FIRST AMENDMENT TO THE
AMENDED AND RESTATED LOAN AGREEMENT

This First Amendment to the Amended and Restated Loan Agreement ("First Amendment") is made as of March 18, 2014, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California ("OCI2"), and Bayview Supportive Housing, LLC, a California limited liability company ("Borrower").

RECITALS

A. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000, et. seq. the “CRL”), the former San Francisco Redevelopment Agency ("Agency") would undertake programs for the reconstruction and construction of blighted areas in the City and County of San Francisco (the "City").

B. In accordance with the CRL, the City, acting through its Board of Supervisors, a Redevelopment Plan for the Bayview Hunters Point Redevelopment Project Area by Ordinance No. 113-06, adopted on May 16, 2006. In cooperation with the City, OCI2 is responsible for implementing the Bayview Hunters Point Redevelopment Plan.

C. Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) ("AB 26"), as amended by California State Assembly Bill No. 1484 ("AB 1484") (together the “Dissolution Laws”) the Agency dissolved as a matter of law on February 1, 2012. On October 2, 2012 the San Francisco Board of Supervisors, acting as legislative body of OCI2 as the successor to the Agency, passed Ordinance 215-12, which outlined the rights and responsibilities of OCI2 as the Agency’s successor agency, including but not limited to certain retained existing enforceable obligations for the development of affordable housing.

Accordingly, under Ordinance 215-12 and Dissolution Law, OCI2 has the obligation and authority to enter into this Agreement as related to the development of 1751 Carroll Avenue.

D. The Agency and Bayview Supportive Housing, LLC, a California limited liability company ("BSH"), entered into a Tax Increment Loan Agreement dated January 18, 2011 (the “Loan Agreement”) pursuant to which the Agency agreed to provide BSH with a predevelopment loan in an amount not to exceed $684,000 to pay predevelopment expenses related to the development of 120 very low-income senior rental housing units (plus one manager’s unit) and a ground floor senior center (the "Project"), at 1751 Carroll Avenue (formerly known as 5800 Third Street, Lot 3) (Assessor's Block 5431A, Lot 042).

E. Subsequently, OCI2 and BSH entered into an Amended and Restated Loan Agreement,
dated September 3, 2013, pursuant to OCII Commission Resolution No. 42-2013, in an amount not to exceed $19,111,224 (the “Loan Amount”) for the development of the Project (the “Amended and Restated Loan Agreement consistent with the approved Recognized Obligation Payment Schedule 13-14A, for the period of July 1, 2013 through December 31, 2013, which allowed for an expenditure through Item No. 166 of up to $20,000,000.

F. Borrower (an entity consisting of Bayview Hunters Point Multipurpose Senior Services, Inc., a California corporation (“BHPMSS”) and McCormack Baron Salazar, Inc., a Missouri Corporation (“MBS”)) is now requesting a First Amendment to the Amended and Restated Loan Agreement to amend the interest rate from 3% to 1.46% (the “First Amendment”) in order to demonstrate for tax purposes that all Project debt can be repaid in full by the end of the term.

G. Upon completion of the Project, OCII intends to transfer the affordable housing loan obligation, asset, and ground lease to MOHCD as the designated Successor Housing Agency of the City and County of San Francisco under Board Resolution 11-12, as required by Dissolution Law.

H. Borrower and OCII now desire to enter into this First Amendment to clarify the distribution of surplus cash and to amend the interest rate in the Amended and Restated Loan Agreement to an amount not to exceed 1.46%, and to execute a new Note to reflect the reduction in the interest rate on or after the Loan Closing Date, in order to demonstrate an ability for all debt to be repaid in 55 years, pursuant to the OCII Commission authority, Resolution No. __-2014, dated March 18, 2014. The prior note will be cancelled and returned to the Borrower.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, OCII and the Borrower agree as follows:

1. Amendment to Loan Agreement

   (a) Section 3.1 Shall be deleted and replaced with the following:

   3.1 Interest. Prior to the Loan Closing Date, the outstanding principal balance of the Loan will bear simple interest at a rate of three percent (3%) per annum, as provided in the Note. On and after the Loan Closing Date, the outstanding principal balance of the Loan will bear simple interest at a rate of 1.46% per annum as provided in the Note.

   (b) Section 3.5 Shall be deleted and replaced with the following:

   3.5 Distribution of Surplus Cash and Repayment of Principal. Each Payment Date of each fiscal year following the Completion Date, Borrower shall apply annual Project Income to pay Project Expenses and then to pay Project Fees. Any cash remaining after payment of Project Expenses and Project Fees shall be deemed Surplus Cash. Provided Borrower is not currently in default (subject to
applicable notice and cure periods) under the terms of OCII Documents, Borrower shall use Surplus Cash to make the following payments:

- The lesser of one-third of remaining Surplus Cash or $50,000 shall be paid to the Borrower, of which 10% will be paid to the Investor Limited Partner and 90% to the Developer General Partner as an incentive management fee.
- The remaining Surplus Cash shall be paid to OCII ("OCII’s Portion"). OCII’s Portion of Surplus Cash will be applied first to payment of rent under the terms of the Ground Lease and the remaining balance 77.15% to repayment of the Loan and 22.85% to repayment of the MOHCD State Infill and Infrastructure Loan. In the event one of the two foregoing loans is repaid, the remaining balance of OCII’s Portion shall go toward repayment of the outstanding loan until paid.

2. **New Note.**

The existing Note shall be cancelled and returned to the Borrower and a new Note shall be executed to reflect the reduction in the interest rate from 3% to 1.46% on and after the Loan Closing Date.

3. **Borrower Representations and Warranties.**

(a) All of the representations and warranties made by Borrower to OCII in the Loan Agreement, Note and other loan documents continue to be true and complete as of the date of this First Amendment.

(b) As of the date hereof, no event has occurred and is continuing that constitutes an event of default or potential event of default under the Loan Agreement, Note, or any other Loan Documents.

5. **Miscellaneous.**

(a) **References.** Any reference in any instrument or document associated with the Loan referring to the Loan Agreement or the Note shall be deemed a reference to the Loan Agreement as amended by this First Amendment and the form of note attached hereto.

(b) **No Other Amendments.** Except as amended by this First Amendment, the Loan Agreement and the Note shall remain unmodified and in full force and effect.
(c) **Counterparts.** This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

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

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

(f) **Effective Date.** The effective date of this First Amendment shall be the date of this document.
IN WITNESS WHEREOF, the parties hereto have executed this First Amendment at San Francisco, California as of the date first written above.

**OCII:**
Office of Community Investment
And Infrastructure, Successor Agency
to the Redevelopment Agency of the
City and County of San Francisco,
a public body, organized and existing
under the laws of the State of
California

By: ____________________________
    Tiffany Bohee
    Executive Director

**BORROWER:**
Bayview Supportive Housing, LLC, a limited
liability company

By:    Bayview Hunters Point Multipurpose
Senior Services, Inc., a California nonprofit
public benefit corporation, a member

By: ____________________________
    Cathy Davis,
    Its:    Executive Director

**APPROVED AS TO FORM:**

**DENNIS J. HERRERA**
City Attorney

By: ____________________________
    Its: ____________________________

By: ____________________________
    Heidi J. Gewertz
    Deputy City Attorney