	-	
Potential Priority Def. Developer Fee:	0																			
Interest Rate:	0.00%																			
Potential Priority Def. Developer Fee:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>GP PARTNERSHIP MGT. FEE</b>																				
Beginning Accrual Balance	-	-	-	25,750	52,273	79,591	107,728	136,710	166,562	197,308	228,978	201,640	80,893	-	-	-	-	-	-	
Current Year GP Partnership Mgt. Fee	-	2,083	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	38,949	40,118	41,321	
Total Payment	-	(2,083)	-	-	-	-	-	-	-	-	(59,957)	(154,345)	(115,499)	(35,644)	(36,713)	(37,815)	(38,949)	(40,118)	(41,321)	
Ending Accrual Balance	-	-	25,750	52,273	79,591	107,728	136,710	166,562	197,308	228,978	201,640	80,893	-	-	-	-	-	-	-	
Potential GP Partnership Mgt. Fee:	25,000																			
Inflator:	3.00%																			
Potential GP Partnership Mgt. Fee:	0	2,083	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	38,949	40,118	41,321	
<b>NON-PRIORITY DEF. DEVELOPER FEE</b>																				
Beginning Accrual Balance	-	-	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,077,465	7,012,070	6,944,472	6,874,896	6,803,582	6,730,786	
Current Year DDF Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Payment	-	-	-	-	-	-	-	-	-	-	-	-	(22,535)	(65,395)	(67,598)	(69,576)	(71,314)	(72,796)	(74,005)	
Ending Accrual Balance	-	-	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,077,465	7,012,070	6,944,472	6,874,896	6,803,582	6,730,786	6,656,780	
Potential Non-Priority Def. Developer F0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest Rate:	0.00%																			
TOTAL Cumulative to GP:	0	2,583	87,188	90,240	93,398	96,667	100,051	103,552	107,177	110,928	114,767	118,640	122,548	126,487	130,461	134,474	138,528	142,624	146,761	
TOTAL Cumulative to LP:	0	500	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348	9,628	9,917	
Max to GP:	0	5,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792	76,006	78,286	80,635	83,054	85,546	88,112	90,755	93,478	96,282	99,171	
Excess GP Fees:	0	0	25,388	26,586	27,835	29,137	30,494	31,909	33,384	34,922	36,481	38,059	39,654	41,267	42,897	44,544	46,208	47,889	49,587	

**SCHEDULE OF RESERVE BALANCES**

Replacement Reserve		Deed-Secured? Y																		
Previous Balance	0	0	4,875	63,473	123,242	184,207	246,391	309,819	374,515	440,505	507,816	576,472	646,501	717,931	790,790	865,106	940,908	1,018,226	1,097,091	
Deposit to Reserve	0	4,875	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	
Interest on Reserve	0	0	98	1,269	2,465	3,684	4,928	6,196	7,490	8,810	10,156	11,529	12,930	14,359	15,816	17,302	18,818	20,365	21,942	
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	4,875	63,473	123,242	184,207	246,391	309,819	374,515	440,505	507,816	576,472	646,501	717,931	790,790	865,106	940,908	1,018,226	1,097,091	1,177,532	
Capitalized Operating Reserve (3 mos.)		Deed-Secured? Y																		
Previous Balance	0	0	444,016	452,896	461,954	471,193	480,617	490,230	500,034	510,035	520,236	530,640	541,253	552,078	563,120	574,382	585,870	597,587	609,539	
Deposit to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve	0	0	8,880	9,058	9,239	9,424	9,612	9,805	10,001	10,201	10,405	10,613	10,825	11,042	11,262	11,488	11,717	11,952	12,191	
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	444,016	0	452,896	461,954	471,193	480,617	490,230	500,034	510,035	520,236	530,640	541,253	552,078	563,120	574,382	585,870	597,587	609,539	621,730	

Schedule of Deductions Version: 4.2 Closing

ADS MACRS	Proration	Building: Residential Asset Life Method	Building: Commercial Asset Life Method	Site Improvements Asset Life Method	Personal Property Asset Life Method	Soft Costs Prorated into NC/Rehab, Sitework, and PP Classes? Y
	100.0% 0.0%	30.0 straight line 27.5 straight line	30.0 straight line 27.5 straight line	90.0% 20 Yr SL 10.0% 15 Yr 150% DB	90.0% 9 Yr SL 10.0% 5 Yr DDB	

DEPRECIATION SCHEDULE	Beginning Basis	Credit Period Year: 2023	(1) 2024	0 2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036	12 2037	13 2038	14 2039	15 2040	16 2041	17 2042
30 years straight line - Res - Rehab/NC	76,243,082	0	529,466	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436	2,541,436
30 years straight line - Commercial*	23,501	0	163	783	783	783	783	783	783	783	783	783	783	783	783	783	783	783	783	783	783
Site Improvements (20 yr SL)	2,279,671	0	14,248	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984	113,984
Site Improvements (15 yr 150% decl. bal.)	253,297	0	114,617	13,868	12,481	11,233	10,110	9,099	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	1,122	0	0
Personal Property (9 yr SL)	2,280,385	0	31,672	253,376	253,376	253,376	253,376	253,376	253,376	253,376	253,376	253,376	221,704	0	0	0	0	0	0	0	0
Personal property (5 yr 200% decl. bal.)	253,376	0	154,559	39,527	23,716	16,741	16,741	2,093	0	0	0	0	0	0	0	0	0	0	0	0	0
Improvements from Reserve Draws (30 yr. SL)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SUBTOTAL</b>	<b>81,333,311</b>	<b>0</b>	<b>844,725</b>	<b>2,962,974</b>	<b>2,945,776</b>	<b>2,937,553</b>	<b>2,936,430</b>	<b>2,920,770</b>	<b>2,918,553</b>	<b>2,918,553</b>	<b>2,918,553</b>	<b>2,918,553</b>	<b>2,886,881</b>	<b>2,665,177</b>	<b>2,665,177</b>	<b>2,665,177</b>	<b>2,665,177</b>	<b>2,665,177</b>	<b>2,657,325</b>	<b>2,656,203</b>	<b>2,656,203</b>

\*No cost basis in commercial space because it will be sold at cost at or before conversion to permanent financing.

AMORTIZATION SCHEDULE	Beginning Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
TCAC Application/Res/Monitoring Fee	90,000	0	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	0	0
Costs of Issuance	1,035,783	0	0	624,331	25,063	25,063	25,063	25,063	25,063	25,063	25,063	25,063	25,063	25,063	25,063	25,063	25,063	25,063	25,063	25,063	25,063
Soft Loan Fees/Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Title/Recording/Escrow - Permanent	15,000	0	0	250	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429	429
Legal: Permanent Closing	20,000	0	0	333	571	571	571	571	571	571	571	571	571	571	571	571	571	571	571	571	571
Appraisal	2,438	0	0	41	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70
Market/Rent Comp Study	25,000	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	0	0	0	0	0	0	0
HCD Pooled Transition Reserve Fee	149,224	0	0	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713
Legal: Organization of Partnership	15,000	0	0	5,000	714	714	714	714	714	714	714	714	714	714	714	714	714	714	714	0	0
<b>SUBTOTAL</b>	<b>1,352,445</b>	<b>0</b>	<b>0</b>	<b>641,168</b>	<b>38,060</b>	<b>35,560</b>	<b>35,560</b>	<b>35,560</b>	<b>35,560</b>	<b>35,560</b>	<b>28,846</b>	<b>28,846</b>									

EXPENSED COSTS	Beginning Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Audit/Cost Certification	25,000	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	50,000	0	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Start-up/Lease-up Expenses	100,000	0	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HCD Pooled Transition Reserve Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LP Asset Mgt. Fee		500	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348	9,628	9,917		
GP Partnership Mgt. Fee		2,083	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	38,949	40,118	41,321		
Annual Issuer Fee		0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Other Annual Loan Fees		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City of San Diego Monitoring Fee		1,463	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550
<b>SUBTOTAL</b>	<b>175,000</b>	<b>0</b>	<b>179,046</b>	<b>49,480</b>	<b>60,438</b>	<b>61,425</b>	<b>62,441</b>	<b>63,487</b>	<b>64,566</b>	<b>65,676</b>	<b>66,820</b>	<b>67,998</b>	<b>69,211</b>	<b>70,461</b>	<b>71,749</b>	<b>73,075</b>	<b>74,440</b>	<b>75,847</b>	<b>77,296</b>	<b>78,788</b>	

NOTE: PMF/CMF not expensed

INTEREST DEDUCTIONS	Beginning Basis	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Interest - Tranche A	Permanent Loan - Tax-Exempt	0	0	205,559	408,405	404,602	400,565	396,281	391,734	386,908	381,786	376,350	370,581	364,458	357,959	351,061	343,741	335,971	327,725	318,972	
Interest - Predevelopment Loans		0	510,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest - City of San Diego	City of San Diego	0	16,800	73,765	75,083	76,426	77,792	79,183	80,598	82,039	83,506	84,999	86,518	88,065	89,599	91,084	92,591	94,122	95,677	97,257	
Interest - HCD VHHP	HCD VHHP	0	0	93,746	162,098	164,508	166,964	169,467	172,018	174,617	177,266	179,965	182,715	185,518	188,283	190,929	193,616	196,346	199,122	201,944	
Interest - HCD MHP	HCD MHP	0	0	245,994	425,354	431,678	438,124	444,692	451,385	458,205	465,155	472,237	479,455	486,809	494,066	501,008	508,059	515,224	522,506	529,912	
Interest - HCD IIG (GP Loan)	HCD IIG (GP Loan)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest - FHLBSF AHP	FHLBSF AHP	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Interest - Deferred Developer Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest - Expensed Constr. Period Interest		0	1,200,000	2,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SUBTOTAL</b>		<b>0</b>	<b>0</b>	<b>1,726,800</b>	<b>2,619,064</b>	<b>1,070,939</b>	<b>1,077,214</b>	<b>1,083,445</b>	<b>1,089,622</b>	<b>1,095,735</b>	<b>1,101,769</b>	<b>1,107,713</b>	<b>1,113,551</b>	<b>1,119,269</b>	<b>1,124,850</b>	<b>1,129,907</b>	<b>1,134,082</b>	<b>1,138,007</b>	<b>1,141,663</b>	<b>1,145,029</b>	<b>1,148,085</b>

<b>TOTAL DEDUCTIONS</b>	<b>0</b>	<b>0</b>	<b>2,750,571</b>	<b>6,272,686</b>	<b>4,115,214</b>	<b>4,114,251</b>	<b>4,120,375</b>	<b>4,111,940</b>	<b>4,116,914</b>	<b>4,124,059</b>	<b>4,131,146</b>	<b>4,106,490</b>	<b>3,891,718</b>	<b>3,896,048</b>	<b>3,902,393</b>	<b>3,907,894</b>	<b>3,913,184</b>	<b>3,910,394</b>	<b>3,907,374</b>	<b>3,911,922</b>
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Analysis of Taxable Income

Version: 4.2 Closing

Assumptions		Loss Reallocation (Year 12)																		
Marginal Tax Rate - Federal	21.0%	GP Share: 90.00%																		
Marginal Tax Rate - State	0.0%	LP Share: 10.00%																		
Effective Combined Marginal Tax Rate	21.0%																			
Number of LP Capital Contributions	4																			

	Credit Period Year:		(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
<b>LOSSES</b>																					
Net Operating Income		0	64,698	777,094	785,729	794,201	802,494	810,588	818,465	826,105	833,486	840,586	847,382	853,849	859,962	865,693	871,016	875,899	880,312	884,222	
Interest Income from Reserves		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Deductions		0	2,750,571	6,272,696	4,115,214	4,114,251	4,120,375	4,111,940	4,116,914	4,124,059	4,131,146	4,106,490	3,891,718	3,896,048	3,902,393	3,907,894	3,913,184	3,910,394	3,907,374	3,911,922	
Total Taxable Income (Loss)		0	(2,685,873)	(5,495,592)	(3,329,485)	(3,320,050)	(3,317,881)	(3,301,352)	(3,298,448)	(3,297,954)	(3,297,660)	(3,265,905)	(3,044,336)	(3,042,199)	(3,042,431)	(3,042,200)	(3,042,169)	(3,034,496)	(3,027,062)	(3,027,700)	
Special Allocation of GP-Related Op Ex (see below)	Years 1-11	Years 12-15	(0)	(20,200)	(245,449)	(254,040)	(262,931)	(272,134)	(281,658)	(291,516)	(301,719)	(312,279)	(335,800)	(366,934)	(370,485)	(365,833)	(378,600)	(391,812)	(405,486)	(419,637)	(434,282)
General Partner Share of Losses per LPA (pre-704(b))	0.01%	90.00%	(0)	(20,466)	(245,974)	(254,347)	(263,237)	(272,438)	(281,960)	(291,817)	(302,019)	(312,578)	(336,093)	(367,202)	(370,752)	(2,774,771)	(2,775,840)	(2,777,133)	(2,771,595)	(2,766,320)	(2,768,358)
Limited Partner Share of Losses per LPA (pre-704(b))	99.99%	10.00%	0	(2,665,407)	(5,249,618)	(3,075,138)	(3,056,813)	(3,045,443)	(3,019,392)	(3,006,631)	(2,995,935)	(2,985,082)	(2,929,812)	(2,677,134)	(2,671,448)	(266,360)	(265,036)	(265,036)	(260,743)	(259,342)	
<b>AFTER-TAX VALUE OF LOSSES</b>																					
Total Losses Allocated to GP (post-704(b))	Years 1-11	Years 12-15	(0)	(20,466)	(245,974)	(254,347)	(263,237)	(272,438)	(281,960)	(291,817)	(302,019)	(312,578)	(336,093)	(367,202)	(370,752)	(2,785,410)	(3,042,200)	(3,042,169)	(2,771,595)	(3,027,062)	(3,027,700)
Total Losses Allocated to LP (post-704(b))	99.99%	10.00%	0	(2,665,407)	(5,249,618)	(3,075,138)	(3,056,813)	(3,045,443)	(3,019,392)	(3,006,631)	(2,995,935)	(2,985,082)	(2,929,812)	(2,677,134)	(2,671,448)	0	0	0	(262,901)	0	0
After Tax Value of Losses	21.0%		0	564,033	1,154,074	699,192	697,210	696,755	693,284	692,570	692,509	685,840	639,311	638,862	638,910	638,862	638,855	638,855	637,244	635,683	635,817
After-Tax Value of General Partner Losses			0	4,298	51,655	53,413	55,280	57,212	59,212	61,282	63,424	65,641	70,580	77,112	77,858	584,936	638,862	638,855	582,035	635,683	635,817
After-Tax Value of Limited Partner Losses			(0)	559,735	1,102,420	645,779	641,931	639,543	634,072	631,393	629,146	626,867	615,260	562,198	561,004	53,974	0	0	55,209	0	0
Limited Partner Share of Losses Per LPA	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
<b>TAX CREDITS</b>																					
Fed Tax Credits-Rehab/NC - Building A or Credit Year 1	100.0%		0	0	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	0	0	0	0	0	0	
<b>TOTAL TAX CREDITS</b>																					
General Partner Share	0.01%		0	0	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	4,019,599	0	0	0	0	0	0	0	
Limited Partner Share	99.99%		0	0	4,019,197	4,019,197	4,019,197	4,019,197	4,019,197	4,019,197	4,019,197	4,019,197	4,019,197	0	0	0	0	0	0	0	
(less) Reduction due to LP Capital Account Adjustment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL AFTER-TAX BENEFITS</b>																					
			0	564,033	5,173,673	4,718,791	4,716,809	4,716,354	4,712,883	4,712,273	4,712,169	4,712,108	4,705,439	4,658,910	638,862	638,910	638,862	638,855	637,244	635,683	635,817
General Partner Share	0.01%		0	4,298	52,056	53,815	55,682	57,614	59,614	61,684	63,826	66,043	70,982	77,514	77,858	584,936	638,862	638,855	582,035	635,683	635,817
Limited Partner Share	99.99%		(0)	559,735	5,121,617	4,664,976	4,661,128	4,658,740	4,653,269	4,650,590	4,648,343	4,646,064	4,634,457	4,581,395	53,974	0	0	55,209	0	0	

OPERATING EXPENSE REALLOCATIONS-GP-RELATED (Beginning at start of operations)

	Base Year: 2024	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
Administrative	98,560	0	8,501	105,580	109,275	113,100	117,058	121,155	125,396	129,785	134,327	139,029	143,895	148,931	154,144	159,539	165,122	170,902	176,883	183,074	
Management Fee	84,240	0	7,266	90,240	93,398	96,667	100,051	103,552	107,177	110,928	114,810	118,829	122,988	127,292	131,748	136,359	141,131	146,071	151,183	156,475	
Utilities	182,520	0	15,742	195,520	202,363	209,446	216,777	224,364	232,216	240,344	248,756	257,462	266,474	275,800	285,453	295,444	305,785	316,487	327,564	339,029	
Payroll/Payroll Taxes	229,740	0	19,815	246,103	254,717	263,632	272,859	282,409	292,293	302,524	313,112	324,071	335,413	347,153	359,303	371,879	384,895	398,366	412,309	426,740	
Taxes & Insurance	91,900	0	7,926	98,446	101,891	105,457	109,148	112,969	116,922	121,015	125,250	129,634	134,171	138,867	143,728	148,758	153,965	159,353	164,931	170,703	
Maintenance	160,440	0	13,838	171,867	177,883	184,109	190,552	197,222	204,124	211,269	218,663	226,316	234,238	242,436	250,921	259,703	268,793	278,201	287,938	298,016	
Other:	2,946	0	254	3,156	3,266	3,381	3,499	3,621	3,748	3,879	4,015	4,156	4,301	4,452	4,607	4,769	4,936	5,108	5,287	5,472	
Resident Services	240,745	0	20,764	257,892	266,918	276,260	285,930	295,937	306,295	317,015	328,111	339,595	351,480	363,782	376,515	389,693	403,332	417,448	432,059	447,181	
GP Partnership Mgt. Fee	25,000	0	2,083	0	0	0	0	0	0	0	0	59,957	154,345	115,499	35,644	36,713	37,815	38,949	40,118	41,321	
<b>TOTAL</b>	<b>1,091,091</b>	<b>0</b>	<b>96,190</b>	<b>1,168,804</b>	<b>1,209,712</b>	<b>1,252,052</b>	<b>1,295,874</b>	<b>1,341,229</b>	<b>1,388,172</b>	<b>1,436,758</b>	<b>1,487,045</b>	<b>1,599,048</b>	<b>1,747,305</b>	<b>1,764,213</b>	<b>1,742,062</b>	<b>1,802,856</b>	<b>1,865,773</b>	<b>1,930,886</b>	<b>1,998,272</b>	<b>2,068,011</b>	
HCD IIG (GP Loan)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
FHLBSF AHP		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Related Party Loan Interest</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Percent Reallocated to GP 21.0%</b>																					
<b>TOTAL EXPENSE REALLOCATION TO GP</b>			0	20,200	245,449	254,040	262,931	272,134	281,658	291,516	301,719	312,279	335,800	366,934	370,485	365,833	378,600	391,812	405,486	419,637	434,282
Note: Begins at Operations Start																					

Capital Account Analysis and Tax Liability - Sale Price Equals Debt

Version: 4.2 Closing

LIMITED PARTNER	Credit Period Year:	(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
<b>SUMMARY OF LP ACCOUNTS AND LOSSES</b>																				
Total Losses Allocated to LP		(0)	2,665,407	5,249,618	3,075,138	3,056,813	3,045,443	3,019,392	3,006,631	2,995,935	2,985,082	2,929,812	2,677,134	2,671,448	257,021	0	0	262,901	0	0
Ending LP Capital Account Balance		3,779,000	11,108,015	29,719,849	26,644,712	23,587,898	20,542,455	17,523,063	14,516,431	11,520,496	8,535,414	5,605,602	2,928,468	257,021	0	0	(262,901)	(262,901)	(262,901)	(262,901)
Ending LP Minimum Gain Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,707	322,551	627,414
<b>MINIMUM GAIN ANALYSIS</b>																				
Adjusted Basis		88,573,311	87,728,586	84,765,612	81,819,836	78,882,283	75,945,854	73,025,083	70,106,530	67,187,977	64,269,424	61,382,543	58,717,366	56,052,188	53,387,011	50,721,834	48,056,657	45,399,332	42,743,129	40,086,926
Deed-Secured Cash Reserves		0	4,875	516,369	585,196	655,400	727,008	800,048	874,549	950,540	1,028,051	1,107,112	1,187,754	1,270,009	1,353,910	1,439,488	1,526,778	1,615,813	1,706,629	1,799,262
Total Adjusted Basis plus Cash		88,573,311	87,733,461	85,281,981	82,405,032	79,537,683	76,672,862	73,825,132	70,981,079	68,138,517	65,297,475	62,489,655	59,905,120	57,322,198	54,740,921	52,161,322	49,583,435	47,015,145	44,449,759	41,886,188
Outstanding Nonrecourse Debt		4,658,995	5,126,195	42,935,157	43,407,173	43,885,463	44,369,985	44,860,684	45,357,495	45,860,341	46,369,131	46,883,758	47,404,104	47,910,509	48,384,846	48,861,450	49,340,265	49,821,230	50,304,278	50,789,334
Outstanding Nonrecourse Debt (Related Party)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minimum Gain - Partnership		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,806,085	5,854,519	8,903,146
Annual Change in Minimum Gain		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,806,085	3,048,435	3,048,627
Minimum Gain - Partner (GP)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>POTENTIAL LIMITED PARTNER LOSSES</b>																				
LP Share of Losses per LPA		99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Annual Potential Losses Allocated to LP		0	(2,665,407)	(5,249,618)	(3,075,138)	(3,056,813)	(3,045,443)	(3,019,392)	(3,006,631)	(2,995,935)	(2,985,082)	(2,929,812)	(2,677,134)	(2,671,448)	(267,660)	(266,360)	(265,036)	(262,901)	(260,743)	(259,342)
(less) Related Party Losses Reallocated to GP		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted Potential LP Losses		0	(2,665,407)	(5,249,618)	(3,075,138)	(3,056,813)	(3,045,443)	(3,019,392)	(3,006,631)	(2,995,935)	(2,985,082)	(2,929,812)	(2,677,134)	(2,671,448)	(267,660)	(266,360)	(265,036)	(262,901)	(260,743)	(259,342)
<b>LP LOSS ANALYSIS – CAPITAL ACCOUNT SHARE</b>																				
Beginning LP Capital Account Balance		0	3,779,000	11,108,015	29,719,849	26,644,712	23,587,898	20,542,455	17,523,063	14,516,431	11,520,496	8,535,414	5,605,602	2,928,468	257,021	0	0	0	(262,901)	(262,901)
LP Capital Contributions		3,779,000	10,000,000	24,001,452	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) LP Cash Flow Distributions		0	(5,578)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) Historic Tax Credits		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) Investment Tax Credits (Solar)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LP Capital Account Balance Available for Losses		3,779,000	13,773,422	35,109,467	29,719,849	26,644,712	23,587,898	20,542,455	17,523,063	14,516,431	11,520,496	8,535,414	5,605,602	2,928,468	257,021	0	0	0	0	0
Adjusted Potential LP Losses		0	(2,665,407)	(5,249,618)	(3,075,138)	(3,056,813)	(3,045,443)	(3,019,392)	(3,006,631)	(2,995,935)	(2,985,082)	(2,929,812)	(2,677,134)	(2,671,448)	(267,660)	(266,360)	(265,036)	(262,901)	(260,743)	(259,342)
End of Year Capital Account Balance per Potential Losses		3,779,000	11,108,015	29,589,849	26,644,712	23,587,898	20,542,455	17,523,063	14,516,431	11,520,496	8,535,414	5,605,602	2,928,468	257,021	(10,639)	(266,360)	(265,036)	(262,901)	(260,743)	(259,342)
Allowable LP Capital Account Losses		(3,779,000)	(13,773,422)	(35,109,467)	(29,719,849)	(26,644,712)	(23,587,898)	(20,542,455)	(17,523,063)	(14,516,431)	(11,520,496)	(8,535,414)	(5,605,602)	(2,928,468)	(257,021)	0	0	0	0	0
Actual Losses Allocated to LP (Capital Account Share)		0	(2,665,407)	(5,249,618)	(3,075,138)	(3,056,813)	(3,045,443)	(3,019,392)	(3,006,631)	(2,995,935)	(2,985,082)	(2,929,812)	(2,677,134)	(2,671,448)	(257,021)	0	0	0	0	0
LP DRO?		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cumulative DRO Amount		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>LP LOSS ANALYSIS – MINIMUM GAIN SHARE</b>																				
Beginning LP Minimum Gain Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,707	322,551
LP Share of Annual Change in Minimum Gain		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	280,608	304,843
LP Minimum Gain Balance Available for Losses		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	280,608	322,551
Adjusted Potential LP Losses less Cap Acct Losses		0	0	0	0	0	0	0	0	0	0	0	0	0	(10,639)	(266,360)	(265,036)	(262,901)	(260,743)	
Allowable LP Minimum Gain Account Losses		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(280,608)	(322,551)
Actual Losses Allocated to LP (Minimum Gain Share)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(262,901)	0
<b>TOTAL LOSSES ALLOCATED TO LP</b>		<b>0</b>	<b>(2,665,407)</b>	<b>(5,249,618)</b>	<b>(3,075,138)</b>	<b>(3,056,813)</b>	<b>(3,045,443)</b>	<b>(3,019,392)</b>	<b>(3,006,631)</b>	<b>(2,995,935)</b>	<b>(2,985,082)</b>	<b>(2,929,812)</b>	<b>(2,677,134)</b>	<b>(2,671,448)</b>	<b>(257,021)</b>	<b>0</b>	<b>0</b>	<b>(262,901)</b>	<b>0</b>	<b>0</b>
<b>LIMITED PARTNER CREDIT DELIVERY ANALYSIS</b>																				
LP 704(b) Capital Available for Losses		3,779,000	13,773,422	35,109,467	29,719,849	26,644,712	23,587,898	20,542,455	17,523,063	14,516,431	11,520,496	8,535,414	5,605,602	2,928,468	257,021	0	0	280,608	322,551	627,414
LP Share of Depreciation per LPA		0	844,641	2,962,677	2,945,482	2,937,259	2,936,136	2,920,478	2,918,261	2,918,261	2,918,261	2,886,592	2,664,911	2,664,911	2,665,518	2,665,518	2,665,518	2,665,732	2,665,620	2,665,620
Reduction in LP LIHTC due to 704(b) Capital Shortfall		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.56%	100.00%	100.00%	100.00%	0.00%	0.00%
<b>LIMITED PARTNER CAPITAL ACCOUNT</b>																				
Beginning Capital Account Balance		0	3,779,000	11,108,015	29,719,849	26,644,712	23,587,898	20,542,455	17,523,063	14,516,431	11,520,496	8,535,414	5,605,602	2,928,468	257,021	0	0	0	(262,901)	(262,901)
LP Capital Contributions		3,779,000	10,000,000	24,001,452	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) Syndication Expenses		0	0	(140,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) LP Cash Flow Distributions		0	(5,578)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) Historic Tax Credits		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) Total Losses Allocated to LP		0	(2,665,407)	(5,249,618)	(3,075,138)	(3,056,813)	(3,045,443)	(3,019,392)	(3,006,631)	(2,995,935)	(2,985,082)	(2,929,812)	(2,677,134)	(2,671,448)	(257,021)	0	0	0	(262,901)	0
End of Year Capital Account Balance		3,779,000	11,108,015	29,719,849	26,644,712	23,587,898	20,542,455	17,523,063	14,516,431	11,520,496	8,535,414	5,605,602	2,928,468	257,021	0	0	0	(262,901)	(262,901)	(262,901)
<b>LIMITED PARTNER MINIMUM GAIN BALANCE</b>																				
Beginning Minimum Gain Account Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,707	322,551
LP Share of Annual Change in Minimum Gain		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	280,608	304,843
(less) Minimum Gain Chargeback (Losses allocated to LP)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(262,901)	0
End of Year Minimum Gain Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,707	322,551
<b>LIMITED PARTNER EXIT BENEFIT/LIABILITY ANALYSIS</b>																				
Marginal Tax Rate		21.00%																		
End of Year Capital Account Balance		3,779,000	11,108,015	29,719,849	26,644,712	23,587,898	20,542,455	17,523,063	14,516,431	11,520,496	8,535,414	5,605,602	2,928,468	257,021	0	0	0	0	(262,901)	(262,901)
(plus) Syndication Expenses		0	0	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Tax Benefit/(Liability) on Sale @ \$1		793,590	2,332,683	6,270,568	5,624,789	4,982,859	4,343,316	3,709,243	3,077,851											



# Cuatro at City Heights

## Investment Summary - LIHTC Investor

Version: 4.2 Closing

### Assumptions

Marginal Tax Rate 21.0%

YEAR	LIMITED PARTNER PAY-INS	AFTER-TAX VALUE OF LOSSES	TOTAL LTD PTR FEDERAL LIHTC	TOTAL LTD PTR CALIFORNIA LIHTC	TOTAL LTD PTR ENERGY CREDITS	TOTAL LTD PTR HISTORIC CREDITS	TAX BENEFIT/ (LIABILITY) UPON SALE	TOTAL LTD PTR TAX BENEFITS	CUMULATIVE RATIO OF BENEFITS TO LTD PTR PAY-INS	Credit Year
2024	3,779,000	(0)	0	0	0	0		(0)	0.00	(1)
2025	10,000,000	559,735	0	0	0	0		559,735	0.04	0
2026	24,001,452	1,102,420	4,019,197	0	0	0		5,121,617	0.15	1
2027	0	645,779	4,019,197	0	0	0		4,664,976	0.27	2
2028	0	641,931	4,019,197	0	0	0		4,661,128	0.40	3
2029		639,543	4,019,197	0	0	0		4,658,740	0.52	4
2030		634,072	4,019,197	0	0	0		4,653,269	0.64	5
2031		631,393	4,019,197	0	0	0		4,650,590	0.77	6
2032		629,146	4,019,197					4,648,343	0.89	7
2033		626,867	4,019,197					4,646,064	1.01	8
2034		615,260	4,019,197					4,634,457	1.14	9
2035		562,198	4,019,197					4,581,395	1.26	10
2036		561,004	0					561,004	1.27	11
2037		53,974	0					53,974	1.27	12
2038		0	0				0	0	1.27	13
2039		0	0				0	0	1.27	14
2040		55,209	0				(25,809)	29,400	1.27	15
2041		0	0				0	0	1.27	16
2042		0	0				0	0	1.27	17
<b>TOTAL</b>	<b>37,780,452</b>	<b>7,958,533</b>	<b>40,191,970</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>48,124,694</b>		

<b>Net Quarterly Benefit Schedule</b>	Version: 4.2 Closing
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LP EQUITY PAY-IN SCHEDULE			
	AMOUNT	DATE	THRESHOLD
LP Admission (Const. Portion)	3,779,000	02/01/24	Initial Closing
LP Admission (Collateral)	0	02/01/24	Initial Closing
Interim Payment #1	0	12/01/24	50% Completion
Completion Payment	10,000,000	10/01/25	Const. Completion
Conversion Payment	23,891,452	06/01/26	Perm Conversion
Final Payment #1	110,000	12/01/26	8609
Final Payment #2	0		
<b>TOTAL LP CONTRIBUTIONS</b>	<b>37,780,452</b>		

NET QUARTERLY BENEFITS				
Internal Rate of Return:		5.26%		
YEAR	INVESTMENT	TOTAL QUART. BENEFITS	NET QUART. BENEFITS	THRESHOLD
2024	(3,779,000)	(0)	(3,779,000)	LP Admission
		(0)	(0)	
		(0)	(0)	
		(0)	(0)	
2025		139,934	139,934	
		139,934	139,934	
		139,934	139,934	
	(10,000,000)	139,934	(9,860,066)	Completion
2026		1,280,404	1,280,404	
	(23,891,452)	1,280,404	(22,611,048)	Perm Conversion
		1,280,404	1,280,404	
	(110,000)	1,280,404	1,170,404	Form 8609
2027		1,166,244	1,166,244	
		1,166,244	1,166,244	
		1,166,244	1,166,244	
2028		1,165,282	1,165,282	
		1,165,282	1,165,282	
		1,165,282	1,165,282	
2029	0	1,164,685	1,164,685	
		0	1,164,685	
		0	1,164,685	
		0	1,164,685	
2030		0	1,163,317	
		0	1,163,317	
		0	1,163,317	
		0	1,163,317	
2031		0	1,162,647	
		0	1,162,647	
		0	1,162,647	
		0	1,162,647	
2032		1,162,086	1,162,086	
		1,162,086	1,162,086	
		1,162,086	1,162,086	
		1,162,086	1,162,086	
2033		1,161,516	1,161,516	
		1,161,516	1,161,516	
		1,161,516	1,161,516	
		1,161,516	1,161,516	
2034		1,158,614	1,158,614	
		1,158,614	1,158,614	
		1,158,614	1,158,614	
		1,158,614	1,158,614	
2035		1,145,349	1,145,349	
		1,145,349	1,145,349	
		1,145,349	1,145,349	
		1,145,349	1,145,349	
2036		140,251	140,251	
		140,251	140,251	
		140,251	140,251	
		140,251	140,251	
2037		13,494	13,494	
		13,494	13,494	
		13,494	13,494	
		13,494	13,494	
2038		0	0	
		0	0	
		0	0	
		0	0	
2039		0	0	
		0	0	
		0	0	
		0	0	
2040		7,350	7,350	
		7,350	7,350	
		7,350	7,350	
		7,350	7,350	
2041		0	0	
		0	0	
		0	0	
		0	0	
2042		0	0	
		0	0	
		0	0	
		0	0	
<b>TOTAL</b>	<b>37,780,452</b>	<b>48,124,694</b>	<b>10,344,242</b>	

## **ATTACHMENT 4 HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY**

**General Description:** The multifamily housing bond program provides below-market financing (based on bond interest being exempt from income tax) for developers willing to set aside a percentage of project units as affordable housing. Multifamily housing revenue bonds are also known as "private activity bonds" because the projects are owned by private entities, often including nonprofit sponsors and for-profit investors.

**Bond Issuer:** Housing Authority of the City of San Diego. There is no direct legal liability to the City, the Housing Authority or the Housing Commission in connection with the issuance or repayment of bonds. There is no pledge of the City's faith, credit or taxing power nor of the Housing Authority's faith and credit. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

**Affordability:** Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires that the affordability restriction be in place for a minimum of 15 years. Due to the combined requirements of state, local, and federal funding sources, projects financed under the Bond Program are normally affordable for 30-55 years and often provide deeper affordability levels than the minimum levels required under the Bond Program.

**Rating:** Generally "AAA" or its equivalent with a minimum rating of "A" or, under conditions that meet IRS and Housing Commission requirements, bonds may be unrated for private placement with institutional investors (typically, large banks). Additional security is normally achieved through the provision of outside credit support ("credit enhancement") by participating financial institutions that underwrite the project loans and guarantee the repayment of the bonds. The credit rating on the bonds reflects the credit quality of the credit enhancement provider.

**Approval Process:**

- **Inducement Resolution:** The bond process is initiated when the San Diego Housing Commission (Housing Commission) adopts an "Inducement Resolution" to establish the date from which project costs may be reimbursable from bond proceeds (if bonds are later issued) and to authorize staff to work with the financing team to perform a due diligence process. The Inducement Resolution does not represent any commitment by the Housing Commission, or the Housing Authority, or the developer to proceed with the financing.

- TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982): to assure that projects making use of tax-exempt financing meet appropriate governmental purposes and provide reasonable public benefits, the IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located. This process does not make the Housing Commission, the Housing Authority, or the City of San Diego financially or legally liable for the bonds or for the project.

[Note: Members of the Housing Commission or the San Diego City Council may be asked to take two actions at this stage in the bond process -- one in their capacity as approving the TEFRA hearing resolution and another as approving the bond inducement.]

- Application for Bond Allocation: The issuance of these "private activity bonds" (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Commission and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- Final Bond Approval: The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.
- Funding and Bond Administration: All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders, if rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds. Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible in any way for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to

issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.

# Memorandum

**To:** Jennifer Kreutter, Matt Granum - San Diego Housing Commission

**From:** Nick Jones, Jaime Trejo, Catherine Go - PFM Financial Advisors LLC

**RE:** Actions related to the proposed issuance of up to \$47,111,000 Series 2024C-1 (Tax-Exempt) and \$30,000,000 Series 2024C-2 (Taxable) Multifamily Housing Revenue Bonds (Cuatro at City Heights)

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Dear Ms. Kreutter and Mr. Granum,

You have asked PFM Financial Advisors LLC (“PFM”) to review the proposed financing and recommend whether, in our judgment, it is reasonable for the Housing Authority of the City of San Diego (the “Housing Authority”) to issue the Multifamily Housing Revenue Bonds (the “Bonds”) in connection with Cuatro at City Heights (the “Project”) by Wakeland Housing and Development Corporation (the “Borrower” or the “Developer”). In preparing this report, we have reviewed financial projections and background information provided by the Developer and the San Diego Housing Commission (the “Housing Commission” or “SDHC”).

The specific findings this report addresses are:

- Whether the financing will achieve a public purpose by creating or preserving affordable housing
- Whether the Housing Authority will avoid undue financial risk in undertaking the financing
- Whether the Project will be able to meet debt service payments after the proposed financing

As described below, we find that all of the conditions are met and therefore recommend that the Housing Authority authorize the issuance of the Bonds.

## Description of the Project

Cuatro at City Heights is a new construction 117-unit affordable rental housing development spread throughout four separate sites in the City of San Diego. Three of the sites will be located on University Avenue and the fourth will be located on El Cajon Boulevard. The development’s housing units will primarily be targeted at families, while 30 of the units will be set aside for veterans experiencing homelessness. On parcels 3 and 4, there will be commercial space.

The current estimates of site acquisition and hard construction costs are \$7,240,000 (\$61,880 per unit) and \$58,861,967 (\$503,094 per unit), respectively. Funds for the development of the Project will be raised through various sources including equity



capital and the issuance of the Bonds. The proposed development pro-forma estimates that there are \$99,096,133 in total project costs (\$846,975 per unit).

### **The Developer**

Wakeland Housing and Development Corporation is serving as the developer for the Project. Wakeland was founded in 1998 as a nonprofit corporation with a focus on financing, developing and operating high-quality affordable housing that meets the needs of the communities in which it operates. With its for-profit and nonprofit partners, it has developed, acquired and rehabilitated 7,900 units of affordable housing over the years in communities in San Diego and throughout California.

### **The Financing**

An aggregate amount not exceeding \$77,111,000 of Housing Authority Bonds will initially be issued to facilitate Cuatro at City Heights L.P.'s acquisition and construction of the Project. Banner Bank (the "Lender") will serve as the bond purchaser and U.S. Bancorp Community Development Corporation will serve as equity investor. Tax-exempt Private Activity Bond allocation of \$47,111,000 and Low Income Housing Tax Credits were allocated to the project by the California Debt Limit Allocation Committee ("CDLAC") and the California Tax Credit Allocation Committee ("CTCAC"), respectively, at their meetings on August 23<sup>rd</sup>, 2023. The CDLAC closing deadline for the Project is March 4<sup>th</sup>, 2024 and the transaction is scheduled to close in February 2024.

The Bonds will initially bear variable interest at rates estimated at 8.2% - 8.7% for the 28 month construction phase. At conversion to the permanent phase, the Series 2024C-2 (Taxable) Bonds are expected to be repaid using tax credit equity, whereas the Series 2024C-1 (Tax-Exempt) Bonds will convert to a fixed interest rate estimated at 6.1% with a term of 35 years. The Bonds will be purchased by Banner Bank (the "Lender") through a permanent loan, which will be repaid by the Developer. The Developer has secured a commitment from the Lender to purchase the Bonds. In addition to the Bonds, the Project will be financed by other Permanent Sources, detailed in Table 1 below:



**Table 1**  
**Permanent Financing**  
**Sources and Uses of Funds**

**Sources:**

Tax-exempt permanent loan	\$6,901,000
City of San Diego loan	4,000,000
Accrued deferred loan interest	159,000
HCD VHHP	8,443,317
HCD MHP	22,155,752
HCD IIG (GP Loan)	5,343,300
FHLBSF AHP	1,000,000
General Partner equity	4,913,212
4% CTCAC tax credit equity	37,780,452
Deferred developer fee	8,400,000
<b>Total Sources</b>	<b>\$99,096,133</b>

**Uses:**

Land Acquisition and Closing Costs	7,240,000
Design and Engineering	4,286,000
Legal/Financial/Consultants	335,000
Permits & Fees	3,000,000
Construction Costs	58,861,967
Financial Costs	10,657,328
Marketing/Administration	150,000
Developer's Fee	10,600,000
Hard Cost Contingency	2,919,598
Soft Cost Contingency	453,000
Reserves	593,240
<b>Total Uses</b>	<b>\$99,096,133</b>



### Achieving Public Purpose

Through the proposed bond issuance, the Project will provide housing for low-income households. The Project proposes to restrict all 115 non-manager units for households earning no greater than 60% of Area Median Income (“AMI”), with 40 of the units targeted at households earning no greater than 30% of AMI, 12 at households earning no greater than 40% of AMI, and 41 at households earning no greater than 50% of AMI. The affordability term of the project is 55 years. Maximum bond rents for the Project are summarized in Table 2 below

Unit Type	Area Median Income	Units	Unit Size (sqft)	Proposed Gross Rents	Estimated Market Rents	Savings
Studio	30%	11	467	\$613	\$1,811	\$1,198
	40%	3	467	965	1,811	846
	50%	10	467	1,206	1,811	605
	60%	2	467	1,447	1,811	364
1 Bedroom	30%	13	594	657	2,240	1,583
	40%	3	594	1,034	2,240	1,206
	50%	12	594	1,292	2,240	948
	60%	1	594	1,550	2,240	690
2 Bedroom	30%	8	773	788	2,800	2,012
	40%	3	773	1,241	2,800	1,559
	50%	10	773	1,551	2,800	1,249
	60%	10	773	1,861	2,800	939
3 Bedroom	30%	8	1,028	910	3,726	2,816
	40%	3	1,028	1,433	3,726	2,293
	50%	9	1,028	1,791	3,726	1,935
	60%	9	1,028	2,150	3,726	1,576
Manager	N/A	2	773	0	N/A	N/A
<b>Total</b>		<b>117</b>		<b>\$144,484</b>	<b>\$306,900</b>	<b>\$162,416</b>
<b>Total Annual for All Units</b>				<b>\$1,733,808</b>	<b>\$2,106,516</b>	<b>\$372,708</b>

### Meeting Debt Service After Financing

As shown in Table 3 below, the Project will have ample cash flow to meet debt service upon completion and rent-up. Based upon our review of the Developer’s proposed rents and estimated costs, there will be \$581,163 of net income available for the first full year of debt service and mandatory HCD payment in 2027. Debt service coverage in this first full year is estimated at 1.21x. By the fifth full year of debt service, assuming a 2.5%



annual increase in gross income and a 3.5% annual increase in operating expenses, debt service coverage is projected to increase to 1.28x.

**Table 3**  
**Estimated Cash Flow**

Year:	2026	2027	2028	2029	2030	2031
Net Rental Income	\$1,510,015	\$1,547,766	\$1,586,460	\$1,626,121	\$1,666,774	\$1,708,444
Miscellaneous Income	17,035	17,461	17,897	18,345	18,803	19,274
Less: Vacancy @ 5%	(76,353)	(78,261)	(80,218)	(82,223)	(84,279)	(86,386)
Rental Subsidy	442,797	453,866	465,213	476,843	488,765	500,984
Less: Vacancy @ 5%	(22,140)	(22,693)	(23,261)	(23,842)	(24,438)	(25,049)
Effective Gross Income	\$1,871,355	\$1,918,138	\$1,966,092	\$2,015,244	\$2,065,625	\$2,117,266
Less: Operating Expenses	(1,084,244)	(1,122,193)	(1,161,469)	(1,202,121)	(1,244,195)	(1,287,742)
Less: Taxes	(10,017)	(10,217)	(10,422)	(10,630)	(10,843)	(11,060)
Less: Reserves	(58,500)	(58,500)	(58,500)	(58,500)	(58,500)	(58,500)
Less: City Monitoring Fee	(17,550)	(17,550)	(17,550)	(17,550)	(17,550)	(17,550)
Less: Mandatory HCD Payment	(74,968)	(128,516)	(128,516)	(128,516)	(128,516)	(128,516)
Net Income	\$626,076	\$581,163	\$589,635	\$597,927	\$606,022	\$613,899
Permanent Loan Debt Service	(\$240,204)	(\$480,407)	(\$480,407)	(\$480,407)	(\$480,407)	(\$480,407)
Debt Service Coverage <sup>1</sup>		1.21	1.23	1.24	1.26	1.28

<sup>1</sup>Calculated by dividing Net Income by Permanent Loan Debt Service

### Conclusion

The proposed financing will create no undue risk for the Housing Authority. The Borrower has agreed to pay all Costs of Issuance for the financing and to indemnify the City, the Housing Authority and the Housing Commission regarding matters relating to the financing. It should be noted that the Borrower will have no significant assets or sources of income other than the Project and neither the Borrower nor the Housing Authority would be required under most circumstances to make up any cash flow shortfalls.

Based upon our review, we recommend that the Housing Authority proceed with the financing. This recommendation is based upon the following findings:

- The financing would achieve a public purpose by providing 115 affordable units, all affordable at 30% - 60% of AMI, with 40 targeted at 30% of AMI, 12 at 40% AMI, 41 at 50% AMI, and 22 at 60% AMI, for a period of 55 years.



- The Borrower has agreed to indemnify the City, the Housing Authority and the Housing Commission regarding any matters related to the financing. The Borrower will pay all costs of the financing.
- Based upon estimates by the Developer that have been reviewed and confirmed by the bond purchaser, there are sufficient funds to complete the Project, and the Project provides adequate debt service coverage.
- Since the financing is unrated, the Housing Commission's policies regarding the purchase and transfer of the Bonds will apply; these include requirements that the buyers be sophisticated institutional buyers or qualified institutional buyers. These requirements will travel from the initial buyers to subsequent buyers of the Bonds.

If there is any additional information you require concerning this matter, we will be glad to provide it as a supplement to this report.

Sincerely,

**PFM Financial Advisors, LLC**

Nick Jones

Senior Managing Consultant



**DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/  
ENTITY SEEKING GRANT/BORROWERS**  
(Collectively referred to as "CONTRACTOR" herein)

**Statement for Public Disclosure**

1. Name of CONTRACTOR: Wakeland Housing and Development Corporation
2. Email: Jhattler@wakelandhdc.com
2. Address and Zip Code: 1230 Columbia Street, Suite 950, San Diego, CA 92101
3. Telephone Number: 858-354-0552
4. Name of Principal Contact for CONTRACTOR: Julie Hattler
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0833640
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as (*select and upload requested documents*):

- A corporation (*Upload* Articles of Incorporation)
- A nonprofit or charitable institution or corporation. (*Upload* copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status)
- A partnership known as (Name): \_\_\_\_\_

*Check one:*

- General Partnership (*Upload* statement of General Partnership)
- Limited Partnership (*Upload* Certificate of Limited Partnership)
- A business association or a joint venture known as: \_\_\_\_\_  
(*Upload* joint venture or business association agreement)
- A Federal, State or local government or instrumentality thereof.
- Other (*Please explain*): \_\_\_\_\_

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:

Wakeland Housing and Development Corporation - December 23, 1998



8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
  - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
  - c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
  - d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
  - e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%. (Attach extra sheet if necessary)

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Please see attached list of the Wakeland Board of Directors.	
Address:	
Name:	
Address:	
Name:	
Address:	

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail. Yes, Ken Sauder retired as President and CEO in June of 2022. Rebecca Louie, Wakeland's Vice President and COO replaced Ken as President and CEO.
10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail. NO



11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR):

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	

12. Names, addresses and telephone numbers (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above:

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Please see attached list of Wakelands Board of Directors	
Address:	
Name:	
Address:	
Name:	
Address:	



13. Is the CONTRACTOR a subsidiary of or affiliated with any other corporation or corporations, any other firm or any other business entity or entities of whatever nature? If yes, list each such corporation, firm or business entity by name and address, specify its relationship to the CONTRACTOR, and identify the officers and directors or trustees common to the CONTRACTOR and such other corporation, firm or business entity.

Name and Address	Relationship to CONTRACTOR
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	

14. Provide description of the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement as reflected in the financial statements that was requested (attached) as part of the Application, including, but not necessarily limited to, profit and loss statements and statements of financial position: Please see Wakeland's Audited Financial Statements attached.

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15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

CA Dept. of Housing and Community Development, IIG Grant, Multi Family Housing Program, and Veterans Housing & Homeless Program funds. City of San Diego Bridge to Home funding, 4% tax credit equity and Tax Exempt/Taxable Bonds.

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16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:

a. In banks/savings and loans:

Name: N/A

Address: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

b. By loans from affiliated or associated corporations or firms:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Amount: \$ \_\_\_\_\_



c. By sale of readily salable assets/including marketable securities:

Description	Market Value (\$)	Mortgages or Liens (\$)
N/A		

Additional Information, as needed: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

17. Names and addresses of bank references, and name of contact at each reference:

Name and Address	Contact Name
Name: Wells Fargo Community Lending	Jessica Gonzalez
Address: 333 S. Grand Ave., 9th Fl	747-260-4646
Los Angeles, CA 90071	jessica.gonzalez2@wellsfargo.com
Name: California Community Reinvestment Corp	Mary Kaiser, President
Address: 225 West Broadway, # 120	818-550-9801
Glendale, CA 91204	Mary.keiser@e-ccrc.org
Name: Banner Bank	Waheed Karim
Address: 742 Fletcher Pkwy	619-518-2610
El Cajon, CA 92020	Waheed.karim@bannerbank.com

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?

Yes  No

If yes, provide date, place, and under what name: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years?

Yes  No

If yes, for each case, provide (1) date, (2) charge, (3) place, (4) court, and (5) action taken. *Upload* any explanation deemed necessary:



Case 1: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Case 2: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Case 3: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond:

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
Payment/performance	The Grove, 81 affordable senior units located in Vista, CA.	4/2/2022	62,848.00	None
Surety Grading & Drainage	The Grove, 81 affordable senior units located in Vista, CA.	4/22/2022	619,137.00	None
Surety Landscape & Irrigation	The Grove, 81 affordable senior units located in Vista, CA.	4/22/2022	275,000.00	None
Performance	Mixed-use project with 33 residential affordable units in Chula Vista.	10/22/2015	54,990.00	None

21. If the CONTRACTOR, or a parent corporation, a subsidiary, an affiliate, or a principal of the CONTRACTOR is to participate in the development as a construction contractor or builder, provide the following information:

a. Name and addresses of such contractor or builder:

Name and Address	Affiliation
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	



- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?

Yes       No

If yes, please explain, in detail, each such instance: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$\_\_\_\_\_

General description of such work:   N/A   \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Complete one table for each project:

<b>Project Name</b>		
<b>Project Owner Contact Information</b>	N/A	
	Name	Address
<b>Project Location</b>		
<b>Project Details</b>		
<b>Bonding Company Involved</b>		
	Name	Amount of Contract
<b>Change Order Details</b>		
<b>Change Order Cost</b>		
<b>Litigation Details</b>		
	Location/Date	Outcome Details



<b>Project Name</b>		
<b>Project Owner Contact Information</b>		
	Name	Address
<b>Project Location</b>		
<b>Project Details</b>		
<b>Bonding Company Involved</b>		
	Name	Amount of Contract
<b>Change Order Details</b>		
<b>Change Order Cost</b>		
<b>Litigation Details</b>		
	Location/Date	Outcome Details

<b>Project Name</b>		
<b>Project Owner Contact Information</b>		
	Name	Address
<b>Project Location</b>		
<b>Project Details</b>		
<b>Bonding Company Involved</b>		
	Name	Amount of Contract
<b>Change Order Details</b>		
<b>Change Order Cost</b>		
<b>Litigation Details</b>		
	Location/Date	Outcome Details



d. Construction contracts or developments now being performed by such contractor or builder:

Identification of Contract or Development	Location	Amount	Date to be Completed
N/A			

e. Outstanding construction-contract bids of such contractor or builder:

Awarding Agency	Amount	Date Opened
N/A		

22. Provide a detailed and complete statement regarding equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

N/A

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23. Does any member of the governing body of the San Diego Housing Commission ("SDHC"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the SDHC, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

Yes

No

If yes, explain:

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24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:

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25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?

Yes  No

If yes, please explain:

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26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverage's. List the amount of coverage (limits) currently existing in each category.

- a. General Liability, including Bodily Injury and Property Damage Insurance [*Attach* certificate of insurance showing the amount of coverage and coverage period(s)]: Cavnignac & Associates at 450 B Street Suite 1800, San Diego, CA 92101

Contact: Matt Slakoff at 619-744-0549

Check coverage(s) carried:

- Comprehensive Form
- Premises - Operations
- Explosion and Collapse Hazard
- Underground Hazard
- Products/Completed Operations Hazard
- Contractual Insurance
- Broad Form Property Damage
- Independent Contractors
- Personal Injury

- b. Automobile Public Liability/Property Damage [*Attach* certificate of insurance showing the amount of coverage and coverage period(s)]: See attached certificate

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Check coverage(s) carried:

- Comprehensive Form
- Owned
- Hired
- Non-Owned



- c. Workers Compensation [*Attach* certificate of insurance showing the amount of coverage and coverage period(s)]:  
     See attached Certificate of Insurance  


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- d. Professional Liability (Errors and Omissions) [*Attach* certificate of insurance showing the amount of coverage and coverage period(s)]:  
     See attached Certificate of Insurance  


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- e. Excess Liability [*Attach* certificate(s) of insurance showing the amount of coverage and coverage period(s)]:  
     See attached Certificate of Insurance  


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- f. Other (Specify) [*Attach* certificate(s) of insurance showing the amount of coverage and coverage period(s)]:  
     See attached Certificate of Insurance  


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- 27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the SDHC setting forth the provisions of this nondiscrimination clause.
- 28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
- 29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the SDHC, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the SDHC was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.



30. List all citations, orders to cease and desist, stop work orders, complaints, judgments, fines, and penalties received by or imposed upon CONTRACTOR for safety violations from any and all government entities including but not limited to, the City of San Diego, County of San Diego, the State of California, the United States of America and any and all divisions and departments of said government entities for a period of five (5) years prior to the date of this statement. If none, please state:

Government Complaint	Entity	Making	Date	Resolution
None				

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes       No

If yes, please explain in detail: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

32. Please list all licenses obtained by the CONTRACTOR through the State of California and/or the United States of America which are required and/or will be utilized by the CONTRACTOR and/or are convenient to the performance of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT, or RENDITION OF SERVICES. State the name of the governmental agency granting the license, type of license, date of grant, and the status of the license, together with a statement as to whether the License has ever been revoked:

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
N/A					



33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the SDHC.

None

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34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the SDHC. The Wakeland Team has considerable experience and capacity in all stages of affordable housing development and management for projects that help build stronger communities and spur revitalization of blighted neighborhoods. Wakeland development staff have

~~extensive experience managing the development of affordable housing projects with federal and state funding sources. Wakeland Project Manager will work closely with public and private sector partners to secure financing, oversee the planning and design process, administer the selection and execution of construction and other contractors and ensure compliance with various project requirements.~~ The Wakeland Project Mgrs will be supported by the Director of Development and the VP of Real Estate to execute these functions.

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, SALES of Real Property to, the SDHC, AUTHORITY and/or the CITY within the last five (5) years:

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
3/9/2018	SDHC - Beacon	Current	\$3,563,310
2/6/2019	SDHC - Ivy	Current	\$6,500,000
5/3/2019	SDHC - Trinity	Current	\$700,000
3/8/2019	City of San Diego	Purchase/Sale completed	\$2,105,000
8/30/2019	City of San Diego	Purchase/Sale completed	\$2,879,000

36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)?

Yes  No

If yes, please explain: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?

Yes  No

If yes, please explain: \_\_\_\_\_



38. List three local references that would be familiar with your previous construction project:

- 1. Name: Ms. Ann Kern  
 Address: 1122 Broadway, Suite 300, San Diego, CA 92101  
 Phone: 619.578.7582  
 Project Name and Description: Village Green, 94 low-income units and Talmadge, 60 unit project.
- 2. Name: Ms. Tina Cobarrubias  
 Address: 3989 Ruffin Rd, San Diego, CA 92123  
 Phone: 858.694.4875  
 Project Name and Description: Casa Anita 96 low income units
- 3. Name: Stacey Kurz  
 Address: 276 Fourth Ave., Chula Vista, CA 91910  
 Phone: 619.585.5609  
 Project Name and Description: Los Vecinos, 42 low-income units, Casa Anita 96 low income units

39. Provide a brief statement regarding equipment, experience, financial capacity and other resources available to the Contractor for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the Contractor.

N/A

40. State the name and experience of the proposed Construction Superintendent.

Name	Experience
N/A at this time	General Contractor has not been selected at this time.



SAN DIEGO HOUSING COMMISSION

Real Estate Department

CERTIFICATION

The CONTRACTOR, Wakeland Housing, hereby certifies that this CONTRACTOR's Statement for Public Disclosure and the attached information/evidence of the CONTRACTOR's qualifications and financial responsibility, including financial statements, are true and correct to the best of CONTRACTOR's knowledge and belief.

By: Peter Armstrong  
Peter Armstrong

By: \_\_\_\_\_

Title: VP of Real Estate Development

Title: \_\_\_\_\_

Dated: 2-27-2023

Dated: \_\_\_\_\_

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

JURAT

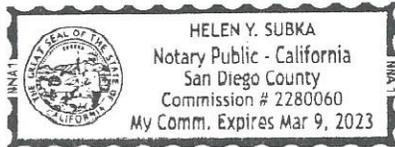
State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 27<sup>th</sup> day of February, 2023

by Peter Armstrong personally known to me or proved to me on the basis of

satisfactory evidence to be the person(s) who appeared before me.



SEAL

Helen Y. Subka  
Signature of Notary



**CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR**

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("SDHC"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information", if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of the SDHC, the AUTHORITY, and/or the CITY at such times as the meetings may be scheduled. CONTRACTOR hereby consents to the disclosure of said "Personal Information", if any, more than thirty (30) days from the date of this statement at the duly scheduled meeting(s) of the SDHC, the AUTHORITY and/or the CITY. CONTRACTOR acknowledges that public disclosure of the information contained herein may be made pursuant to the provisions of Civil Code Section 1798.24(d).

CONTRACTOR represents and warrants to the SDHC, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information being submitted herein), the information constitutes a "Public Record" subject to disclosure to members of the public in accordance with the provisions of California Government Section 6250 et seq.

CONTRACTOR specifically waives, by the production of the information disclosed herein, any and all rights that CONTRACTOR may have with respect to the information under the provisions of Government Code Section 6254 including its applicable subparagraphs, to the extent of the disclosure herein, as well as all rights of privacy, if any, under the State and Federal Law.

Executed this 27 day of February, 2023, at San Diego, California.

CONTRACTOR

By: Peter Armstrong  
Signature Peter Armstrong

Vice President of Real Estate Development  
Title

**Wakeland Housing and Development  
Board of Directors  
Roster**

<b>Board Member</b>	<b>Current Title</b>	<b>Timeline</b>	<b>Contact Information</b>	<b>Email</b>
<b><u>Current Board Members</u></b>				
Brazel, Jeff	Board Member	09/2012 to present	(619) 507-8800 (cell)	<a href="mailto:jbrazel@jbrec.com">jbrazel@jbrec.com</a>
Ericsson, Lina	Board Secretary	12/2003 to 03/2015 10/2017 to present	(858) 284-5231	<a href="mailto:kericsson@realtyincome.com">kericsson@realtyincome.com</a>
Harris, Lisa Marie	Board Member	02/2022 to present	(619) 446-8396	<a href="mailto:alexgph97@gmail.com">alexgph97@gmail.com</a>
Hunter, Jonathan	Board Member	08/2015 to present	(619) 251-3393 (cell)	<a href="mailto:jonathanh480@gmail.com">jonathanh480@gmail.com</a>
Kuptz, Steve	Board Treasurer	06/1999 to 09/2003 01/2010 to 07/2019 01/2021 to present	(619) 980-8977 (cell)	<a href="mailto:steve@trinitysd.com">steve@trinitysd.com</a>
Lawson, James	Board Member	05/2019 to present	(619) 535-1865	<a href="mailto:james@presidiopag.com">james@presidiopag.com</a>
Schultz, Barry	Board Chair	11/2008 to 09/2015 05/2019 to present	(619) 354-5028	<a href="mailto:Barry.schultz50@gmail.com">Barry.schultz50@gmail.com</a>
Wilson, Launa	Board Member	02/2021 to present	(951) 850-0599 (cell)	<a href="mailto:launa@launawilson.com">launa@launawilson.com</a>
Winslett, Lee	Board Member	11/2003 to present	(619) 699-3037 (work)	<a href="mailto:lwinslet@wellsfargo.com">lwinslet@wellsfargo.com</a>

**BYLAWS OF**  
**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**  
**A California Nonprofit Corporation**

**Prepared By:**  
**Sullivan Wertz McDade & Wallace**  
**945 Fourth Avenue**  
**San Diego, California 92101**  
**(619) 233-1888**

BYLAWS OF

WAKELAND HOUSING AND DEVELOPMENT CORPORATION

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**BYLAWS OF  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION**

**ARTICLE I - PURPOSE AND OFFICE**

**Section 1. Objects and Purposes.** Wakeland Housing and Development Corporation (the "Corporation") is formed to contribute to the general welfare of society by providing low and moderate income persons, elderly persons and disabled persons with affordable housing by acquiring and/or developing low and moderate income housing and providing ancillary economic development activities. The Corporation and all of its businesses and other activities are to be operated and conducted in the promotion of its charitable objects and purposes as specified in its articles of incorporation, and in the conduct of its affairs the management shall at all times be mindful of these charitable objects and purposes. In the event that any provision of this Section 1 is inconsistent with any provision of the articles of incorporation of the Corporation, the provisions of the articles of incorporation of the Corporation shall prevail and be controlling.

**Section 2. Principal Office.** The principal office of the Corporation shall be located in San Diego County, California. The Board of Directors ("Board") of the Corporation is hereby granted full authority and power to change the principal office from place to place as it is deemed necessary. Any such change of location may be noted in the bylaws by the Secretary opposite this Section 2 or this Section may be amended to state the new location.

## ARTICLE II - MEMBERSHIP

Section 1. Members. There shall be no Members of the Corporation. Any action which would otherwise require approval by a majority of all Members or approval by the Members shall require only approval by the Board of Directors. All rights which would otherwise vest in the Members shall vest in the Board of Directors.

Section 2. Honorary Members. The Board of Directors may, by appropriate resolution, from time to time define and establish honorary members, auxiliaries, friends, and other support groups for the Corporation. None of such honorary members, auxiliaries, friends or groups, or the constituents thereof, shall be or have the rights and privileges of "Members" within the meaning of Section 5056 of the California Nonprofit Corporation Law with respect to the Corporation.

## ARTICLE III - BOARD OF DIRECTORS

Section 1. Powers. Subject to any limitations in the articles of incorporation, these bylaws and the laws of the State of California, all powers of the Corporation shall be exercised by or under authority of, its property controlled and its affairs conducted and managed by, a Board of Directors. The primary function of the Board of Directors shall be to establish corporate policies for the direction and guidance of the Executive Committee, if any, the officers, and the management of the Corporation, and to formulate the basic rules and regulations governing the operation and management of the Corporation. Without limiting the foregoing, the Board shall also have the following powers:

(a) To select and remove any and all officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with the

California Nonprofit Corporation Law, the articles of incorporation or these bylaws, fix their compensation, and require from them security for faithful service;

(b) To conduct, manage and control the affairs and business of the Corporation, and to make such rules and regulations therefor not inconsistent with law, the articles of incorporation or these bylaws, as they may deem best;

(c) To borrow money and incur indebtedness for the purposes of the Corporation and to cause to be executed and delivered therefor in the Corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor;

(d) To appoint an Executive Committee and other committees, and to delegate any of the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, subject to the limitations set forth in Section 6 of Article V of these bylaws.

**Section 2. Number of Directors.** The number of Directors shall be not less than one (1) nor more than ten (10) with the exact number of Directors set by the Board of Directors of the Corporation, unless and until changed by amendment of the articles of incorporation, or by amendment of this Section 2.

**Section 3. Classification, Term of Office and Election of Directors.**

(a) The authorized Directors may be divided into three groups as nearly equal in number as possible, designated as Group I, Group II and Group III as follows:

(i) Group I shall consist of Directors having an initial term of office of one (1) year;

(ii) Group II shall consist of Directors having an initial term of office of two (2) years; and

(iii) Group III shall consist of Directors having an initial term of office of three years.

(b) The Directors in each group shall hold office until their respective initial terms have expired. Thereafter, each year the Directors shall elect a number of Directors equal to the number of Directors whose terms have expired, for a full term of three (3) years. Each Director shall serve for a term of three (3) years from the date of expiration of the term of the Director to whose office he or she succeeds or until the occurrence of one of the events specified in Sections 4 or 18 of this Article III, whichever first occurs. Any Director elected to succeed a Director who leaves or is removed from office for any reason prior to expiration of his or her term shall serve the balance of that term. Directors may be elected at any regular or special meeting of the Directors duly called and held. Directors may serve an unlimited number of successive terms.

#### Section 4. Vacancies.

(a) All vacancies on the Board of Directors shall be filled by a majority of the remaining Directors though less than a quorum, or by a sole remaining Director. Each Director so elected to fill a vacancy shall hold office for the remainder of the predecessor's unexpired term and until the election of a successor as set forth in Section 3 of this Article III.

(b) If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board of Directors shall have the power to elect a successor to take office when the resignation shall become effective.

(c) No reduction in the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

(d) A vacancy or vacancies in the Board of Directors shall be deemed to exist on the death, resignation or removal of any Director; upon the failure of any Director to

attend at least fifty percent (50%) of the regular Board meetings in any one year (between annual organizational meetings of the Board); upon any Director's unexcused absence from three (3) consecutive regular Board meetings; whenever the fixed number of Directors is increased; upon the expiration of the term of office of any Director; or upon the failure of the Directors, at any regular or special meeting at which any Director or Directors are elected, to elect the full number of Directors to be voted for at that meeting.

**Section 5. Annual Organization Meeting.** The annual organization meeting of the Board of Directors shall be held in the month of January of each year for the purpose of organization, appointment of officers and the transaction of such other business as may properly be brought before the meeting.

**Section 6. Regular Meetings.** Regular meetings of the Board of Directors shall be held at least annually on such dates and at such times as shall be determined by the Board.

**Section 7. Special Meetings.** Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President, the Chairperson of the Board, the Secretary or any two Directors of the Corporation. The party calling such special meeting shall determine the date and time thereof.

**Section 8. Place of Meeting.** All meetings of the Directors shall be held at the office of the Corporation in the State of California or at such other place as may be designated for that purpose from time to time by the Board of Directors.

**Section 9. Notice of Meetings.** Notice of the date, time and place of meetings of the Board of Directors shall be given to each Director at least forty-eight (48) hours before the date of the meeting if delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means, and at least four (4) days before the date of the

meeting if given by first class mail, postage prepaid, addressed to the Director at the address as it is shown upon the records of the Corporation, or if it is not so shown on such records, or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. Whenever any Director has been absent from any meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Director as required by the California Nonprofit Corporation Law and these bylaws. Notice of special meetings shall specify the nature of the business to be transacted. No items of business other than those specified in the notice of a special meeting may be transacted at a special meeting.

**Section 10. Consent to Meetings; Waiver of Notice.** The transaction of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present, and if, either before or after the meeting, each of the Directors entitled to vote, not present in person, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting need not be given to any Director who attends the meeting without protesting prior to or at the commencement of the meeting, the lack of notice to such Director.

**Section 11. Quorum.** At all meetings of the Board of Directors a majority of the number of Directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business except to adjourn as provided in Section 16 of this Article III. The act of a majority of the Directors present at any time at which there is a quorum shall be the act of the Board of Directors, unless a greater number is required by these bylaws or by law. Notwithstanding the previous provisions of this Section 11, a meeting at which a quorum is

initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

**Section 12. Conduct of Meetings.** The Chairperson of the Board of Directors, or, in his or her absence, the Vice Chairperson, or, in his or her absence, any other person chosen by a majority of the Directors present shall be chairman of and shall preside over the meetings of the Board of Directors. The Secretary of the Corporation shall act as the secretary of all meetings, provided that in his or her absence, the Chairperson shall appoint another person to act as secretary of the meetings. The meetings shall be governed as the Directors shall agree; in the absence of such agreement, Robert's Rules of Order, as may be amended from time to time, shall govern the meetings insofar as such rules are not inconsistent with or in conflict with these bylaws, the articles of incorporation, or the law.

**Section 13. Proxy Voting Prohibited.** Voting by proxy shall not be permitted.

**Section 14. Action by Unanimous Written Consent.** Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors shall individually or collectively consent in writing to such action. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

**Section 15. Participation in Meetings by Conference Telephone.** Members of the Board of Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meetings can hear one another.

**Section 16. Adjournment.** A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors' meeting to another time and place. Notice of the time and

place of holding an adjourned meeting need not be given to absent Directors unless the original meeting is adjourned for more than twenty-four (24) hours. The time and place of the adjourned meeting shall be fixed at the meeting adjourned, except as provided in the next sentence. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of adjournment.

**Section 17. Rights of Inspection.** Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind except any records whose confidentiality and prohibition from disclosure is prescribed by law.

**Section 18. Removal of Directors; Resignation.** A Director or Directors may be removed from office by a vote of the majority of the Board at any Board meeting, with or without cause. Any Director may resign at any time by giving written notice of such resignation to the Board, unless there would be no Director left in charge of the Corporation's affairs upon resignation by said Director, in which case said Director must first give notice to the Attorney General for the State of California of the intended resignation. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 19. Fees and Compensation.** Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by the Board of Directors.

**Section 20. Freedom from Liability.** No Director of this Corporation shall be personally liable for the debts, liabilities, or obligations of the Corporation.

**Section 21. Interested Persons.** Pursuant to Section 5227 of the California Nonprofit Corporation Law, no more than forty-nine percent (49%) of the Directors serving on the Board

may be "interested persons." For the purposes of this Section 21, "interested person" means either (i) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months whether as a full time or part time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law of any such person. In light of the foregoing limitations, all Directors shall fill out an annual questionnaire dealing with this subject matter.

**Section 22. Standard of Conduct.** Pursuant to Section 5231 of the California Nonprofit Corporation Law, a Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;

(b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

(c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

**Section 23. Self-Dealing Transactions.** Pursuant to Section 5233 of the California Nonprofit Corporation Law, the Corporation shall not be a party to a transaction in which one or more of its Directors has a material financial interest ("Interested Director") unless:

(a) The Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or

(b) Prior to entering into the transaction, after full disclosure to the Board of all material facts regarding the proposed transaction and the Interested Director's interest, and after investigation and report to the Board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the Directors then in office (without including the vote of the Interested Director):

(1) Resolves and finds that (i) the transaction is in the Corporation's best interest and for the Corporation's own benefit, (ii) the transaction is fair and reasonable as to the Corporation, and (iii) after reasonable investigation under the circumstances as to alternatives, the Corporation could not have obtained a more advantageous arrangement with reasonable efforts under the circumstances; and

(2) Approves the entire transaction. In the event it is not reasonably practicable to obtain approval of the Board prior to entering into such transaction, the Corporation may enter into such transaction if, prior to entering into said transaction, a committee or person authorized by the Board approves the transaction in a manner consistent with the procedure set forth in this section and the Board, after determining in good faith that the Corporation entered into the transaction for its own benefit and that the transaction was fair and reasonable as to the Corporation at the time it was entered into, ratifies the transaction at its next meeting by a vote of the majority of the Directors then in office, without counting the vote of

the Interested Director. In light of the foregoing limitations, all Directors shall fill out an annual questionnaire dealing with this subject matter.

#### **ARTICLE IV - OFFICERS**

**Section 1. Officers.** The officers of the Corporation shall be a Chairperson of the Board or a President (who may also be referred to as the Chief Executive Officer) or both, a Secretary, a Chief Financial Officer, and any other officers with such titles as the Board of Directors may appoint from time to time, including, but not limited to, assistant officers, assistant secretaries, additional vice presidents, an Executive Director and a Vice Chairperson of the Board. All officers shall be chosen by, and hold office at the pleasure of the Board of Directors, subject to the rights, if any, of any officer under any contract of employment. One person may hold two offices, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the President or Chairperson of the Board. Compensation for officers and reimbursement of their expenses shall be as determined from time to time by the Board of Directors.

**Section 2. Appointment of Officers.** The officers of the Corporation shall be chosen annually by the Board of Directors to serve one term of office, and each shall hold office until his or her successor shall be appointed and qualified to serve, or until he or she shall resign or shall be removed or disqualified to serve. A term of office shall consist of one year.

**Section 3. Subordinate Officers.** The Board of Directors may elect or authorize the appointment of such officers other than those hereinbefore mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the Board of Directors may from time to time authorize or determine.

Section 4. Chairperson of the Board. The Chairperson of the Board, if present, shall preside at all meetings of the Board of Directors and Executive Committee, appoint the chairpersons of all committees, serve as an ex-officio member of all committees, and exercise and perform such other powers and duties as may from time to time be assigned by the Board of Directors.

Section 5. Vice Chairperson of the Board. In the absence or disability of the Chairperson of the Board, the Vice Chairperson of the Board, if appointed, shall perform all of the duties of the Chairperson of the Board, and when so acting shall have all of the powers of, and be subject to all of the restrictions upon, the Chairperson of the Board. The Vice Chairperson of the Board shall have such other powers and perform such other duties as from time to time may be prescribed for the Vice Chairperson by the Board of Directors or the bylaws.

Section 6. President/Chief Executive Officer; Vice President. The President, who may also be referred to as the Chief Executive Officer, shall be employed by the Corporation to administer its affairs and have general supervision, direction and control of the business and officers of the Corporation according to policies and procedures approved by the Board. He or she shall be an ex-officio member of all of the standing committees of the Corporation, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these bylaws. The President's specific responsibilities shall include general management, general direction of the programs of the Corporation, fund raising, whether for capital, endowment or current purposes, budget preparation and control, accounting and reporting of financial transactions, management and supervision of personnel, and development of public relations. The President shall report to the Directors, and his or her salary shall be fixed by the Board of Directors. The President shall have the

responsibility of selecting and dismissing the employees of the Corporation in accordance with current personnel policies of the Corporation. If the Corporation has more than one Vice President, the President shall have the authority to designate the order in which they shall serve in place of and instead of the President in his or her absence. The Vice President acting in the President's absence shall have all of the powers and duties of the President. All or part of the above duties may be delegated to staff of the Corporation, with ultimate responsibility remaining with the President.

**Section 7. Secretary.** The Secretary shall keep or cause to be kept, at the principal office of the corporation in the State of California, the original or a copy of the Corporation's articles of incorporation and bylaws, as amended to date. The Secretary also shall keep or cause to be kept a book of minutes at the principal office, or at such other place as the Board of Directors may order, of all meetings of the Directors, with the time and place of holding, whether regular or special; and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, and the proceedings thereof. The Secretary shall give or cause to be given notice of all the meetings of the Board of Directors required by these bylaws or by law to be given and he or she shall keep the seal and perform such other duties as may be prescribed by the Board of Directors and by these bylaws. All or part of the above duties may be delegated to staff of the Corporation, with ultimate responsibility remaining with the Secretary.

**Section 8. Chief Financial Officer.** The Chief Financial Officer shall make provision for the care and custody of all funds of the Corporation, shall make provision for the deposit of such funds as required and designated by the Board of Directors, shall make provision for the maintenance of adequate accounts of the properties and business transactions of the Corporation, shall render reports and financial statements to the Directors as required by the Board of Directors. In addition, the Chief Financial Officer shall keep and maintain or cause to be kept

and maintained adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any Director. The Chief Financial Officer shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Chief Financial Officer shall disburse or cause to be disbursed the funds of the Corporation as shall be ordered by the Board of Directors, shall render to the Chairperson of the Board and Directors, whenever they shall request it, an account of all transactions as Chief Financial Officer and the financial condition of the Corporation, shall take or cause to be taken proper vouchers for all disbursements of the funds of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors and by these bylaws. All or part of the above duties may be delegated to staff of the Corporation with ultimate responsibility remaining with the Chief Financial Officer.

**Section 9. Executive Director.** If, and at such time as the Board of Directors may appoint an Executive Director, he or she may also be, as determined by the Board, the President (Chief Executive Officer) of the Corporation and as such shall have the authority and responsibility for the day-to-day management and administration of the affairs, employees and resources of the Corporation, and for implementation of the policies and programs of the Corporation. The Executive Director shall, subject to the policies of the Corporation, employ, supervise, manage, control and discharge the employees of the Corporation. The Executive Director shall advise and counsel the Board of Directors in matters of policy and shall act as a representative for the Corporation at community, state and national meetings.

**Section 10. Removal.** All officers shall hold office at the pleasure of the Board. Any officer may be removed, either with or without cause, by the Board of Directors at any time.

The removal of any officer shall be without prejudice to the rights, if any, of him or her under any contract of employment with the Corporation.

**Section 11. Resignation.** Any officer may resign at any time by giving written notice to the Corporation, but without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 12. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular election or appointment of such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

## **ARTICLE V - COMMITTEES**

**Section 1. Committees.** The Chairperson of the Board may appoint, subject to Board approval, an Executive Committee, and any other committees, for such tenure and such purposes as the Board may from time to time determine. The Executive Committee and any other committee having the authority of the Board shall be comprised of at least three (3) Directors, and may be delegated any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except as provided in Section 6 of this Article V.

**Section 2. Executive Committee.** The Executive Committee shall be a standing committee and shall consist of officers of the Corporation, and such other Directors as shall be appointed from time to time. The Chairperson of the Board shall be the chairman of the Executive Committee. The Executive Committee shall have the power and duty to conduct such affairs of the Corporation and to exercise such powers as may be delegated to it by the Board of

Directors at such times as the Board is not in session. The Executive Committee shall hold such meetings as shall be directed by the Board of Directors or called by the Chairperson of the Board at such times and places as may be convenient to conduct business. Each committee member shall have one vote and all matters shall be decided by a majority vote. A majority of the committee shall constitute a quorum. A member of the committee may not vote by proxy. All actions taken by the Executive Committee shall be reported at the next regular meeting of the Board of Directors.

**Section 3. Other Standing Committees.** The following standing committees of the Corporation shall be appointed for a term of one (1) year, but with the privilege of reappointment. Unless otherwise specifically authorized by the Board; these committees shall act subject to Board approval:

(a) Property Resource Committee. The Property Resource Committee shall have the responsibility to review and to recommend to the Board all major plans for leasing, remodeling, refurbishing, new construction, purchase and/or the sale of any building and real or personal property owned by the Corporation.

(b) Community Relations/Fund Development Committee. The Community Relations/Fund Development Committee shall be responsible for keeping the community aware of the Corporation's activities and need for contributions. The Committee shall have the responsibility to develop a program for publicity and overall plans for fund raising for the Corporation.

(c) Nominating Committee. The Nominating Committee shall operate on a year-round basis giving consideration to persons suitable for membership on the Board of Directors and committees. It shall present a slate of nominees at the annual meeting of the Board

of Directors and shall recommend nominees to the Board of Directors for any vacancy that may exist at any time.

(d) Finance and Budget Committee. The Finance and Budget Committee shall consider and make recommendations to the Board on the general control of the Corporation's fiscal operations, including the receipt of donations, expenditures of the Corporation and use of the Corporation's funds. If delegated to do so by the Board, this committee shall direct and handle the investment of the Corporation's property or funds. The Chief Financial Officer shall be a member of the Finance and Budget Committee.

**Section 4. Additional Committees.** The Board of Directors may appoint one or more additional committees, each consisting of two (2) or more Directors and such other persons as the Board may specify, to serve at the pleasure of the Board of Directors. Any such committee must be created, and the members thereof appointed by resolution adopted by a majority of the authorized number of Directors then in office provided a quorum is present. The Board of Directors may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. All members of all committees shall serve at the pleasure of the Board of Directors. The Board of Directors shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of Article III applicable to meetings and actions of the Board of Directors. Minutes shall be kept of each meeting of each committee. The Board of Directors may delegate to any such committee any of the authority of the Board of Directors except as provided in Section 6 of this Article V.

**Section 5. Advisory Committees.** The Board of Directors may appoint one or more advisory committees each consisting of Directors, nondirectors, or Directors and nondirectors. Advisory committees shall have no legal authority to act for the Corporation, but shall report their findings and recommendations to the Board of Directors.

**Section 6. Prohibited Delegation of Authority.** The Board of Directors shall not delegate to any committee any of the following authority:

(a) The approval of any action for which the California Nonprofit Public Benefit Corporation Law also requires approval of the members or approval of a majority of all members;

(b) The filling of vacancies on the Board of Directors or on any committee;

(c) The fixing of compensation of the Directors for serving on the Board of Directors or on any committee;

(d) The amendment or repeal of bylaws or the adoption of new bylaws;

(e) The amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

(f) The appointment of other committees of the Board of Directors or the members thereof;

(g) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or

(h) The approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Corporation Law.

## **ARTICLE VI - GENERAL PROVISIONS**

**Section 1. Voting Shares.** The Corporation may vote any and all shares held by it in any other corporation by such officer, agent or proxy as the Board of Directors may appoint, or in the absence of any such appointment, by the Chairperson of the Board or by any other officer, if also a Director and, in such case, such officers or any of them, may likewise appoint a proxy to vote said shares.

**Section 2. Checks, Drafts, Etc.** All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of or payable to the Corporation and any and all securities owned or held by the Corporation requiring signature for the transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors or the Executive Committee, if any.

**Section 3. Endorsement of Documents; Contracts.** Subject to the provisions of applicable laws, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing, and any assignment or endorsement thereof, executed or entered into between the Corporation and any other person, when signed by any officer, shall be valid and binding on the Corporation in the absence of actual knowledge on the part of the other person that the signing officer(s) had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board of Directors or the Executive Committee, and, unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

**Section 4. Annual Report.** The Chief Financial Officer shall cause an annual report to be prepared and sent to each Director, including ex-officio directors, and officers of the

Corporation, and such other persons as are designated by the Board of Directors no later than 120 days after the close of the fiscal or calendar year. Such annual report shall be prepared in conformity with the requirements of the California Nonprofit Corporation Law now in effect and as it may hereafter be amended.

**Section 5. Construction and Definitions.** Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the general provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these bylaws.

**Section 6. Gender.** As used in these bylaws, the masculine gender shall include both the masculine and the feminine gender.

## **ARTICLE VII - INDEMNIFICATION**

**Section 1. Definitions.** For the purposes of this Article VII, "agent" means any person who is or was a director, officer, employee or other agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; and "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Sections 4 or 5(b) of this Article VII.

**Section 2. Indemnification in Actions by Third Parties.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any

proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

**Section 3. Indemnification in Actions by or in the Right of the Corporation.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Nonprofit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

(a) In respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

**Section 4. Indemnification Against Expenses.** To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article VII or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

**Section 5. Required Determinations.** Except as provided in Section 4 of this Article VII any indemnification under this Article VII shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article VII, by:

(a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

**Section 6. Advance of Expenses.** Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VII.

**Section 7. Other Indemnification.** No provision made by the Corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the articles of incorporation, bylaws, a resolution of the directors, an agreement or otherwise, shall be valid unless consistent with this Article VII. Nothing contained in this Article VII shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise. The Corporation shall have the power to indemnify, to advance expenses to, or to procure insurance for any person, who is an agent of the Corporation as long as such actions are consistent with this Article VII and comply with the California Nonprofit Corporation Law.

**Section 8. Forms of Indemnification not Permitted.** No indemnification or advance shall be made under this Article VII, except as provided in Sections 4 or 5(b), in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the articles of incorporation, these bylaws or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

**Section 9. Insurance.** The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article VII, provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

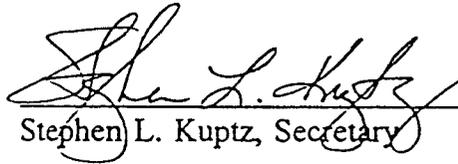
**Section 10. Nonapplicability to Fiduciaries of Employee Benefit Plans.** This Article VII does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 1 of this Article VII. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

#### **ARTICLE VIII - AMENDMENT**

These bylaws and any part thereof may be amended and repealed and new bylaws may be adopted only by the affirmative vote of a majority of the number of Directors of the Corporation then in office.

## CERTIFICATE OF SECRETARY REGARDING BYLAWS

The undersigned hereby certifies that he is the duly appointed and acting Secretary of Wakeland Housing and Development Corporation, and that the foregoing bylaws, consisting of 25 pages (inclusive of this page, but exclusive of the cover sheet and table of contents) were duly adopted as of January 4, 1999, and that they constitute the corporate bylaws of Wakeland Housing and Development Corporation in effect as of this date.



Stephen L. Kuptz, Secretary

AMENDED AND RESTATED  
BYLAWS OF  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION  
A California Nonprofit Corporation

**AMENDED AND RESTATED**  
**BYLAWS OF**  
**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**

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**AMENDED AND RESTATED**  
**BYLAWS OF**  
**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**

**ARTICLE I - PURPOSE AND OFFICE**

**Section 1. Objects and Purposes.** Wakeland Housing and Development Corporation (the “Corporation”) has been formed under the California Nonprofit Public Benefit Corporation Law to contribute to the general welfare of society by providing low and moderate income persons, elderly persons and disabled persons with affordable housing by acquiring and/or developing low and moderate income housing and providing ancillary economic development activities. The Corporation and all of its businesses and other activities are to be operated and conducted in the promotion of its charitable objects and purposes as specified in its articles of incorporation, and in the conduct of its affairs the management shall at all times be mindful of these charitable objects and purposes. In the event that any provision of this Section 1 is inconsistent with any provision of the articles of incorporation of the Corporation, the provisions of the articles of incorporation of the Corporation shall prevail and be controlling.

**Section 2. Principal Office.** The principal office of the Corporation shall be located at 1230 Columbia Street, Suite 950, San Diego, in San Diego County, California. The Board of Directors (“Board”) of the Corporation is hereby granted full authority and power to change the principal office from place to place as it is deemed necessary. Any such change of location may be noted in the bylaws by the Secretary opposite this Section 2 or this Section may be amended to state the new location.

**Section 3. Other Offices.** The Board may at any time establish branch offices at any place or places where the Corporation is qualified to conduct its activities in order to advance the proper purposes of the Corporation.

## **ARTICLE II - MEMBERSHIP**

**Section 1. Members.** There shall be no Members of the Corporation within the meaning of the California Nonprofit Corporation Law. Any action which would otherwise require approval by a majority of all Members or approval by the Members shall require only approval by the Board of Directors. All rights which would otherwise vest in the Members shall vest in the Board of Directors.

**Section 2. Honorary Members.** The Board of Directors may, by appropriate resolution, from time to time define and establish honorary members, auxiliaries, friends, and other support groups for the Corporation. None of such honorary members, auxiliaries, friends or groups, or the constituents thereof, shall be or have the rights and privileges of "Members" within the meaning of Section 5056 of the California Nonprofit Corporation Law with respect to the Corporation.

## **ARTICLE III - BOARD OF DIRECTORS**

**Section 1. Powers.** Subject to any limitations in the articles of incorporation, these bylaws and the laws of the State of California, all powers of the Corporation shall be exercised by or under authority of, its property controlled and its affairs conducted and managed by, a Board of Directors. The primary function of the Board of Directors shall be to establish corporate policies for the direction and guidance of the Executive Committee, if any, the officers, and the management of the Corporation, and to formulate the basic rules and regulations

governing the operation and management of the Corporation. Without limiting the foregoing, the Board shall also have the following powers:

(a) To select and remove any and all officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with the California Nonprofit Corporation Law, the articles of incorporation or these bylaws, fix their compensation, and require from them security for faithful service;

(b) To conduct, manage and control the affairs and business of the Corporation, and to make such rules and regulations therefor not inconsistent with law, the articles of incorporation or these bylaws, as they may deem best;

(c) To borrow money and incur indebtedness for the purposes of the Corporation and to cause to be executed and delivered therefor in the Corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor;

(d) To appoint an Executive Committee and other committees, and to delegate any of the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, subject to the limitations set forth in Section 6 of Article V of these bylaws.

**Section 2. Number of Directors.** The number of Directors shall be not less than three (3) nor more than eighteen (18) with the exact number of Directors to be determined by resolution of the Board of Directors of the Corporation , unless and until changed by amendment of the articles of incorporation, or by amendment of this Section 2.

**Section 3. Classification, Term of Office and Election of Directors.**

(a) The authorized Directors may be divided into three groups as nearly equal in number as possible, designated as Group I, Group II and Group III as follows:

(i) Group I shall consist of Directors having an initial term of office of one (1) year;

(ii) Group II shall consist of Directors having an initial term of office of two (2) years; and

(iii) Group III shall consist of Directors having an initial term of office of three years.

(b) The Directors in each group shall hold office until their respective initial terms have expired. Thereafter, each year the Directors shall elect a number of Directors equal to the number of Directors whose terms have expired, for a full term of three (3) years. Each Director shall serve for a term of three (3) years from the date of expiration of the term of the Director to whose office he or she succeeds or until the occurrence of one of the events specified in Sections 4 or 18 of this Article III, whichever first occurs. Any Director elected to succeed a Director who leaves or is removed from office for any reason prior to expiration of his or her term shall serve the balance of that term. Directors may be elected at any regular or special meeting of the Directors duly called and held. Directors may serve an unlimited number of successive terms.

**Section 4. Vacancies.**

(a) All vacancies on the Board of Directors shall be filled by a majority of the remaining Directors though less than a quorum, or by a sole remaining Director. Each

Director so elected to fill a vacancy shall hold office for the remainder of the predecessor's unexpired term and until the election of a successor as set forth in Section 3 of this Article III.

(b) If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board of Directors shall have the power to elect a successor to take office when the resignation shall become effective.

(c) No reduction in the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

(d) A vacancy or vacancies in the Board of Directors shall be deemed to exist on the death, resignation or removal of any Director, upon the failure of any Director to attend at least fifty percent (50%) of the regular Board meetings in any one year (between annual organizational meetings of the Board); upon any Director's unexcused absence from three (3) consecutive regular Board meetings; whenever the fixed number of Directors is increased; upon the expiration of the term of office of any Director; or upon the failure of the Directors, at any regular or special meeting at which any Director or Directors are elected, to elect the full number of Directors to be voted for at that meeting.

**Section 5. Annual Organization Meeting.** The annual organization meeting of the Board of Directors shall be held in the month of January of each year for the purpose of organization, election or appointment of officers and the transaction of such other business as may properly be brought before the meeting.

**Section 6. Regular Meetings.** Regular meetings of the Board of Directors shall be held at least annually on such dates and at such times as shall be determined by the Board.

**Section 7. Special Meetings.** Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President, the Chairperson of the Board, the

Secretary or any two Directors of the Corporation. The party calling such special meeting shall determine the date and time thereof.

**Section 8. Place of Meeting.** All meetings of the Directors shall be held at the principal office of the Corporation in the State of California or at such other place as may be designated for that purpose from time to time by the Board of Directors.

**Section 9. Notice of Meetings.** Notice of the date, time and place of meetings of the Board of Directors shall be given to each Director at least forty-eight (48) hours before the date of the meeting if delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means, and at least four (4) days before the date of the meeting if given by first class mail, postage prepaid, addressed to the Director at the address as it is shown upon the records of the Corporation, or if it is not so shown on such records, or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held provided that such notice may be waived by any Director as set forth in Section 10 of this Article III. Whenever any Director has been absent from any meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Director as required by the California Nonprofit Corporation Law and these bylaws. Notice of special meetings shall specify the nature of the business to be transacted. No items of business other than those specified in the notice of a special meeting may be transacted at a special meeting.

**Section 10. Consent to Meetings; Waiver of Notice.** The transaction of any meeting of the Board of Directors, however called and noticed and however held, shall be as valid as though had at a meeting duly held after regular call and notice: (a) if a quorum is present; and (b)

if, either before or after the meeting, each of the Directors entitled to vote, not present in person, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. Such written waiver of notice or consent to the holding of such meeting or an approval of the minutes thereof may be in the form of an email or other electronic communication capable of reproduction. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting need not be given to any Director who attends the meeting without protesting prior to or at the commencement of the meeting, the lack of notice to such Director.

**Section 11. Quorum.** At all meetings of the Board of Directors a majority of the number of Directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business except to adjourn as provided in Section 16 of this Article III. The act of a majority of the Directors present at any time at which there is a quorum shall be the act of the Board of Directors, unless a greater number is required by these bylaws or by law. Notwithstanding the previous provisions of this Section 11, a meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

**Section 12. Conduct of Meetings.** The President, or, in his or her absence, the Chairperson of the Board of Directors, or, in his or her absence, any other person chosen by a majority of the Directors present shall be chairperson of and shall preside over the meetings of the Board of Directors. The Secretary of the Corporation shall act as the secretary of all meetings, provided that in his or her absence, the Chairperson shall appoint another person to act as secretary of the meetings. The meetings shall be governed as the Directors shall agree; in the

absence of such agreement, Robert's Rules of Order, as may be amended from time to time, shall govern the meetings insofar as such rules are not inconsistent with or in conflict with these bylaws, the articles of incorporation, or the law.

**Section 13. Proxy Voting Prohibited.** Voting by proxy shall not be permitted.

**Section 14. Action Without Meeting.** Any action required or permitted to be taken by the Board may be taken without a meeting and prior notice, if all members of the Board consent in writing or by electronic communication to that action. Such action by written consent or electronic communication shall have the same force and effect as any other validly approved action of the Board. Such written consent or consents or copies of any electronic communication shall be filed with the minutes of the proceedings of the Board. An electronic transmission consent to action to be taken shall be deemed to be written, signed and dated for purposes of this Section, provided that any such electronic transmission is delivered with information from which the Board can determine (i) that the electronic transmission was transmitted by the director and (ii) the date on which such director transmitted the electronic transmission. The date on which such electronic transmission was transmitted shall be deemed to be date on which such consent was signed. For the purposes of this Section 14 only, "all members of the Board" shall not include directors who have a material financial interest in a transaction to which to Corporation is a party.

**Section 15. Participation In Meetings by Communications Equipment.** Members of the Board of Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or similar communications equipment, so long as all members participating in such meetings can hear one another. Participation in a meeting pursuant to this bylaw shall constitute presence in person at such meeting.

**Section 16. Adjournment.** A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors unless the original meeting is adjourned for more than twenty-four (24) hours. The time and place of the adjourned meeting that be fixed at the meeting adjourned, except as provided in the next sentence. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of adjournment. This notice may be waived in the same manner as set forth in Section 10 of this Article III.

**Section 17. Rights of Inspection.** Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind except any records where confidentiality and prohibition from disclosure is prescribed by law.

**Section 18. Removal of Directors; Resignation.** A Director or Directors may be removed from office by a vote of the majority of the Board at any Board meeting, with or without cause. Any Director may resign at any time by giving written notice of such resignation to the Board, unless there would be no Director left in charge of the Corporation's affairs upon resignation by said Director, in the case said Director must first give notice to the Attorney General for the State of California of the intended resignation. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 19. Fees and Compensation.** Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by the Board of Directors.

**Section 20. Freedom from Liability.** No Director of this Corporation shall be personally liable for the debts, liabilities, or obligations of the Corporation.

**Section 21. Interested Persons.** Pursuant to Section 5227 of the California Nonprofit Corporation Law, no more than forty-nine percent (49%) of the Directors serving on the Board may be “interested persons.” For the purposes of this Section 21, “interested person” means either (i) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months whether as a full time or part time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law of any such person. In light of the foregoing limitations, all Directors shall fill out an annual questionnaire dealing with this subject matter.

**Section 22. Standard of Conduct.** Pursuant to Section 5231 of the California Nonprofit Corporation Law, a Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;

(b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person’s professional or expert competence; or

(c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

**Section 23. Self-Dealing Transactions.** Pursuant to Section 5233 of the California Nonprofit Corporation Law, the Corporation shall not be a party to a transaction in which one or more of its Directors has a material financial interest (“Interested Director”) unless:

(a) The Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or

(b) Prior to entering into the transaction, after full disclosure to the Board of all material facts regarding the proposed transaction and the Interested Director’s interest, and after investigation and report to the Board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the Directors then in office (without including the vote of the Interested Director):

(1) Resolves and finds that (i) the transaction is in the Corporation’s best interest and for the Corporation’s own benefit, (ii) the transaction is fair and reasonable as to the Corporation, and (iii) after reasonable investigation under the circumstances as to alternatives, the Corporation could not have obtained a more advantageous arrangement with reasonable efforts under the circumstances; and

(2) Approves the entire transaction. In the event it is not reasonably practicable to obtain approval of the Board prior to entering into such transaction, the

Corporation may enter into such transaction if, prior to entering into said transaction, a committee or person authorized by the Board approves the transaction in a manner consistent with the procedure set forth in this section and the Board, after determining in good faith that the Corporation entered into the transaction for its own benefit and that the transaction was fair and reasonable as to the Corporation at the time it was entered into, ratifies the transaction at its next meeting by a vote of the majority of the Directors then in office, without counting the vote of the Interested Director. In light of the foregoing limitations, all Directors shall fill out an annual questionnaire dealing with this subject matter.

#### **ARTICLE IV - OFFICERS**

**Section 1. Officers.** The officers of the Corporation shall be a Chairperson of the Board or a President (who may also be referred to as the Chief Executive Officer) or both, a Secretary, a Chief Financial Officer or a Treasurer, or both, and any other officers with such titles as the Board of Directors may appoint from time to time, including, but not limited to, a Vice President, assistant officers, assistant secretaries, additional vice presidents, an Executive Director and a Vice Chairperson of the Board. All officers shall be chosen by, and hold office at the pleasure of the Board of Directors, subject to the rights, if any, of any officer under any contract of employment. One person may hold two offices, except that neither the Secretary, the Treasurer nor the Chief Financial Officer may serve concurrently as the President or Chairperson of the Board. Compensation for officers and reimbursement of their expenses shall be as determined from time to time by the Board of Directors.

**Section 2. Election or Appointment of Officers.** The officers of the Corporation shall be chosen annually by the Board of Directors to serve one term of office, and each shall hold office until his or her successor shall be appointed and qualified to serve, or until he or she shall

resign or shall be removed or disqualified to serve. Notwithstanding the foregoing, the President is empowered to appoint the Chief Financial Officer of the Corporation. A term of office shall consist of one year. The Board shall appoint such temporary or acting officers as may be necessary during the temporary absence or disability of regular officers.

**Section 3. Subordinate Officers.** The Board of Directors may elect or authorize the appointment of such officers other than those hereinbefore mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the Board of Directors may from time to time authorize or determine.

**Section 4. Chairperson of the Board.** The Chairperson of the Board, if present, shall preside at all meetings of the Board of Directors and Executive Committee in the absence of the President, appoint the chairpersons of all committees, serve as an ex-officio member of all committees, and exercise and perform such other powers and duties as may from time to time be assigned by the Board of Directors.

**Section 5. Vice Chairperson of the Board.** In the absence or disability of the Chairperson of the Board, the Vice Chairperson of the Board, if appointed, shall perform all of the duties of the Chairperson of the Board, and when so acting shall have all of the powers of, and be subject to all of the restrictions upon, the Chairperson of the Board. The Vice Chairperson of the Board shall have such other powers and perform such other duties as from time to time may be prescribed for the Vice Chairperson by the Board of Directors or the bylaws.

**Section 6. President/Chief Executive Officer; Vice President.** The President, who may also be referred to as the Chief Executive Officer, shall be employed by the Corporation to administer its affairs and have general supervision, direction and control of the business and

officers of the Corporation according to policies and procedures approved by the Board. He or she shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these bylaws. The President's specific responsibilities shall include general management, general direction of the programs of the Corporation, fund raising, whether for capital, endowment or current purposes, budget preparation and control, accounting and reporting of financial transactions, management and supervision of personnel, and development of public relations. The President shall report to the Directors, and his or her salary shall be fixed by the Board of Directors. The President shall have the responsibility of selecting and dismissing the employees of the Corporation in accordance with current personnel policies of the Corporation. If the Corporation has more than one Vice President, the President shall have the authority to designate the order in which they shall serve in place of and instead of the President in his or her absence. The Vice President, if any, acting in the President's absence shall have all of the powers and duties of the President. All or part of the above duties may be delegated to staff of the Corporation, with ultimate responsibility remaining with the President.

**Section 7. Secretary.** The Secretary shall keep or cause to be kept at the principal office of the corporation in the State of California, the original or a copy of the Corporation's articles of incorporation and bylaws, as amended to date. The Secretary also shall keep or cause to be kept a book of minutes at the principal office, or at such other place as the Board of Directors may order, of all meetings of the Directors, with the time and place of holding, whether regular or special; and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, and the proceedings thereof. The Secretary shall give or cause to be given notice of all the meetings of the Board of Directors required by these bylaws or by

law to be given and he or she shall keep the seal and perform such other duties as may be prescribed by the Board of Directors and by these bylaws. All or part of the above duties may be delegated to staff of the Corporation, with ultimate responsibility remaining with the Secretary.

**Section 8. Chief Financial Officer.** The Chief Financial Officer shall make provision for the care and custody of all funds of the Corporation, shall make provision for the deposit of such funds as required and designated by the Board of Directors, shall make provision for the maintenance of adequate accounts of the properties and business transactions of the Corporation, shall render reports and financial statements to the Directors as required by the Board of Directors. In addition, the Chief Financial Officer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any Director. The Chief Financial Officer shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Chief Financial Officer shall disburse or cause to be disbursed the funds of the Corporation as shall be ordered by the Board of Directors, shall render to the Chairperson of the Board and Directors, whenever they shall request it, an account of all transactions as Chief Financial Officer and the financial condition of the Corporation, shall take or cause to be taken proper vouchers for all disbursements of the funds of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors and by these bylaws. Subject to the policies and direction of the Board of Directors, the Chief Financial Officer shall report to and be subject to the direct supervision of the President. All or part of the

above duties may be delegated to staff of the Corporation with ultimate responsibility remaining with the Chief Financial Officer.

**Section 9. Treasurer.** The Treasurer shall exercise general oversight of the financial affairs of the Corporation on behalf of the Board of Directors, with ultimate responsibility for such matters, however, remaining with the Chief Financial Officer. The Treasurer shall serve without compensation.

**Section 10. Executive Director.** If, and at such time as the Board of Directors may appoint an Executive Director, he or she may also be, as determined by the Board, the President (Chief Executive Officer) of the Corporation and as such shall have the authority and responsibility for the day-to-day management and administration of the affairs, employees and resources of the Corporation, and for implementation, of the policies and programs of the Corporation. The Executive Director shall, subject to the policies of the Corporation, employ, supervise, manage, control and discharge the employees of the Corporation. The Executive Director shall advise and counsel the Board of Directors in matters of policy and shall act as a representative for the Corporation at community, state and national meetings.

**Section 11. Removal.** All officers shall hold office at the pleasure of the Board. Any officer may be removed, either with or without cause, by the Board of Directors at any time. The removal of any officer shall be without prejudice to the rights, if any, of him or her under any contract of employment with the Corporation.

**Section 12. Resignation.** Any officer may resign at any time by giving written notice to the Corporation, but without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the

receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 13. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular election or appointment of such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

## **ARTICLE V - COMMITTEES**

**Section 1. Committees.** The Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one or more committees of the Board consisting of two or more Directors, and only of directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of a quorum of the Board. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any committee meeting. Any member of any committee may be removed, with or without cause, at any time by the Board. The Executive Committee and any other committee having the authority of the Board shall be comprised of at least three (3) Directors, and may be delegated any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except as provided in Section 6 of this Article V.

**Section 2. Executive Committee.** The Executive Committee shall be a standing committee and shall consist of the Chairperson of the Board, the immediate past Chairperson of the Board (if still serving as a Director) and officers of the Corporation who are also Directors, and such other Directors as shall be appointed from time to time. By invitation, the President shall preside over meetings of the Executive Committee, otherwise the Chairperson of the Board shall be the chairperson of the Executive Committee. The Executive Committee, unless limited

by a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the Corporation at such times as the Board is not in session. The Executive Committee shall hold such meetings as shall be directed by the Board of Directors or called by the Chairperson of the Board at such times and places as may be convenient to conduct business. Each committee member shall have one vote and all matters shall be decided by a unanimous vote. A majority of the committee shall constitute a quorum. A member of the committee may not vote by proxy. All actions taken by the Executive Committee shall be reported at the next regular meeting of the Board of Directors.

**Section 3. Compensation Committee and Compensation Review.** At any time this Corporation compensates its President or Chief Financial Officer, the Corporation shall have a Compensation Committee consisting of at least three Directors and exclusively of Directors, unless the compensation review activities described in this Section 3 are otherwise undertaken directly by the Board of Directors. Directors who are also employees of the Corporation may not serve on the Compensation Committee. Subject to the foregoing, the Executive Committee may act in the capacity of the Compensation Committee. The Compensation Committee shall review the compensation of the President, Chief Financial Officer, Treasurer (if any), and Vice President (if any) as well as of such other officers of the Corporation as the Compensation Committee determines appropriate. This review shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of this Corporation. Based on its review, the Compensation Committee shall recommend just and reasonable compensation amounts to the Board. At the request of the President or the Board, the

Compensation Committee shall review any issue involving staff compensation and benefits, including but not limited to health and retirement plans.

**Section 4. Audit Committee.** At all times that this Corporation is required by applicable law to have an independent audit, or at any time the Corporation voluntarily chooses to do so, the Corporation shall have an Audit Committee consisting of at least two Directors and which may include nonvoting advisors. Directors who are employees of the Corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as Director) may not serve on the Audit Committee. The President and Treasurer, if also Directors, may serve on the Audit Committee only if such persons are volunteers and are not compensated by this Corporation. The Audit Committee shall perform the duties and adhere to the guidelines set forth from time to time by the Board. These duties include, but are not limited to: (i) assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary, (ii) negotiating the auditor's compensation, (iii) conferring with the auditor regarding the Corporation's financial affairs, and (iv) reviewing and accepting or rejecting the audit. Members of the Audit Committee shall not receive compensation for their service on the Audit Committee in excess of that provided to Directors for their service on the Board. If the Corporation has a Finance Committee, a majority of the members of the Audit Committee may not concurrently serve as members of the Finance Committee, and the Chair of the Audit Committee may not serve on the Finance Committee.

**Section 5. Additional Committees.** The Board of Directors may appoint one or more additional committees, each consisting of three (3) or more Directors and such other persons as the Board may specify, to serve at the pleasure of the Board of Directors. Any such committee must be created, and the members thereof appointed by resolution adopted by a majority of the

authorized number of Directors then in office provided a quorum is present. The Board of Directors may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. All members of all committees shall serve at the pleasure of the Board of Directors. The Board of Directors shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of Article III applicable to meetings and actions of the Board of Directors. Minutes shall be kept of each meeting of each committee. The Board of Directors may delegate to any such committee any of the authority of the Board of Directors except as provided in Section 6 of this Article V.

**Section 6. Advisory Committees.** The Board of Directors may appoint one or more advisory committees each consisting of Directors, nondirectors, or Directors and nondirectors. Advisory committees shall have no legal authority to act for the Corporation, but shall report their findings and recommendations to the Board of Directors.

**Section 7. Prohibited Delegation of Authority.** The Board of Directors shall not delegate to any committee any of the following authority:

(a) The approval of any action for which the California Nonprofit Public Benefit Corporation Law also requires approval of the members or approval of a majority of all members;

(b) The filling of vacancies on the Board of Directors or on any committee that has the authority of the Board;

(c) The fixing of compensation of the Directors for serving on the Board of Directors or on any committee;

(d) The amendment or repeal of articles of incorporation or bylaws or the adoption of new bylaws;

(e) The amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

(f) The appointment of other committees of the Board of Directors or the members thereof;

(g) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or

(h) The approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Corporation Law.

**Section 8. Meeting and Action of Committees.** Meetings and actions of committees of the Board shall be governed by and held, in accordance with the provisions of these bylaws concerning meetings and other board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by board resolution or, if there is none, by resolution of the committee of the Board. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee, provided they are consistent with these bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

## **ARTICLE VI - RECORDS AND REPORTS**

**Section 1. Maintenance of Articles and Bylaws.** The Corporation shall keep at its principal executive office the original or a copy of its Articles and Bylaws as amended to date.

**Section 2. Maintenance of Other Corporate Records.** The accounting books, records, and minutes of the proceedings of the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept in either written or typed form or in any other form capable of being converted into written, typed, or printed form.

**Section 3. Inspection by Directors.** Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation and each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

**Section 4. Annual Report.** Within 120 days after the end of the Corporation's fiscal year, the President shall furnish or cause to be furnished a written report to all Directors containing the following information:

(a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) The revenue or receipts of the Corporation, both unrestricted and restricted for particular purposes, for the fiscal year;

(d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year;

(e) Any transaction during the previous fiscal year involving more than \$50,000 in which the Corporation (or its parent or subsidiaries, if any) was a party and in which any director or officer of the Corporation has a direct or indirect financial interest, or any of a number of such transactions in which the same person had a direct or indirect financial interest and which transactions in the aggregate involved more than \$50,000; and

(f) The amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any director or officer of the Corporation pursuant to Article 7 of these bylaws, unless such indemnification has already been approved pursuant to Section 7.5.

For each transaction, the report must disclose the names of the interested persons involved in such transaction and state such person's relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the value of such interest.

The report shall be accompanied by any report of independent accountants or, if there is no such report, by the certificate of an authorized officer of this Corporation that such statements were prepared without an audit from the books and records of this Corporation. Such report may be furnished to the directors by electronic transmission in accordance with Section 10.1 of these bylaws.

**Section 5. Financial Audit.** The Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or

contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within nine (9) months after the close of the fiscal year to which the statements relate. For three (3) years, such statements (a) shall be available at the Corporation's principal, regional, and district offices during regular business hours and (b) shall be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

## **ARTICLE VII - CONTRACTS AND LOANS WITH DIRECTORS AND OFFICERS**

### **Section 1. Contracts with Directors and Officers.**

(a) No Director or Officer of this Corporation, nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors or Officers are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this Corporation, unless (i) the material facts regarding such Director's or Officer's financial interest in such contract or transaction and/or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Board prior to consideration by the Board of such contract or transaction; (ii) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote or votes of such interested Director(s); (iii) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation under the circumstances that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (iv) this Corporation enters into the transaction for

its own benefit, and the transaction is fair and reasonable to this Corporation at the time the transaction is entered into.

(b) The provisions of this Section 1 of Article VII do not apply to a transaction which is part of an educational or charitable program of the Corporation if it: (i) is approved or authorized by the Corporation in good faith and without unjustified favoritism; and (ii) results in a benefit to one or more Directors or Officers or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Corporation.

**Section 2. Loans to Directors and Officers.** The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the Attorney General of the State of California; provided, however, that the Corporation may advance money to a Director or Officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or Officer, provided that in the absence of such advance such Director or Officer would be entitled to be reimbursed for such expenses by the Corporation.

## **ARTICLE VIII - FISCAL YEAR**

The fiscal year of the Corporation shall end on June 30. The Board may change the fiscal year of the Corporation as it is deemed necessary, subject to applicable law and requisite approval from any governmental agencies.

## **ARTICLE IX - GENERAL PROVISIONS**

**Section 1. Voting Shares.** The Corporation may vote any and all shares held by it in any other corporation by such officer, agent or proxy as the Board of Directors may appoint, or in the absence of any such appointment, by the Chairperson of the Board or by any other officer,

if also a Director and, in such case, such officers or any of them, may likewise appoint a proxy to vote said shares.

**Section 2. Checks, Drafts Etc.** All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of or payable to the Corporation and any and all securities owned or held by the Corporation requiring signature for the transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors or the Executive Committee, if any.

**Section 3. Endorsement of Documents; Contracts.** Subject to the provisions of applicable laws, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing, and any assignment or endorsement thereof, executed or entered into between the Corporation and any other person, when signed by any officer, shall be valid and binding on the Corporation in the absence of actual knowledge on the part of the other person that the signing officer(s) had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board of Directors or the Executive Committee, and, unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount

**Section 4. Construction and Definitions.** Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the general provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these bylaws.

**Section 5. Gender.** As used in these bylaws, the masculine gender shall include both the masculine and the feminine gender.

**Section 6. Electronic Transmission.** Subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms “written,” and “in writing” as used in these bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from the Corporation, the Corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions to the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

## **ARTICLE X - INDEMNIFICATION**

**Section 1. Definitions.** For the purposes of this Article VII, “agent” means any person who is or was a director, officer, employee or other agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; and “proceeding” means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and “expenses” includes, without limitation, attorneys’ fees and any expenses of establishing a right to indemnification under Sections 4 or 5(b) of this Article VII.

**Section 2. Indemnification in Actions by Third Parties.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

**Section 3. Indemnification in Actions by or in the Right of the Corporation.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Nonprofit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted

in good faith, in a manner such person believed to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

(a) In respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

**Section 4. Indemnification Against Expenses.** To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article VII or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

**Section 5. Required Determinations.** Except as provided in Section 4 of this Article VII any indemnification under this Article VII shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper

in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article VII, by:

(a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

**Section 6. Advance of Expenses.** Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VII.

**Section 7. Other Indemnification.** No provision made by the Corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the articles of incorporation, bylaws, a resolution of the directors, an agreement or otherwise, shall be valid unless consistent with this Article VII. Nothing contained in this Article VII shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise. The Corporation shall have the power to indemnify, to advance expenses to, or to procure insurance for any person, who is an agent of the Corporation as long as such actions are consistent with this Article VII and comply with the California Nonprofit Corporation Law.

**Section 8. Forms of Indemnification not Permitted.** No indemnification or advance shall be made under this Article VII, except as provided in Sections 4 or 5(b), in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the articles of incorporation, these bylaws or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

**Section 9. Indemnification Not Exclusive.** The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

**Section 10. Insurance.** The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article VII, provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

**Section 11. Nonapplicability to Fiduciaries of Employee Benefit Plans.** This Article VII does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person

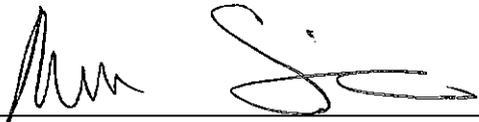
may also be an agent of the Corporation as defined in Section 1 of this Article VII. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

#### **ARTICLE XI - AMENDMENT**

These bylaws and any part thereof may be amended and repealed and new bylaws may be adopted only by the affirmative vote of a majority of the number of Directors of the Corporation then in office.

**CERTIFICATE OF SECRETARY REGARDING BYLAWS**

The undersigned hereby certifies that she is the duly appointed and acting Secretary of Wakeland Housing and Development Corporation, and that the foregoing Amended and Restated Bylaws, consisting of 33 pages (inclusive of this page, but exclusive of the cover sheet and table of contents) were duly adopted as of March 23rd, 2011, and that they constitute the corporate bylaws of Wakeland Housing and Development Corporation in effect as of this date.

  
\_\_\_\_\_  
Karolina Ericsson, Secretary

MAY 08 2001

BILL JONES, Secretary of State

CERTIFICATE OF AMENDMENT AND RESTATEMENT OF  
ARTICLES OF INCORPORATION OF  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION

Stephen L. Kuptz and M. Scott Orrantia certify that:

1. They are the president and the secretary, respectively, of Wakeland Housing and Development Corporation, a California nonprofit corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

ARTICLES OF INCORPORATION  
OF  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION

I. NAME OF CORPORATION

The name of the corporation is Wakeland Housing and Development Corporation.

II. PURPOSES

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. The specific purpose of this corporation is to provide low and moderate income persons, elderly persons and disabled persons with affordable housing by acquiring and/or developing low and moderate income housing and providing ancillary economic development activities.

III. DEDICATION

This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal

Revenue law). The property of this corporation is irrevocably dedicated to charitable purposes. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers or members or to individuals, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purpose.

#### IV. LIMITATIONS ON CORPORATE ACTIVITIES

No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation except as otherwise provided in Section 501(h) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law), and this corporation shall not participate in, or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its purposes and this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

#### V. DISSOLUTION

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations and liabilities of this corporation, the remaining assets shall be distributed to such one or more nonprofit funds,

foundations or corporations which are organized and operated exclusively for charitable purposes and which have established their tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

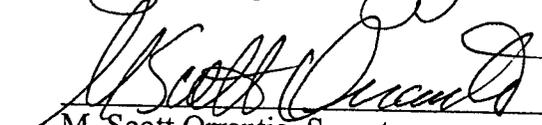
3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the Board of Directors.

4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: 5/4/, 2001

  
\_\_\_\_\_  
Stephen L. Kuptz, President

  
\_\_\_\_\_  
M. Scott Orrantia, Secretary



**ARTICLES OF INCORPORATION**

**DEC 23 1998**

**OF**

**BILL JONES, Secretary of State**

**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**

**I. NAME OF CORPORATION**

The name of the corporation is Wakeland Housing and Development Corporation

**II. PURPOSES**

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. The specific purpose of this corporation is to provide low and moderate income persons, elderly persons and disabled persons with affordable housing by acquiring and/or developing low and moderate income housing and providing ancillary economic development activities.

**III. INITIAL AGENT FOR SERVICE OF PROCESS**

The name and address of the initial agent of the corporation for service of process is:

Stephen L. Kuptz  
5881 Copley Drive  
San Diego, California 92111

**IV. DEDICATION**

This corporation is organized and operated exclusively for charitable, religious, educational, hospital and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law). The property of this corporation is irrevocably dedicated to the purposes set forth above. No part of the net earnings of this corporation shall inure to the benefit of any

of its directors, trustees, officers or members or to individuals, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purpose.

#### V. LIMITATIONS ON CORPORATE ACTIVITIES

No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation except as otherwise provided in Section 501(h) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law), and this corporation shall not participate in, or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its purposes and this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

#### VI. DISSOLUTION

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations and liabilities of this corporation, the remaining assets shall be distributed to such one or more nonprofit funds, foundations, or corporations which are organized and operated for charitable, religious, educational, hospital or scientific purposes, meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code and which have established their tax-exempt status under Section 501(c)(3) of the

Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

**IN WITNESS WHEREOF**, the undersigned, being the incorporator of the corporation, has executed these Articles of Incorporation on December 23, 1998.

  
Stephen L. Kuptz



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
FRESNO CA 93888

DATE OF THIS NOTICE: 12-30-1998  
NUMBER OF THIS NOTICE: CP 575 I  
EMPLOYER IDENTIFICATION NUMBER: 33-0833640  
FORM: SS-4 (TELE-TIN)  
8917305195 B W

FOR ASSISTANCE CALL US AT:  
1-800-829-1040

WAKELAND HOUSING AND DEVELOPMENT  
% STEPHEN L KUPTZ PRES  
5881 COPLEY DR  
SAN DIEGO CA 92111

OR WRITE TO THE ADDRESS  
SHOWN AT THE TOP LEFT.

IF YOU WRITE, ATTACH THE  
STUB OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER (EIN)

Thank you for your Tele-TIN phone call. We assigned you employer identification number (EIN) 33-0833640. This EIN will identify your business account, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

Use your complete name and EIN shown above on all federal tax forms, payments, and related correspondence. If you use any variation in your name or EIN, it may cause a delay in processing, incorrect information in your account, or cause you to be assigned more than one EIN.

If you're required to deposit for employment taxes (Forms 941, 943, 940, 945, CT-1, or 1042), excise taxes (Form 720), or income taxes (Form 1120), we will send an initial supply of Federal Tax Deposit (FTD) coupon books within five to six weeks. You can use the enclosed coupons if you need to make a deposit before you receive your supply.

Based on the information shown on your Form SS-4, you must file the following forms(s) by the date we show.

Form 941 04/30/1999

If the due date has passed please complete the form and send it to us by 01-14-1999. If we don't receive the form by that date additional penalties and interest will be charged. If you weren't in business or didn't hire employees for the tax period shown, please file the form showing that you have no liability.

If you need help in determining what your tax year is, you can get Publication 538, Accounting Periods and Methods, at your local IRS office.

If you have any questions about the forms shown or the date they are due, you may call us at 1-800-829-1040 or write to us at the address shown above.

Please use the label IRS provided when filing tax documents and FTD coupons when making FTD payments. If that isn't possible, you should use your EIN and complete name and address as shown below to identify your account and to avoid delays in processing.

WAKELAND HOUSING AND DEVELOPMENT  
CORPORATION  
% STEPHEN L KUPTZ PRES  
5881 COPLEY DR  
SAN DIEGO CA 92111

If this information isn't correct, please correct it using the bottom part of this notice. Return it to us at the address shown so we can correct your account.

If you haven't already completed Form SS-4, Application for Employer Identification Number, we need you to do it now so your account record will be complete. You can get Form SS-4 at your local IRS office or by calling 1-800-TAX-FORM (1-800-829-3676). After you complete the Form SS-4, sign and date it and write your new EIN, 33-0833640, in the upper right hand corner. Please return it to us with bottom part of this notice by 01-14-1999. We've enclosed an envelope for your convenience.

Thank you for your cooperation.

Keep this part for your records.

CP 575 I (Rev. 7-97) ---

Return this part with any correspondence so we may identify your account. Please correct any errors in your name or address.

CP 575 I

8917305195

Your Telephone Number ( ) - Best Time to Call

DATE OF THIS NOTICE: 12-30-1998  
EMPLOYER IDENTIFICATION NUMBER: 33-0833640  
FORM: SS-4 (TELE-TIN)

INTERNAL REVENUE SERVICE  
FRESNO CA 93888

WAKELAND HOUSING AND DEVELOPMENT  
CORPORATION  
% STEPHEN L KUPTZ PRES  
5881 COPLEY DR  
SAN DIEGO CA 92111



BA20220432512



**STATE OF CALIFORNIA**  
*Office of the Secretary of State*  
**STATEMENT OF INFORMATION**  
**CA NONPROFIT CORPORATION**

California Secretary of State  
 1500 11th Street  
 Sacramento, California 95814  
 (916) 653-3516

For Office Use Only

**-FILED-**

File No.: BA20220432512

Date Filed: 6/27/2022

B0865-7197 06/27/2022 12:58 PM Received by California Secretary of State

Entity Details			
Corporation Name	WAKELAND HOUSING AND DEVELOPMENT CORPORATION		
Entity No.	2041532		
Formed In	CALIFORNIA		
Street Address of California Principal Office of Corporation			
Street Address of California Office	1230 COLUMBIA STREET, STE 950 SAN DIEGO, CA 92101		
Mailing Address of Corporation			
Mailing Address	1230 COLUMBIA STREET, STE 950 SAN DIEGO, CA 92101		
Attention			
Officers			
Officer Name	Officer Address	Position(s)	
<input checked="" type="checkbox"/> REBECCA LOUIE	1230 COLUMBIA STREET, STE 950 SAN DIEGO, CA 92101	Chief Executive Officer	
Joan Edelman	1230 Columbia Street, STE 950 San Diego, CA 92101	Secretary, Chief Financial Officer	
Additional Officers			
Officer Name	Officer Address	Position	Stated Position
None Entered			
Agent for Service of Process			
Agent Name	REBECCA LOUIE		
Agent Address	1230 COLUMBIA STREET, STE 950 SAN DIEGO, CA 92101		
Email Notifications			
Opt-in Email Notifications	No, I do NOT want to receive entity notifications via email. I prefer notifications by USPS mail.		
Electronic Signature			
<input checked="" type="checkbox"/> By signing, I affirm that the information herein is true and correct and that I am authorized by California law to sign.			
<i>Kate Hong, Legal Counsel</i>		06/27/2022	
_____ Signature		_____ Date	



STATE OF CALIFORNIA  
 FRANCHISE TAX BOARD  
 PO BOX 1286  
 RANCHO CORDOVA CA 95741-1286

In reply refer to  
 755:G :JCA

July 30, 1999

WAKELAND HOUSING AND DEVELOPMENT CORPORATION  
 225 BROADWAY STE 1700  
 SAN DIEGO CA 92101-5015

Purpose : CHARITABLE  
 Code Section : 23701d  
 Form of Organization : Corporation  
 Accounting Period Ending: June 30  
 Organization Number : 2041532

THIS EXEMPTION IS GRANTED ON THE EXPRESS CONDITION THAT THE ORGANIZATION WILL SECURE FEDERAL EXEMPT STATUS WITH THE INTERNAL REVENUE SERVICE. THE ORGANIZATION IS REQUIRED TO FURNISH A COPY OF THE FINAL DETERMINATION LETTER TO THE FRANCHISE TAX BOARD WITHIN 9 MONTHS FROM THE DATE OF THIS LETTER.

You are exempt from state franchise or income tax under the section of the Revenue and Taxation Code indicated above.

This decision is based on information you submitted and assumes that your present operations continue unchanged or conform to those proposed in your application. Any change in operation, character, or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address must also be reported.

In the event of a change in relevant statutory, administrative, judicial case law, a change in federal interpretation of federal law in cases where our opinion is based upon such an interpretation, or a change in the material facts or circumstances relating to your application upon which this opinion is based, this opinion may no longer be applicable. It is your responsibility to be aware of these changes should they occur. This paragraph constitutes written advice, other than a chief counsel ruling, within the meaning of Revenue and Taxation Code Section 21012(a)(2).

You may be required to file Form 199 (Exempt Organization Annual Information Return) on or before the 15th day of the 5th month (4 1/2

July 30, 1999  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION  
ENTITY ID : 2041532  
Page 2

months) after the close of your accounting period. Please see annual instructions with forms for requirements.

You are not required to file state franchise or income tax returns unless you have income subject to the unrelated business income tax under Section 23731 of the Code. In this event, you are required to file Form 109 (Exempt Organization Business Income Tax Return) by the 15th day of the 5th month (4 1/2 months) after the close of your annual accounting period.

Please note that an exemption from federal income or other taxes and other state taxes requires separate applications.

A copy of this letter has been sent to the Registry of Charitable Trusts.

J AMAYA  
EXEMPT ORGANIZATION SECTION  
PROCESSING SERVICES BUREAU  
Telephone (916) 845-6644

EO :  
CC : ELAINE A ROGERS

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **NOV 05 2003**

Employer Identification Number:  
33-0833640

DLN:  
17053263751073

Contact Person:  
JANINE L ESTES

ID# 31126

Contact Telephone Number:  
(877) 829-5500

Public Charity Status:  
170(b)(1)(A)(vi)

WAKELAND HOUSING AND DEVELOPMENT  
CORPORATION  
625 BROADWAY STE 611  
SAN DIEGO, CA 92101-0000

Dear Applicant:

Our letter dated August 20, 1999, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity during an advance ruling period.

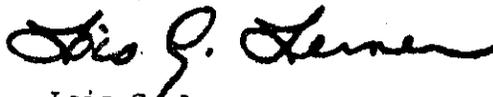
Based on our records and on the information you submitted, we are pleased to confirm that you are exempt under section 501(c)(3) of the Code, and you are classified as a public charity under the Code section listed in the heading of this letter.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at [www.irs.gov](http://www.irs.gov).

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:00 a.m. - 6:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner  
Director, Exempt Organizations  
Rulings and Agreements

Letter 1050 (DO/CG)

INTERNAL REVENUE SERVICE  
 DISTRICT DIRECTOR  
 P. O. BOX 2508  
 CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **AUG 24 1999**

WAKELAND HOUSING AND DEVELOPMENT  
 CORPORATION  
 C/O ELAINE A ROGERS  
 SULLIVAN WERTZ MCDADE & WALLACE  
 945 FOURTH AVE  
 SAN DIEGO, CA 92101

Employer Identification Number:  
 33-0833640

DLN:

17053138014049

Contact Person:

ANGELA WRIGHT

ID# 95328

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

June 30

Foundation Status Classification:

2

Advance Ruling Period Begins:

December 23, 1998

Advance Ruling Period Ends:

June 30, 2003

Addendum Applies:

NO

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

Letter 1045 (DO/CG)

WAKELAND HOUSING AND DEVELOPMENT

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

Contributions to you are deductible by donors beginning December 23, 1998.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as

WAKELAND HOUSING AND DEVELOPMENT

a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your exemption application, any supporting documents and this exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are made widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This ruling is based on the understanding that the majority of your Board of Directors will be non-salaried and will not be related to salaried personnel or to parties providing services. It is also based on the understanding that salaried individuals cannot vote on their own compensation and that compensation decisions will be made by the board.

In accordance with section 508(a) of the Code, the effective date of this determination letter is December 23, 1998.

WAKELAND HOUSING AND DEVELOPMENT

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are spent only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence that the funds will remain dedicated to the required purposes and that the recipient will use the funds for those purposes.

If you distribute funds to individuals, you should keep case histories showing the recipients' names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that you can substantiate upon request by the Internal Revenue Service any and all distributions you made to individuals. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

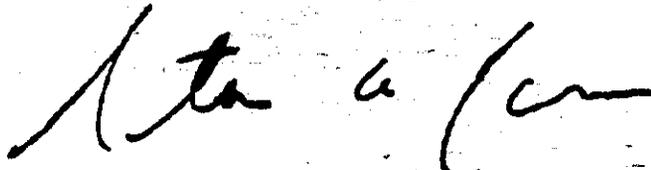
If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "A. T. A. [unclear]", written in a cursive style.

District Director



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

2/27/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Cavnagac 451 A Street, Suite 1800 San Diego CA 92101	<b>CONTACT NAME:</b> Certificate Department <b>PHONE (A/C, No, Ext):</b> 619-744-0574 <b>E-MAIL ADDRESS:</b> certificates@cavnagac.com		<b>FAX (A/C, No):</b> 619-234-8601													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Philadelphia Indemnity Ins. Co</td> <td>18058</td> </tr> <tr> <td>INSURER B : Oak River Insurance Company</td> <td>34630</td> </tr> <tr> <td>INSURER C : Scottsdale Insurance Company</td> <td>41297</td> </tr> <tr> <td>INSURER D : QBE Specialty Ins. Co.</td> <td>11515</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>			INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Philadelphia Indemnity Ins. Co	18058	INSURER B : Oak River Insurance Company	34630	INSURER C : Scottsdale Insurance Company	41297	INSURER D : QBE Specialty Ins. Co.	11515	INSURER E :		INSURER F :
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<b>INSURED</b> Wakeland Housing & Development Corporation Cuatro at City Heights LP 1230 Columbia Street, Ste 950 San Diego, CA 92101	WAKEHOU-01															

**COVERAGES**

CERTIFICATE NUMBER: 1840987768

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			PHPK2434664	6/30/2022	6/30/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Deductible \$ 0
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2434664	6/30/2022	6/30/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB822202 XLS0126056	6/30/2022 6/30/2022	6/30/2023 6/30/2023	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below <input type="checkbox"/> Y / N <input type="checkbox"/> N / A			WAWC317865	9/27/2022	9/27/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Excess Liability (3rd Layer)			MQSX00007528	6/30/2022	6/30/2023	Ea. Occ/Ea Agg \$ 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 For Informational Purposes Only.

**CERTIFICATE HOLDER****CANCELLATION**

Specimen Certificate

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED  
PRIMARY AND NON-CONTRIBUTORY INSURANCE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

**Effective Date:** 06/30/2022

**Name of Person or Organization (Additional Insured):**

Blanket- Where required by contract

**SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person(s) or organization(s) shown in the endorsement Schedule, but only with respect to liability for “bodily injury,” “property damage” or “personal and advertising injury” arising out of or relating to your negligence in the performance of “your work” for such person(s) or organization(s) that occurs on or after the effective date shown in the endorsement Schedule.

This insurance is primary to and non-contributory with any other insurance maintained by the person or organization (Additional Insured), except for loss resulting from the sole negligence of that person or organization.

This condition applies even if other valid and collectible insurance is available to the Additional Insured for a loss or “occurrence” we cover for this Additional Insured.

The Additional Insured’s limits of insurance do not increase our limits of insurance, as described in **SECTION III – LIMITS OF INSURANCE**.

All other terms, conditions, and exclusions under the policy are applicable to this endorsement and remain unchanged.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Designated Location(s):**

per loc schedule

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which can be attributed only to operations at a single designated "location" shown in the Schedule above:
  - 1. A separate Designated Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
  - 2. The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage **C** regardless of the number of:
    - a. Insureds;
    - b. Claims made or "suits" brought; or
    - c. Persons or organizations making claims or bringing "suits".
  - 3. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
  - 4. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.

- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I – Coverage **A**, and for all medical expenses caused by accidents under Section I – Coverage **C**, which cannot be attributed only to operations at a single designated "location" shown in the Schedule above:
1. Any payments made under Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
  2. Such payments shall not reduce any Designated Location General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Location General Aggregate Limit.
- D.** For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:
- "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- E.** The provisions of Section **III** – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED  
PRIMARY AND NON-CONTRIBUTORY INSURANCE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

**Effective Date:** 06/30/2022

**Name of Person or Organization (Additional Insured):**

Blanket - Per Required Contract

**SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person(s) or organization(s) shown in the endorsement Schedule, but only with respect to liability for “bodily injury,” “property damage” or “personal and advertising injury” arising out of or relating to your negligence in the performance of “your work” for such person(s) or organization(s) that occurs on or after the effective date shown in the endorsement Schedule.

This insurance is primary to and non-contributory with any other insurance maintained by the person or organization (Additional Insured), except for loss resulting from the sole negligence of that person or organization.

This condition applies even if other valid and collectible insurance is available to the Additional Insured for a loss or “occurrence” we cover for this Additional Insured.

The Additional Insured’s limits of insurance do not increase our limits of insurance, as described in **SECTION III – LIMITS OF INSURANCE.**

All other terms, conditions, and exclusions under the policy are applicable to this endorsement and remain unchanged.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SIGNATURE GENERAL LIABILITY BROADENING ENDORSEMENT**

This Endorsement modifies and is subject to the insurance provided under the following form:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following extension only applies in the event that no other specific coverage for the indicated loss exposure is provided under this Policy. If other specific coverage applies, the terms, conditions and limits of that Coverage are the exclusive coverage applicable under this Policy, unless otherwise noted in this Endorsement. This is a summary of the various additional coverages and coverage modifications provided by this Endorsement. For complete details on specific coverages, consult the actual policy wording.

<b>Coverage Description</b>	<b>Limit of Insurance</b>	<b>Page</b>
Non-Owned Aircraft	Included	2
Non-Owned Watercraft	Included	2
Bodily Injury - Mental Injury, Mental Anguish, Humiliation or Shock	Included	3
Medical Payments	\$ 20,000	3
Damage to Premises Rented to You	\$ 1,000,000	3
Supplementary Payments - Bail Bonds	\$ 3,000	4
Supplementary Payments - Loss of Earnings	\$ 1,000 per day	4
Newly Formed or Acquired Organizations	Included	4
Unintentional Failure to Disclose Hazards	Included	5
Knowledge of Occurrence, Claim or Suit	Included	5
Property Damage Liability - Elevators	Included	5
Property Damage Liability - Borrowed Equipment	Included	5
Liberalization Clause	Included	6
Amendment of Pollution Exclusion (Premises)	Included	6
Limited Property Damage to Property of Others	\$ 5,000	6
Additional Insured - Manager or Lessor of Premises	Included	7

Coverage Description	Limit of Insurance	Page
Additional Insured - Funding Sources	Included	7
Additional Insured - By Contract	Included	8
Primary and Non-Contributory Additional Insured Extension	Included	10
Additional Insureds - Protection of Your Limits	Included	10
Blanket Waiver of Transfer of Rights of Recovery Against Others to Us (Subrogation)	Included	11
Property Damage Extension With Voluntary Payments	\$ 1,000/\$ 5,000	11
Who Is An Insured - Fellow Employee Extension - Management Employees	Included	12
Broadened Personal and Advertising Injury	Included	12

#### A. Non-Owned Aircraft

Under paragraph 2. Exclusions of SECTION I - COVERAGE A - Bodily Injury and Property Damage Liability, exclusion g. Aircraft, Auto or Watercraft does not apply to an aircraft provided:

1. it is not owned by any insured;
2. it is hired, chartered or loaned with a trained paid crew;
3. the pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating him or her a commercial or airline pilot; and
4. it is not being used to carry persons or property for a charge.

However, the insurance afforded by this provision does not apply if there is available to the Insured other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this Policy), contingent or on any other basis, that would also apply to the loss covered under this provision.

#### B. Non-Owned Watercraft

Under paragraph 2. Exclusions of SECTION I - COVERAGE A - Bodily Injury and Property Damage Liability, subparagraph (2) of exclusion g. Aircraft, Auto or Watercraft is replaced by the following:

This exclusion does not apply to:

- (2) A watercraft you do not own that is:
  - (a) less than 60 feet long; and

(b) not being used to carry persons or property for a charge.

**C. Bodily Injury - Mental Injury, Mental Anguish, Humiliation or Shock**

Under **SECTION V - DEFINITIONS**, Definition 3. is replaced by the following:

3. **"Bodily Injury"** means physical injury, sickness, or disease, including death of a person. "Bodily Injury" also means mental injury, mental anguish, humiliation, or shock if directly resulting from physical injury, sickness, or disease to that person.

**D. Medical Payments**

If **Coverage C Medical Payments** is not otherwise excluded, the Medical Payments provided by this Policy are amended as follows:

The Medical Expense Limit in paragraph 7. of **SECTION III - LIMITS OF INSURANCE** is replaced by the following Medical expense Limit:

The Medical Expense Limit provided by this Policy shall be the greater of:

- a. \$ 20,000; or
- b. the amount shown in the Declarations for Medical Expense Limit

This provision 7. is subject to all the terms of **SECTION III - LIMITS OF INSURANCE**.

**E. Damage to Premises Rented to You**

If Damage to Premises Rented to You is not otherwise excluded from this Coverage Part:

1. Under paragraph 2. **Exclusions** of **SECTION I - COVERAGE A - Bodily Injury and Property Damage Liability**:

3. The last paragraph of paragraph 2. **Exclusions** is deleted in its entirety and replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke, leakage from an automatic fire protection system or water to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in **SECTION III - LIMITS OF INSURANCE**.

However, this insurance does not apply to damage to premises while rented to you, or temporarily occupied by you with the permission of the owner, caused by:

- i. rupture, bursting, or operation of pressure relief devices;
- ii. rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water;
- iii. explosion of steam boilers, steam pipes, steam engines, or steam turbines; or
- iv. flood

2. Paragraph 6. Under **SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced with the following:

6. Subject to paragraph 5. above, the most we will pay under **Coverage A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage caused by fire, lightning, explosion, smoke, leakage from automatic fire protection system or water while rented to you or temporarily occupied by you with the permission of the owner, for all such damage caused by fire, lightning, explosion, smoke, leakage from automatic fire protection systems or water proximately caused by the same event, whether such damage results from fire, lightning, explosion, smoke, leakage from automatic fire protection systems or water or any combination of the six, is the higher of \$ **1,000,000** or the amount shown in the Declarations for the Damage to Premises Rented to You Limit.
3. Under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, subsection 4. Other Insurance, paragraph b. Excess Insurance where the words "Fire insurance" appear they are changed to "insurance for fire, lightning, explosion, smoke, leakage from an automatic fire protection system or water."
4. As regards coverage provided by this provision **I. Damage to Premises Rented to You** - paragraph **9.a.** of **Definitions** is replaced with the following:
  9. a. a contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, leakage from automatic fire protection systems or water to premises while rented to you or temporarily occupied by you with the permission of the owner is not an "insured contract";

#### F. Supplementary Payments

1. In the **Supplementary Payments - Coverages A and B** provision, paragraph **1.b.** is replaced with:
  - b. Up to \$ **3,000** for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
2. Paragraph **1.d.** is replaced by the following:
  - d. All reasonable expenses incurred by the Insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$ **1,000** a day because of time off work.

#### G. Newly Formed or Acquired Organizations

Paragraph 3. of **SECTION II - WHO IS AN INSURED** is replaced by the following:

3. Any organization you newly acquire or form and over which you maintain ownership or majority interest, will qualify as a named insured if there is no other similar insurance available to that organization. However:
  - a. coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;
  - b. coverage **A** does not apply to "bodily injury" or property damage that occurred before you acquired or formed the organization; and
  - c. coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

- d. records and descriptions of operations must be maintained by the first named insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a named insured in the Declarations or qualifies as an insured under this provision.

#### H. Unintentional Failure to Disclose Hazards

Under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, the following is added to Condition **6. Representations**:

Failure of the Insured to disclose all hazards existing as of the inception date of this Policy shall not prejudice the insurance with respect to the coverage afforded by this Policy, provided such failure or omission is not intentional on the part of the Insured.

#### I. Knowledge of Occurrence, Claim or Suit

Under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, the following is added to Condition **2. Duties in the Event of Occurrence, Offense, Claim or Suit**:

Knowledge of any occurrence, claim, or suit by any agent, servant or employee of the Named Insured does not in itself constitute knowledge by the Insured unless notice of such injury, claim or suit shall have been received by:

- a. you, if you are an individual;
- b. a partner, if you are a partnership
- c. an executive officer or insurance manager, if you are a corporation.

#### J. Property Damage Liability - Elevators

1. Under paragraph **2. Exclusions** of **SECTION I - COVERAGE A - Bodily Injury and Property Damage Liability**, subparagraphs **(3)**, **(4)** and **(6)** of exclusion **j. Damage to Property** do not apply if such property damage results from the use of elevators.
2. The following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, Condition **4. Other Insurance**, paragraph **b. Excess Insurance**:

The insurance afforded by this provision of this Endorsement is excess over any property insurance, whether primary, excess, contingent or on any other basis.

#### K. Property Damage Liability - Borrowed Equipment

1. Under paragraph **2. Exclusions** of **SECTION I - COVERAGE A - Bodily Injury and Property Damage Liability**, subparagraph **(4)** of exclusion **j. Damage to Property** does not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.
2. The following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY Conditions**, Condition **4. Other Insurance**, paragraph **b. Excess Insurance**:

The insurance afforded by this provision of this Endorsement is excess over any property insurance, whether primary, excess, contingent or on any other basis.

**L. Liberalization Clause**

If we revise this Signature General Liability Broadening Endorsement to provide more coverage without additional premium charge, your policy will automatically provide the coverage as of the date the revision is effective in your state.

**M. Amendment of Pollution Exclusion (Premises)**

1. The following is added to paragraph (1)(a) of Exclusion f. of **SECTION I - COVERAGE A - Bodily Injury and Property Damage Liability**:

(iv) "Bodily injury" or "property damage" arising out of the actual discharge, dispersal, seepage, migration, release or escape of "pollutants."

As used in this Endorsement, the actual discharge, dispersal, seepage, migration, release or escape of pollutants must:

- (aa) commence on a clearly identifiable day during the policy period; and
- (bb) end, in its entirety, within seventy-two (72) hours of the commencement of the discharge, dispersal, seepage, migration, release or escape of "pollutants"; and
- (cc) be discovered and reported to us within fifteen (15) days of the clearly identifiable day that the discharge, dispersal, seepage, migration, release or escape of "pollutants" commences; and
- (dd) be neither expected nor intended from the standpoint of any insured; and
- (ee) be unrelated to any previous discharge, dispersal, seepage, migration, release or escape; and
- (ff) not originate at or from a storage tank or other container, duct or piping which:
  - a. is below the surface of the ground or water; or
  - b. at any time has been buried under the surface of the ground or water and then is subsequently exposed.

2. For the purposes of this coverage, the following is added to the definition of "property damage" of **SECTION V - DEFINITIONS** and applies only as respects this coverage:

Land or water, whether below ground level or not, is not tangible property.

3. Coverage provided hereunder does not apply to any discharge, dispersal, seepage, migration, release or escape that is merely threatened or alleged rather than shown to have actually occurred.

**N. Limited Property Damage to Property of Others**

The following is added under **SECTION I - SUPPLEMENTARY PAYMENTS - COVERAGES A and B**:

3. We will pay up to \$ 5,000 for loss to personal property of others while in the temporary care, custody or control of an insured caused by any person participating in your organized activities. For the purpose of this supplementary payment, loss shall mean damage or destruction but does not include mysterious disappearance or loss of use. In the event of a theft, a police report must be filed. This supplementary payment does not apply if:
  - a. coverage is otherwise provided by the Property Coverage part (if any) of this Policy; or

- b. the loss is covered by any other insurance you have or by any insurance of such person who causes such loss.

These payments will not reduce the Limits of Insurance.

**O. Additional Insured - Manager or Lessor of Premises**

1. **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization from whom you lease or rent property and which requires you to add such person or organization as an additional insured on this Policy under:

- (a) a written contract; or
- (b) an oral agreement or contract where a Certificate of Insurance showing that person or organization as an additional insured has been issued;

but the written or oral contract or agreement must be an "insured contract," and,

- (i) currently in effect or become effective during the term of this Policy; and
- (ii) executed prior to the "bodily injury," "property damage," "personal and advertising injury."

2. With respect to the insurance afforded to the Additional Insured identified in paragraph 1. above, the following additional provisions apply:

- (a) This insurance applies only with respect to the liability arising out of the ownership, maintenance or use of that part of the premises leased to you.
- (b) The Limits of Insurance applicable to the Additional Insured are the lesser of those specified in the written contract or agreement or in the Declarations for this Policy and subject to all the terms, conditions and exclusions for this Policy. The Limits of Insurance applicable to the Additional Insured are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.
- (c) In no event shall the coverages or Limits of Insurance in this Coverage Form be increased by such contract.
- (d) Coverage provided herein is excess over any other valid and collectible insurance available to the Additional Insured whether the other insurance is primary, excess, contingent or on any other basis unless a written contractual arrangement specifically requires this insurance to be primary.
- (e) This insurance applies only to the extent permitted by law.

3. This insurance does not apply to:

- (a) Any "occurrence" or offense which takes place after you cease to be a tenant in that premises.
- (b) Structural alterations, new construction or demolition operations performed by or on behalf of the Additional Insured.

**P. Additional Insured - Funding Sources**

1. **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any Funding Source which requires you in a written contract to name the Funding Source as an additional insured but only with respect to liability arising out of:

- a. your premises; or
- b. "your work" for such additional insured; or
- c. acts or omissions of such additional insured in connection with the general supervision of "your work"

and only to the extent set forth as follows:

- a. The Limits of Insurance applicable to the Additional Insured are the lesser of those specified in the written contract or agreement or in the Declarations for this Policy and subject to all the terms, conditions and exclusions for this Policy. The Limits of Insurance applicable to the Additional Insured are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.
- b. The insurance afforded to the Additional Insured only applies to the extent permitted by law
- c. If coverage provided to the Additional Insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
- d. In no event shall the coverages or Limits of Insurance in this Coverage Form be increased by such contract.

**Q. Additional Insureds - By Contract**

1. **SECTION II - WHO IS AN INSURED** is amended to include as an insured any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. Such person or organization is an additional insured but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" arising out of:

- a. your acts or omissions, or the acts or omissions of those acting on your behalf, in the performance of your ongoing operations for the Additional Insured that are subject of the written contract or written agreement provided that the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" is committed, subsequent to the signing of such written contract or written agreement; or
- b. the maintenance, operation or use by you of equipment rented or leased to you by such person or organization; or
- c. the Additional Insureds financial control of you; or
- d. operations performed by you or on your behalf for which the state or political subdivision has issued a permit

However:

- 1. the insurance afforded to such additional insured only applies to the extent permitted by law; and
- 2. if coverage provided to the Additional Insured is required by contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide such additional insured.

With respect to paragraph 1.a. above, a person's or organization's status as an additional insured under this Endorsement ends when:

- (1) all work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed for or on behalf of the Additional Insured(s) at the location of the covered operations has been completed; or
- (2) that portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

With respect to paragraph 1.b. above, this insurance does not apply to any "occurrence" which takes place after the equipment rental or lease agreement has expired or you have returned such equipment to the lessor.

The insurance provided by this Endorsement applies only if the written contract or written agreement is signed prior to the "bodily injury" or "property damage."

We have no duty to defend an additional insured under this Endorsement until we receive written notice of a "suit" by the Additional Insured as required in paragraph b. of Condition 2. **Duties in the Event of Occurrence, Offense, Claim or Suit under SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITION.**

2. With respect to the insurance provided by this Endorsement, the following are added to paragraph 2. **Exclusions** under **SECTION I - COVERAGE A - Bodily Injury and Property Damage Liability**:

This insurance does not apply to:

- a. "Bodily injury" or "property damage" that occurs prior to your commencing operations at the location where such "bodily injury" or "property damage" occurs.
- b. "Bodily injury," "property damage" or "personal and advertising injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services, including:
  - (1) the preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (2) supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that Insured, if the "occurrence" which caused the "bodily injury" or "property damage," or the offense which caused the "personal and advertising injury," involved the rendering of, or failure to render, any professional architectural, engineering or surveying services.

- c. "Bodily injury" or "property damage" occurring after:
  - (1) all work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed for or on behalf of the Additional Insured(s) at the location of the covered operations has been completed; or
  - (2) that portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

d. Any person or organization specifically designated as an additional insured for ongoing operations by a separate additional insured endorsement issued by us and made part of this Policy.

3. With respect to the insurance afforded to these Additional Insureds, the following is added to **SECTION III - LIMITS OF INSURANCE:**

If coverage provided to the Additional Insured is required by a contract or agreement, the most we will pay on behalf of the Additional Insured is the amount of insurance:

- a. required by the contract or agreement; or
- b. available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This Endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**R. Primary and Non-Contributory Additional Insured Extension**

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this Policy.

Condition 4. Other Insurance of **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

a. The following is added to paragraph a. **Primary Insurance:**

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- (1) the Additional Insured is a named insured under such other insurance; and
- (2) you have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the Additional Insured.

b. The following is added to paragraph b. **Excess Insurance:**

When a written contract or written agreement, other than a premises lease, facilities rental contract or agreement, an equipment rental or lease contract or agreement or permit issued by a state or political subdivision between you and an additional insured does not require this insurance to be primary or primary and non-contributory, this insurance is excess over any other insurance for which the Additional Insured is designated as a named insured.

Regardless of the written agreement between you and an additional insured, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the Additional Insured has been added as an additional insured on other policies.

**S. Additional Insureds - Protection of Your Limits**

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this Policy.

1. The following is added to Condition 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

An additional insured under this Endorsement will as soon as practicable:

- a. give written notice of an "occurrence" or an offense that may result in a claim or "suit" under this insurance to us;
  - b. tender the defense and indemnity of any claim or "suit" to all insurers whom also have insurance available to the Additional Insured; and
  - c. agree to make available any other insurance which the Additional Insured has for a loss we cover under this Coverage Part.
  - d. we have no duty to defend or indemnify an additional insured under this Endorsement until we receive written notice of a "suit" by the Additional Insured.
2. The Limits of Insurance applicable to the Additional Insured are those specified in a written contract or written agreement or the Limits of Insurance stated in the Declarations of this Policy and defined in **SECTION III - LIMITS OF INSURANCE** of this Policy, whichever are less. These limits are inclusive of and not in addition to the Limits of Insurance available under this Policy.

**T. Blanket Waiver of Transfer of Rights of Recovery Against Others to Us (Subrogation)**

Under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, the following is added to Condition 8. **Transfer of Rights of Recovery Against Others to Us:**

If required by a written contract or written agreement, we waive any right of recovery we may have against a person or organization because of payment we make for injury or damage arising out of your ongoing operations or "your work" done under a contract for that person or organization and included in the "products-completed operations hazard" provided that the injury or damage occurs subsequent to the execution of the written contract or written agreement.

**U. Property Damage Extension with Voluntary Payments**

1. The following is added to paragraph 1. **Insuring Agreement** of **SECTION I - COVERAGE A - Bodily Injury and Property Damage Liability:**

At your request we will pay for "loss" to property of others caused by your business operations for which this Policy provides liability insurance. Such payment will be made without regard to your legal obligation to do so. The "loss" must occur during the policy period and must take place in the "coverage territory."

2. With respect to the coverage afforded under paragraph 1. above, paragraph 2. **Exclusions** of **SECTION I - COVERAGES A - Bodily Injury and Property Damage Liability** is amended as follows:

Exclusions j.(3), j.(4), j.(5) and j.(6) are deleted.

3. As respects coverage afforded by this coverage, **SECTION III - LIMITS OF INSURANCE** is replaced by the following:

Regardless of the number of insureds, claims made or "suits" brought or persons or organizations making claims or bring "suits":

1. Subject to 2. Below, the most we will pay for one or more "loss" arising out of any one "occurrence" is **\$ 1,000**.
2. The aggregate amount we will pay for the sum of all "loss" in an annual period is **\$ 5,000**. This aggregate amount is part of and not in addition to the General Aggregate Limit described in paragraph 2. of **SECTION III - LIMITS OF INSURANCE**.

**V. Who Is an Insured - Fellow Employee Extension - Management Employees**

1. The following is added to paragraph **2.a.(1)** of **SECTION II - WHO IS AN INSURED**:

Paragraph **(a)** and **(b)** above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, including the direct supervision of other "employee" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and advertising injury" arising out of their willful conduct, which is defined as the purposeful or willful intent to cause "bodily injury" or "personal and advertising injury," caused in whole or in part by their intoxication by liquor or controlled substances.

This coverage is excess over any other valid and collectable insurance available to your "employee."

**W. Broadened Personal and Advertising Injury**

1. Unless "Personal and Advertising Injury" is excluded from this Policy, the following is added to **SECTION V - DEFINITIONS** Item **14.**:
  - h. mental injury, mental anguish, humiliation, or shock, if directly resulting from Items **14.a.** through **14.e.**

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA  
BLANKET BASIS**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

The additional premium for this endorsement shall be calculated by applying a factor of 2% to the total manual premium, with a minimum initial charge of \$350, then applying all other pricing factors for the policy to this calculated charge to derive the final cost of this endorsement.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

**Schedule**

**Blanket Waiver**

**Person/Organization**                      Blanket Waiver – Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

<b>Job Description</b>	<b>Waiver Premium (prior to adjustments)</b>
All CA Operations	645.00

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.  
**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective: 09/27/2021

Policy No.: WAWC216183

Endorsement No.:

Insured:

Premium \$

Insurance Company: Oak River Insurance Company

Countersigned by \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

<b>Name Of Person(s) Or Organization(s)</b>	<b>Designation Of Premises</b>
Banner Bank, its successor's and or assigns Attn: Sherri Gorham 3005 112th Ave. NE, Suite 100 Bellevue, WA 98004	4200 W Pico Blvd, Los Angeles, CA 90019
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Bank of America NA a national banking association, as Investor Limited Partner, Banc of America CDC Special Holdings Company Inc. A North Carolina Corp as Special Limited Partner ISAOA/ATIME MAI -225-02-02, 225 Franklin Street, Boston, MA 02110	3933 Mission Inn Avenue and 3655 Fairmount Blvd, Riverside, CA 92501
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable  
 Lender's Loss Payable  
 Contract of Sale
- 

### SCHEDULE

---

Location Number

1

Address

3933 Mission Inn Avenue and 3655 Fairmount Blvd, Riverside, CA 92501

Covered Property

Builder's Risk

Name and Address of Loss Payee

Bank Of America, N.A. a national banking association, as  
Investor Limited  
Partner, Banc of America CDC Special Holding  
Company, Inc. A North  
Carolina Corp as Special Limited Partner ISAOA/  
ATIMA  
MAI-225-02-02  
225 Franklin St.  
Boston, MA 02110

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Name Of Person(s) Or Organization(s)	Designation Of Premises
Bank of America NA its Successors and/or Assigns FL9-100-04-32 PO Box 40329 Jacksonville, FL 32203-9944	3933 Mission Inn Avenue and 3655 Fairmount Blvd, Riverside, CA 92501
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable  
 Lender's Loss Payable  
 Contract of Sale
- 

### SCHEDULE

---

Location Number

1

Address

3933 Mission Inn Avenue and 3655 Fairmount Blvd, Riverside, CA 92501

Covered Property

Builder's Risk

Name and Address of Loss Payee

Bank of America NA  
Its Successors and/or Assigns  
FL9-400-04-32  
PO Box 40329  
Jacksonville, FL 32203-9944

This endorsement changes the Inland Marine Coverage. **PLEASE READ THIS CAREFULLY.**

## **MORTGAGEHOLDERS SCHEDULE**

(The entries required to complete this schedule will be shown below or on the "schedule of coverages").

### **SCHEDULE**

**Location Number**

1

**Described Premise**

3933 Mission Inn Avenue and 3655 Fairmount Blvd, Riverside, CA 92501

**Covered Property**

Builder's Risk

**Name and Address of Mortgageholder**

Bank Of America, N.A.  
Its Successors and/or Assigns  
FL9-400-04-32  
P.O. Box 40329  
Jacksonville, FL 32203-9944

Philadelphia Indemnity Insurance Company

Loss Payee Schedule

**Policy Number:** PHPK2434664

Lenders Loss Payable

CalHFA Multifamily Programs  
5000 Capital Mall #1400  
Sacto CA 95814

Loan # 16047

CA - Loc #23 - Bld #1 - 1425 C Street, San Diego, CA 92101

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
CalHFA Multifamily Programs 5000 Capital Mall #1400 Sacto CA 95814  Loan # 16047	1425 C St San Diego, CA 92101-5717
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
CalHFA, Multifamily Programs 500 Capitol Mall, MS 1400 Sacramento CA 95814	5858 Mt. Alifan Drive, San Diego, CA 92111
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the following:

**UltimateCover Policy**

**SCHEDULE**

				<b>Provision</b>
<b>Prem. No.</b>	<b>Applicable Bldg. No.</b>	<b>Description of Property</b>	<b>Loss Payee</b>	<b>(Indicate A, B, or C)</b>
0028	0001		California Community Reinvestment Corporation Att: Insurance Administrator Glendale, CA 91210-1265	B

The following is added to the Loss Conditions, **Loss Payment**, as shown by an "A", "B", or "C" in Schedule:

**A. Loss Payable**

For Covered Property in which both you and a Loss Payee shown in the Schedule have an insurable interest, we will:

1. Adjust "**loss**" with you; and
2. Pay any claim for "**loss**" jointly to you and the Loss Payee, as interests may appear.

**B. Lender's Loss Payable**

1. The Loss Payee shown in the Schedule is a creditor, including a mortgageholder or trustee, whose interest in the Covered Property is established by such written instruments as:
  - a. Warehouse receipts;
  - b. A contract for deed;
  - c. Bills of lading;
  - d. Financing statements; or
  - e. Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
  - a. We will pay for covered "**loss**" to each Loss Payee in their order or precedence, as interests may appear.

- b. The Loss Payee has the right to receive **"loss"** payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the Loss Payee will still have the right to receive **"loss"** payment if the Loss Payee:
  - (1) Pays any premium due under this Coverage Form at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Form will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any **"loss"** and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:
  - (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
  - (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- 3. If we cancel this policy, we will give written notice to the Loss Payee at least:
  - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
- 4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

### C. Contract of Sale

- 1. The Loss Payee shown in the Schedule is a person or organization you have entered a contract with for the sale of Covered Property.
- 2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
  - a. Adjust **"loss"** with you; and
  - b. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.
- 3. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word **"you"** includes the Loss Payee.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
California Community Reinvestment Corporation Attn: Insurance Administrator 100 W. Broadway, Suite 1000 Glendale, CA 91210	748-760 Anita Street, Chula Vista CA 91911
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

# Philadelphia Indemnity Insurance Company

## Additional Insured Schedule

**Policy Number:** PHPK2434664

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### Additional Insured

California Community Reinvestment  
Corporation  
100 W Broadway Ste 1000  
Glendale, CA 91210-1265

CG2018 - CA - Loc #2 - 334 (APARTMENT BUILDING-NOC)

CG2018 - CA - Loc #9

# Philadelphia Indemnity Insurance Company

## Loss Payee Schedule

**Policy Number:** PHPK2434664

### Lenders Loss Payable

California Community Reinvestment  
Corporation  
100 W Broadway Ste 1000  
Glendale, CA 91210-1265

CA - Loc #2 - Bld #1 - BUSINESS PERSONAL PROPERTY (APARTMENTS)  
LOAN # Loan # 9920549

CA - Loc #9 - Bld #1 - BUSINESS PERSONAL PROPERTY (APARTMENTS)

# Philadelphia Indemnity Insurance Company

## Mortgagee Schedule

**Policy Number:** PHPK2434664

### Mortgagee

California Community Reinvestment  
Corporation  
100 W Broadway Ste 1000  
Glendale, CA 91210-1265

CA - Loc #2 - Bid #1 - BUILDING (APARTMENTS)  
LOAN # Loan # 9920549

CA - Loc #9 - Bid #1 - BUILDING (APARTMENTS)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

Zions Bancorporation, N.A. dba California Bank & Trust, as Administrative Agent,  
its successors and/or assigns, 1900 Main Street  
Suite 350, Irvine, CA 92614

RE: Wakeland Wilcox LP  
1040 N. Kenmore Ave. Los Angeles, CA 90029

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations;  
or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
California Community Reinvestment Corporation Attn: Insurance Administrator 100 W. Broadway, Suite 1000 Glendale, CA 91210	815 CIVIC CENTER DRIVE, VISTA, CA 92084
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable  
 Lender's Loss Payable  
 Contract of Sale
- 

### SCHEDULE

---

Location Number

1

Address

815 CIVIC CENTER DRIVE, VISTA, CA 92084

Covered Property

Name and Address of Loss Payee

California Community Reinvestment  
Corporation  
Attn: Insurance Administrator  
100 West Broadway, Suite 1000  
Glendale, CA 91210

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable  
 Lender's Loss Payable  
 Contract of Sale
- 

### SCHEDULE

---

Location Number

1

Address

748-760 Anita Street, Chula Vista CA 91911

Covered Property

Builder's Risk

Name and Address of Loss Payee

California Community Reinvestment Corporation  
Attn: Insurance Administrator  
100 W. Broadway, Site 1000  
Glendale, CA 91210

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable  
 Lender's Loss Payable  
 Contract of Sale
- 

### SCHEDULE

---

Location Number

1

Address

4723 S. Normandie Ave, Los Angeles, CA 90037

Covered Property

Builder's Risk

Name and Address of Loss Payee

California Community Reinvestment Corporation  
Attn: Insurance Administrator  
100 W. Broadway, Suite 1000  
Glendale, CA 91210

June 30, 2022

California Community Reinvestment Corporation  
Attn: Insurance Administrator  
100 W. Broadway, Suite 1000  
Glendale, CA 91210

Re: Chesterfield Apartment, LP  
Builders Risk Policy No. EC15287644  
General Liability Policy No. PHPK2434664  
Umbrella Liability Policy:PHUB822202/ XLS0126056

To whom it may concern:

If the insurance company elects to cancel or non-renew coverage, Cavnac will provide a 30-day non-renewal notice and a 10-day notice of non-payment for the above policies.

Sincerely,



Elizabeth Valle, CISR  
Certifictaes Manager  
direct line: 619-744-0574  
e-mail: evalle@cavnac.com

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
California Community Reinvestment Corporation Attn: Insurance Administrator 100 W. Broadway, Suite 1000 Glendale, CA 91210	4723 S. Normandie Ave, Los Angeles, CA 90037
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

<b>Name Of Person(s) Or Organization(s)</b>	<b>Designation Of Premises</b>
California Community Reinvestment Corporation 100 W Broadway, Ste 1000 Glendale, CA 91210	3933 Mission Inn Avenue and 3655 Fairmount Blvd, Riverside, CA 92501
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable  
 Lender's Loss Payable  
 Contract of Sale
- 

### SCHEDULE

---

Location Number

1

Address

3933 Mission Inn Avenue and 3655 Fairmount Blvd, Riverside, CA 92501

Covered Property

Builder's Risk

Name and Address of Loss Payee

California Community Reinvestment Corporation  
100 W Broadway Ste1000  
Glendale, CA 91210

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Name Of Person(s) Or Organization(s)	Designation Of Premises
City of Los Angeles, its officers, agencies and employees City of Los Angeles Housing and Community Investment Department P.O. Box 532729 Los Angeles, CA 90053-2729	4200 W Pico Blvd, Los Angeles, CA 90019
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable  
 Lender's Loss Payable  
 Contract of Sale
- 

### SCHEDULE

---

Location Number

1

Address

4723 S. Normandie Ave, Los Angeles, CA 90037

Covered Property

Builder's Risk

Name and Address of Loss Payee

City of Los Angeles  
Housing and Community Investment Department  
P.O. Box 532729  
Los Angeles, CA 90053-2729

June 30, 2022

City of Los Angeles  
Housing and Community Investment Department  
P.O. Box 532729  
Los Angeles, CA 90053-2729

Re: Chesterfield Apartment, LP  
Builders Risk Policy No. EC15287644  
General Liability Policy No. PHPK2434664  
Umbrella Liability Policy:PHUB822202/ XLS0126056

To whom it may concern:

If the insurance company elects to cancel or non-renew coverage, Cavignac will provide a 30-day non-renewal notice and a 10-day notice of non-payment for the above policies.

Sincerely,



Elizabeth Valle, CISR  
Certifictaes Manager  
direct line: 619-744-0574  
e-mail: evalle@cavignac.com

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

<b>Name Of Person(s) Or Organization(s)</b>	<b>Designation Of Premises</b>
City of Los Angeles, its officers, agencies and employees Housing and Community Investment Department P.O. Box 532729 Los Angeles, CA 90053-2729	4723 S Normandie Ave, Los Angeles, CA 90037
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 5% of the applicable manual premium otherwise due on such remuneration subject to a policy maximum charge for all such waivers of 5% of total manual premium.

The minimum premium for this endorsement is \$350.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

**Schedule**

**Person/Organization:** City of Los Angeles Housing and Community Investment Department

**Job Description:** All CA Operations

**Waiver Premium:** 0

<b>Class</b>	<b>State</b>	<b>Payroll Subject to Waiver</b>
8868	CA	1

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective: 09/27/2021

Policy No.: WAWC216183

Endorsement No.:

Insured:

Premium \$

Insurance Company: Oak River Insurance Company

Countersigned by \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

City of Los Angeles, its officers, agencies and employees

City of Los Angeles, its officers, agencies and employees;  
Housing and Community Investment Department P.O. Box 532729  
Los Angeles, CA 90053-2729

RE: Wakeland Wilcox LP  
1040 N. Kenmore Ave. Los Angeles, CA 90029

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

# WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

## SCHEDULE

**Name Of Person Or Organization:**

City of Riverside and the Housing Authority of the City of Riverside, and  
their officers, employees and agents

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

# Philadelphia Indemnity Insurance Company

## Additional Insured Schedule

**Policy Number:** PHPK2434664

### Additional Insured

City of Riverside and  
the Housing Authority of the City of  
Riverside  
3900 Main St  
Riverside, CA 92522-0001

CA2048 - Commercial Automobile

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 5% of the applicable manual premium otherwise due on such remuneration subject to a policy maximum charge for all such waivers of 5% of total manual premium.

The minimum premium for this endorsement is \$350.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

**Schedule**

**Person/Organization:** City of San Diego

**Job Description:** All CA Operations

**Waiver Premium:** 0

Class	State	Payroll Subject to Waiver
8868	CA	1

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective: 09/27/2021

Policy No.: WAWC216183

Endorsement No.:

Insured:

Premium \$

Insurance Company: Oak River Insurance Company

Countersigned by \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Housing Authority of the County of Riverside, its agencies, boards, districts, special districts, and departments, their respective directors, officers, board of supervisors, employees, elected or appointed officials, agents or representatives	3933 Mission Inn Avenue and 3655 Fairmount Blvd, Riverside, CA 92501
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 5% of the applicable manual premium otherwise due on such remuneration subject to a policy maximum charge for all such waivers of 5% of total manual premium.

The minimum premium for this endorsement is \$350.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

**Schedule**

**Person/Organization:** Housing Authority of the County of Riverside, its agencies, boards, districts, special districts, and departments, their respective directors, officers, board of supervisors, employees, elected or appointed officials, agents or representative

**Job Description:**

**Waiver Premium:** \$350

<b>Class</b>	<b>State</b>	<b>Payroll Subject to Waiver</b>
8868	CA	\$1

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective: 09/27/2021

Policy No.: WAWC216183

Endorsement No.:

Insured:

Premium \$

Insurance Company: Oak River Insurance Company

Countersigned by \_\_\_\_\_

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable  
 Lender's Loss Payable  
 Contract of Sale
- 

### SCHEDULE

---

Location Number

1

Address

3933 Mission Inn Avenue and 3655 Fairmount Blvd, Riverside, CA 92501

Covered Property

Builder's Risk

Name and Address of Loss Payee

Housing Authority of the  
County of Riverside  
3900 Main Street  
Riverside, CA 92522

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
HCD Program Name: MHP, SHMHP, RHCP-BOND, etc.) State of California Department of HCD Asset Management and Compliance P. O. Box 952054 Sacramento, CA 94252-2054	4200 W Pico Blvd, Los Angeles, CA 90019
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable
- Lender's Loss Payable
- Contract of Sale

---

### SCHEDULE

---

Location Number

1

Address

4723 S. Normandie Ave, Los Angeles, CA 90037

Covered Property

Builder's Risk

Name and Address of Loss Payee

HCD Program Name: MHP, SHMHP, RHCP-BOND, etc.)  
State of California Department of HCD  
Asset Management and Compliance  
P. O. Box 952054  
Sacramento, CA 94252-2054

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
HCD Program Name: MHP, SHMHP, RHCP-BOND, etc.) HCD officers agents, employees, directors and appointees. State of California Department of HCD  Asset Management and Compliance P. O. Box 952054 Sacramento, CA 94252-2054	4723 S Normandie Ave, Los Angeles, CA 90037
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

<p><b>Name Of Additional Insured Person(s) Or Organization(s):</b></p> <ul style="list-style-type: none"> <li>• Hudson Housing Capital LLC</li> <li>• Hudson MM C LLC</li> <li>• Hudson Housing Tax Credit Fund C LLC</li> <li>• HH GP C LLC</li> <li>• Hudson Quincy LP</li> <li>• Midtown HHTCF C LLC</li> <li>• Hudson-FM SLP LLC</li> <li>• Fannie Mae Their successors and assign as their interest may appear</li> </ul> <p>RE: Wakeland Quincy LP 2652 &amp; 2662 W Pico Blvd, Los Angeles</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Hudson SLP-J LLC, Hudson Housing Capital LLC, Hudson Housing Tax Credit Fund XC LP, HH GP XC LLC, Hudson Amani LP, FNBC Leasing Corporation	4200 W Pico Blvd, Los Angeles, CA 90019
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

# WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

## SCHEDULE

<p><b>Name Of Person Or Organization:</b> Hudson Housing Capital LLC Hudson SLP-J LLC Hudson Housing Tax Credit Fund XC LP HH GP XC LLC Hudson Amani LP FNBC Leasing Corporation</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard." This waiver applies only to the person or organization shown in the Schedule above.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents").

RE: Wakeland Quincy LP  
2652 & 2662 W Pico Blvd, Los Angeles

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

**Name Of Person Or Organization:**

Los Angeles County Development Authority Housing  
Investment and Finance Division  
Attention: Director  
700 West Main Street  
Alhambra CA 91801

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard." This waiver applies only to the person or organization shown in the Schedule above.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Los Angeles County Development Authority Housing Investment and Finance Division Attention: Director 700 West Main Street Alhambra, CA 91801	4200 W Pico Blvd, Los Angeles, CA 90019
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Los Angeles County Development Authority Housing Investment and Finance Division Attention: Director 700 West Main Street Alhambra CA 91801	4723 S Normandie Ave, Los Angeles, CA 90037
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 5% of the applicable manual premium otherwise due on such remuneration subject to a policy maximum charge for all such waivers of 5% of total manual premium.

The minimum premium for this endorsement is \$350.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

**Schedule**

**Person/Organization:** Los Angeles County Development Authority Housing Investment and Finance Division

**Job Description:** All CA Operations

**Waiver Premium:** 0

<b>Class</b>	<b>State</b>	<b>Payroll Subject to Waiver</b>
8868	CA	1

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective: 09/27/2021

Policy No.: WAWC216183

Endorsement No.:

Insured:

Premium \$

Insurance Company: Oak River Insurance Company

Countersigned by \_\_\_\_\_

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable
- Lender's Loss Payable
- Contract of Sale

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### SCHEDULE

---

Location Number

1

Address

4723 S. Normandie Ave, Los Angeles, CA 90037

Covered Property

Builder's Risk

Name and Address of Loss Payee

Los Angeles County Development Authority  
Housing Investment and Finance Division  
700 West Main Street  
Alhambra, CA 91801



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Local Initiatives Support Corporation 28 Liberty Street, 34th Floor New York, New York 10005 Attn: Legal Department	Wakeland Price Fourth Corner LP 4061 Fairmount Avenue, San Diego, CA 92105
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

# Philadelphia Indemnity Insurance Company

## Loss Payee Schedule

**Policy Number:**PHPK2434664

### Loss Payee

Local Initiatives Support Corporation  
Program Action No. 41923-0021  
501 Seventh Avenue, 7th Floor  
LISC P.A. No.: 41923-002  
New York, NY 10018

NM - Loc #30 - Bld #1 - BUSINESS PERSONAL PROPERTY (APARTMENTS)

NM - Loc #31 - Bld #1 - BUSINESS PERSONAL PROPERTY (APARTMENTS)

NM - Loc #32 - Bld #1 - BUSINESS PERSONAL PROPERTY (APARTMENTS)

# Philadelphia Indemnity Insurance Company

## Additional Insured Schedule

**Policy Number:** PHPK2434664

### Additional Insured

Local Initiatives Support Corporation  
Program Action No. 41923-0021  
501 Seventh Avenue, 7th Floor  
LISC P.A. No.: 41923-002  
New York, NY 10018

CG2026 - NM - Loc #30

CG2026 - NM - Loc #31

CG2026 - NM - Loc #32

# Philadelphia Indemnity Insurance Company

## Mortgagee Schedule

**Policy Number:** PHPK24346640

### Mortgagee

Local Initiatives Support Corporation  
Program Action No. 41923-0021  
501 Seventh Avenue, 7th Floor  
LISC P.A. No.: 41923-002  
New York, NY 10018

NM - Loc #30 - Bld #1 - BUILDING (APARTMENTS)

NM - Loc #31 - Bld #1 - BUILDING (APARTMENTS)

NM - Loc #32 - Bld #1 - BUILDING (APARTMENTS)



# WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

## SCHEDULE

**Name Of Person Or Organization:**

Riverside Transit Agency and its officers, officials, employees, or volunteers.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 5% of the applicable manual premium otherwise due on such remuneration subject to a policy maximum charge for all such waivers of 5% of total manual premium.

The minimum premium for this endorsement is \$350.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

**Schedule**

**Person/Organization:** Riverside Transit Agency and its officers, officials, employees or volunteers

**Job Description:** Affordable Housing and Sustainable Communities (AHSC) program

**Waiver Premium:** \$350

Class	State	Payroll Subject to Waiver
8868	CA	\$1

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective: 09/27/2021 Policy No.:WAWC216183

Endorsement No.:

Premium \$

Insured:

Insurance Company: Oak River Insurance Company

Countersigned by \_\_\_\_\_

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
San Diego Housing Commission, Housing Authority of the City of San Diego  1122 Broadway, Suite 300 San Diego, CA 92101	5858 Mt. Alifan Drive San Diego, CA 92111
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**Schedule**

**Name of Additional Insured Person(s) or Organization(s):**

SAN DIEGO UNIFIED SCHOOL DISTRICT  
4100 NORMAL STREET, ANNEX 2, 101  
SAN DIEGO CA 92103

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. SECTION II - WHO IS AN INSURED** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. in the performance of your ongoing operations; or
2. in connection with your premises owned by or rented to you.

However:

1. the insurance afforded to such additional insured only applies to the extent permitted by law; and
2. if coverage provided to the Additional Insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these Additional Insureds, the following is added to SECTION III - LIMITS OF INSURANCE:**

If coverage provided to the Additional Insured is required by a contract or agreement, the most we will pay on behalf of the Additional Insured is the amount of insurance:

1. required by the contract or agreement; or

2. available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

U.S. Bancorp Community Development Corporation

RE: Wakeland Price UB LP  
4020 44th Street, San  
Diego, CA 92105

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED  
PRIMARY AND NON-CONTRIBUTORY INSURANCE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
SCHEDULE**

**Name of Person or Organization (Additional Insured):**

Blanket- Where required by contract

**SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person(s) or organization(s) shown in the endorsement Schedule, but only with respect to liability for “bodily injury,” “property damage” or “personal and advertising injury” arising out of or relating to your negligence in the performance of “your work” for such person(s) or organization(s) that occurs on or after the effective date shown in the endorsement Schedule.

This insurance is primary to and non-contributory with any other insurance maintained by the person or organization (Additional Insured), except for loss resulting from the sole negligence of that person or organization.

This condition applies even if other valid and collectible insurance is available to the Additional Insured for a loss or “occurrence” we cover for this Additional Insured.

The Additional Insured’s limits of insurance do not increase our limits of insurance, as described in **SECTION III – LIMITS OF INSURANCE**.

All other terms, conditions, and exclusions under the policy are applicable to this endorsement and remain unchanged.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

<p><b>Name Of Additional Insured Person(s) Or Organization(s):</b></p> <p>U.S. Bancorp Community Development Corporation Deal ID #27650, P.O. Box 279, San Anselmo, CA 94979-0279</p> <p>RE: Wakeland Price Fourth Corner LP 4021, 4029, 4035, 4037 &amp; 4061 Fairmount Avenue, San Diego, CA 92105</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
U.S. Bank National Association ISAOA ATIMA, 4747 Executive Drive, 3rd Floor, San Diego, CA 92121	Wakeland Price Fourth Corner LP 4021, 4029, 4035, 4037 & 4061 Fairmount Avenue, San Diego, CA 92105
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

**Name Of Person Or Organization:**

U.S. Bancorp Community Development Corporation  
RE: Wakeland Price Fourth Corner LP, 4021, 4029, 4035, 4037 & 4061 Fairmount Avenue, San Diego, CA 92105

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard." This waiver applies only to the person or organization shown in the Schedule above.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

U.S. Bancorp Community Development Corporation

RE: Wakeland Price UB LP  
4020 44th Street, San  
Diego, CA 92105

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED  
PRIMARY AND NON-CONTRIBUTORY INSURANCE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
SCHEDULE**

-----

**Name of Person or Organization (Additional Insured):**

Blanket- Where required by contract

**SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person(s) or organization(s) shown in the endorsement Schedule, but only with respect to liability for “bodily injury,” “property damage” or “personal and advertising injury” arising out of or relating to your negligence in the performance of “your work” for such person(s) or organization(s) that occurs on or after the effective date shown in the endorsement Schedule.

This insurance is primary to and non-contributory with any other insurance maintained by the person or organization (Additional Insured), except for loss resulting from the sole negligence of that person or organization.

This condition applies even if other valid and collectible insurance is available to the Additional Insured for a loss or “occurrence” we cover for this Additional Insured.

The Additional Insured’s limits of insurance do not increase our limits of insurance, as described in **SECTION III – LIMITS OF INSURANCE.**

All other terms, conditions, and exclusions under the policy are applicable to this endorsement and remain unchanged.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

- BUILDERS' RISK COVERAGE FORM
- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY

### SCHEDULE

<b>Location Number:</b> 1	<b>Building Number:</b> 1	<b>Applicable Clause</b> (Enter C.1., C.2., C.3. or C.4.): C2
<b>Description Of Property:</b> 4020 44th Street, San Diego, CA 92105		
<b>Loss Payee Name:</b> U.S. Bank National Association ISAOA ATIMA, 4747 Executive Drive, 3rd Floor, San Diego, CA		
<b>Loss Payee Address:</b> 92121		
<b>Location Number:</b>	<b>Building Number:</b>	<b>Applicable Clause</b> (Enter C.1., C.2., C.3. or C.4.):
<b>Description Of Property:</b>		
<b>Loss Payee Name:</b>		
<b>Loss Payee Address:</b>		
<b>Location Number:</b>	<b>Building Number:</b>	<b>Applicable Clause</b> (Enter C.1., C.2., C.3. or C.4.):
<b>Description Of Property:</b>		
<b>Loss Payee Name:</b>		
<b>Loss Payee Address:</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.
- C. The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

**1. Loss Payable Clause**

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

- a. Adjust losses with you; and
- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear

**2. Lender's Loss Payable Clause**

a. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- (1) Warehouse receipts;
- (2) A contract for deed;
- (3) Bills of lading;
- (4) Financing statements; or
- (5) Mortgages, deeds of trust, or security agreements.

b. For Covered Property in which both you and a Loss Payee have an insurable interest:

- (1) We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- (2) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

(3) If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (a) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

(4) If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (a) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (b) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

c. If we cancel this policy, we will give written notice to the Loss Payee at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

d. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

### 3. Contract Of Sale Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered into a contract with for the sale of Covered Property.
- b. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
  - (1) Adjust losses with you; and
  - (2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
- c. The following is added to the **Other Insurance Condition**:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

### 4. Building Owner Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building in which you are a tenant.
- b. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
- c. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

# WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

## SCHEDULE

**Name Of Person Or Organization:**

U.S. Bank National Association ISAOA ATIMA  
RE: Wakeland Price Fourth Corner LP, 4021, 4029, 4035, 4037 & 4061 Fairmount Avenue, San Diego, CA 92105

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard." This waiver applies only to the person or organization shown in the Schedule above.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Wells Fargo Bank, N.A. Loan #1020077 Attn: RERM - MAC: D4001-105 100 North Main Street Winston Salem, NC 27101	748-760 Anita Street, Chula Vista CA 91911
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

# Philadelphia Indemnity Insurance Company

## Loss Payee Schedule

**Policy Number:**PHPK2434664

Lenders Loss Payable

Wells Fargo Bank NA

MAC: D4001-105

100 North Main Street

Winston Salem, NC 27101

CA - Loc #23 - Bld #1 - 1425 C Street, San Diego, CA 92101

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Wells Fargo Bank NA MAC D4001-105 100 North Main Street Winston Salem, NC 27101	1425 C St San Diego, CA 92101-5717
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- Loss Payable  
 Lender's Loss Payable  
 Contract of Sale
- 

### SCHEDULE

---

Location Number

1

Address

4723 S. Normandie Ave, Los Angeles, CA 90037

Covered Property

Builder's Risk

Name and Address of Loss Payee

Wells Fargo Affordable Housing Community Development Corporation and  
its successors and assigns, ATIMA  
301 South College Street, MAC D1053-170  
Charlotte, NC 28288-0173  
Attn: Director of Tax Credit Asset Management

June 30, 2022

Wells Fargo Affordable Housing Community Development Corporation  
Its Successors and Assigns ATIMA,  
301 South College Street, MAC D1053-170  
Charlotte, NC 28288-0173  
Attn: Director of Tax Credit Asset Management

Re: Chesterfield Apartment, LP  
Builders Risk Policy No. EC15287644  
General Liability Policy No. PHPK2434664  
Umbrella Liability Policy:PHUB822202/ XLS0126056

To whom it may concern:

If the insurance company elects to cancel or non-renew coverage, Cavignac will provide a 30-day non-renewal notice and a 10-day notice of non-payment for the above policies.

Sincerely,



Elizabeth Valle, CISR  
Certifictaes Manager  
direct line: 619-744-0574  
e-mail: evalle@cavignac.com

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Wells Fargo Affordable Housing Community Development Corporation and its successors and assigns, ATIMA 301 South College Street, MAC D1053-170 Charlotte, NC 28288-0173 Attn: Director of Tax Credit Asset Management	4723 S Normandie Ave, Los Angeles, CA 90037
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Wells Fargo Affordable Housing Community Development Corporation, its successors and assigns ATIMA 301 South College St. MAC D1053-170 Charlotte, NC 28288-0173 Attn: Director of Tax Credit Asset Management	5858 Mt. Alifan Drive San Diego, CA 92111
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

This endorsement changes the Inland Marine Coverage. **PLEASE READ THIS CAREFULLY.**

## **MORTGAGEHOLDERS SCHEDULE**

(The entries required to complete this schedule will be shown below or on the "schedule of coverages").

### **SCHEDULE**

**Location Number**

1

**Described Premise**

748-760 Anita Street, Chula Vista, CA 91911

**Covered Property**

Builder's Risk

**Name and Address of Mortgageholder**

Wells Fargo Affordable Housing Community  
Development Corporation and its S&A ATIMA  
301 S. College Street, MAC D1053-170  
Charlotte, NC 28288  
Attn: Director of Tax Credit Asset Management  
Loan #1020077

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Wells Fargo Bank, NA Loan #1019580 Attn: RERM- MAC: D4001-105 100 N. Main Street Winston Salem, NC 27101	5858 Mt. Alifan Drive San Diego, CA 92111
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Wells Fargo Bank, NA attn: RERM-MAC: N9300-091 600 South 4th Street Minneapolis, MN 55415	5020 Federal Blvd San Diego, CA 92102
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

<b>Name Of Person(s) Or Organization(s)</b>	<b>Designation Of Premises</b>
Wells Fargo Bank, N.A. Loan #1019836 Attn: RERM - MAC: D4001-105 100 N. Main Street Winston Salem, NC 27101	4723 S Normandie Ave, Los Angeles, CA 90037
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

This endorsement changes the Inland Marine Coverage. **PLEASE READ THIS CAREFULLY.**

## MORTGAGEHOLDERS SCHEDULE

(The entries required to complete this schedule will be shown below or on the "schedule of coverages").

### SCHEDULE

**Location Number**

1

**Described Premise**

4723 S. Normandie Ave, Los Angeles, CA

**Covered Property**

Builder's Risk

**Name and Address of Mortgageholder**

Wells Fargo Bank, N.A.  
Loan #1019836  
Attn: RERM - MAC: D4001-105  
100 N. Main Street  
Winston Salem, NC 27101

This endorsement changes the Inland Marine Coverage. PLEASE READ THIS CAREFULLY.

## MORTGAGEHOLDERS SCHEDULE

(The entries required to complete this schedule will be shown below or on the "schedule of coverages").

### SCHEDULE

**Location Number**

1

**Described Premise**

748-760 Anita Street, Chula Vista, CA 91911

**Covered Property**

Builder's Risk

**Name and Address of Mortgageholder**

Wells Fargo Bank, N.A.  
Loan #1020077  
Attn: RERM - MAC: D4001-105  
100 North Main Street  
Winston Salem, NC 27101

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Person(s) Or Organization(s)	Designation Of Premises
Wells Fargo Affordable Housing Community Development Corporation and its S&A ATIMA 301 S. College Street, MAC D1053-170 Charlotte, NC 28288 Attn: Director of Tax Credit Asset Management Loan #1020077	748-760 Anita Street, Chula Vista CA 91911
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.