

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 11, 2022

CAO File No. 0220-00540-1581

Council File No. 16-0345-S5

Council District: 4

To: The Mayor
The Council

From: *Yolanda Chavez*
for Matthew W. Szabo, City Administrative Officer

Reference: Los Angeles Housing Department transmittal dated November 12, 2021; Received by the City Administrative Officer on November 12, 2021; Additional Information Received through March 8, 2022

Subject: **REQUEST FOR AUTHORITY TO ADOPT THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) RESOLUTION AND TEFRA MINUTES, AND TO RE-ISSUE TAX-EXEMPT MULTIFAMILY CONDUIT REVENUE BONDS IN AN AMOUNT UP TO \$25,000,000 FOR THE MCCADDEN CAMPUS SENIOR HOUSING, A SUPPORTIVE AND AFFORDABLE HOUSING PROJECT**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Note and file the Los Angeles Housing Department (LAHD) transmittal, dated November 12, 2021, relative to the re-issuance of tax-exempt multifamily conduit revenue bonds for the McCadden Campus Senior Housing project;
2. Consider the results of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing held on February 24, 2022 for the McCadden Campus Senior Housing project attached to this report;
3. Adopt the TEFRA Resolution attached to this report, approving the issuance of up to \$31,250,000 in tax-exempt multifamily conduit revenue bonds for the McCadden Campus Senior Housing project;
4. Adopt the Resolution attached to this report, authorizing the re-issuance of up to \$25,000,000 in tax-exempt multifamily conduit revenue bonds for the McCadden Campus Senior Housing project; and,
5. Authorize the General Manager of the LAHD, or designee, to negotiate and execute the relevant bond documents for the McCadden Campus Senior Housing, subject to the approval of the City Attorney as to form.

SUMMARY

The Los Angeles Housing Department (LAHD) requests authority to re-issue tax-exempt multifamily housing conduit revenue bonds in an amount not to exceed \$25,000,000 to finance the construction of the affordable housing development known as the McCadden Campus Senior Housing project (Project). The Project consists of the new construction of 97 units of affordable housing for low-income seniors, and one unrestricted manager unit. The LAHD indicates that 25 out of the 97 units will be supportive housing units reserved for seniors that formerly experienced homelessness. The subject site is located at 1127 North Las Palmas Avenue (also known as 1118 North McCadden Place), Los Angeles, CA 90038, in Council District Four. The California Debt Limit Allocation Committee (CDLAC) awarded a tax-exempt bond allocation for the Project to the City on September 19, 2018 in an amount not to exceed \$25,000,000 and designated a March 18, 2019 issuance deadline. The City subsequently issued \$25,000,000 in tax-exempt bonds on December 19, 2018. The LAHD reports that unexpected conditions have delayed conversion to permanent financing and increased development costs, including construction delays and cost increases. The borrower, McCadden Plaza, L.P., requested changes to the Trust Indenture and other bond documents to request an extension to the permanent conversion date and increase the permanent loan amount from \$10 million to \$11.5 million. Additional information regarding the changes can be found in the LAHD transmittal dated November 12, 2021 (Report). The LAHD confirms that the total tax-exempt bond amount remains the same and there is no need for an additional bond allocation from CDLAC at this time.

The LAHD also requests that the Council also perform the following actions related to the Project's 2022 Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing that occurred following the release of the LAHD Report: 1) consider the minutes from the Project's February 24, 2022 TEFRA hearing; and, 2) adopt the related TEFRA Resolution. This Office notes that the TEFRA Resolution lists a not to exceed amount of \$31.25 million, which is higher than the actual CDLAC tax-exempt bond allocation for the Project. The LAHD indicates that the TEFRA Resolution references the rounded bond allocation amount advertised to the public during the TEFRA process, which included a 25 percent cushion to cover cost increases that may require additional bonds. Subsequent to the release of its Report, the LAHD provided the TEFRA Minutes, TEFRA Resolution, and a revised Bond Resolution to incorporate the TEFRA hearing dates. The three documents are attached to this report for Council's consideration and adoption. This Office concurs with the Department's recommendations, as amended, to include the TEFRA documents and revised Bond Resolution.

The City's involvement in the issuance of tax-exempt, multifamily housing conduit revenue bonds is considered true conduit financing, in which the obligation for repayment of the bonds is the responsibility of McCadden Plaza, L.P. The City bears no financial responsibility for repayment as the issuer. There will be no impact to the General Fund. The financing is consistent with City policies regarding conduit financing.

The Council adopted a Responsible Banking Ordinance (RBO) in May 2012 (C.F. 09-0234 and C.F. 09-0234-S1). The purpose of the RBO is to create a social investment policy that reflects the community's priorities and acts as a tool when seeking financial services. Wells Fargo Bank, N.A. (Wells Fargo) is currently in compliance with the reporting requirements of the RBO and LAHD will

ensure that Wells Fargo will continue to comply with the City's RBO. The City acts only as a conduit issuer, not the borrower, in this bond transaction and has no financial interest in this transaction.

FISCAL IMPACT STATEMENT

There will be no impact to the General Fund as a result of the re-issuance of these tax-exempt multifamily conduit revenue bonds (bonds) for the McCadden Campus Senior Housing (Project). The City is a conduit issuer and does not incur liability for the repayment of the bonds, which are a limited obligation payable solely from the revenues of the Project, and the City is not, under any circumstances, obligated to make payments on the bonds.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.

DEBT IMPACT STATEMENT

There is no debt impact as these bonds are a conduit issuance debt and not a debt of the City.

MWS:MOF:02220116c

Attachments

TEFRA PUBLIC HEARING MEETING MINUTES
THURSDAY – FEBRUARY 24, 2022
10:00 AM
LOS ANGELES HOUSING DEPARTMENT
BY TELECONFERENCE
APOLINAR ABRAJAN, CHAIR

This meeting was conducted to meet the required Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) Public Hearing for McCadden Campus Senior Housing.

This meeting was called to order on Thursday, February 24, 2022 at 10:00 a.m. via teleconference by the Los Angeles Housing Department.

A notice of this hearing was published in the Los Angeles Times on February 17, 2022 (the “Notice”). The purpose of this meeting was to hear public comments regarding the City of Los Angeles’ proposed reissuance of multifamily housing revenue bonds or notes for the above referenced projects.

The Los Angeles Housing Department representatives present were Apolinar Abrajan, Jeremy Johnson, and Adam R. Miller. All representatives were present via teleconference as described in the Notice.

By 10:30 a.m. there were no other representatives from the public who made themselves available and no public comments were provided, so the meeting was adjourned.

I declare under penalty of perjury that this is a true and exact copy of the TEFRA public hearing meeting minutes regarding the above referenced projects held on February 24, 2022 at Los Angeles, California.

CITY OF LOS ANGELES
Los Angeles Housing Department
ANN SEWILL, General Manager

Apolinar Abrajan Digitally signed by Apolinar
Abrajan
Date: 2022.02.24 10:36:50 -08'00'

Apolinar Abrajan, Finance Development Officer II

RESOLUTION
CITY OF LOS ANGELES

A RESOLUTION APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 THE ISSUANCE OF BONDS OR NOTES BY THE CITY OF LOS ANGELES TO FINANCE THE ACQUISITION, REHABILITATION, CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY RESIDENTIAL RENTAL PROJECT LOCATED WITHIN THE CITY OF LOS ANGELES.

WHEREAS, the City of Los Angeles (the “City”) is authorized, pursuant to Section 248, as amended, of the City Charter of the City and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (collectively, the “Law”), and in accordance with Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California (the “Act”), to issue its revenue bonds for the purpose of providing financing for the acquisition, construction, rehabilitation and equipping of multifamily rental housing for persons and families of low or moderate income; and

WHEREAS, the City intends to issue for federal income tax purposes certain bonds or notes (the “Bonds”) the proceeds of which will be used to finance the acquisition, construction, rehabilitation and equipping of a multifamily rental housing project described in paragraph 6 hereof (the “Project”); and

WHEREAS, the Project is located wholly within the City; and

WHEREAS, it is in the public interest and for the public benefit that the City authorize the financing of the Project, and it is within the powers of the City to provide for such financing and the issuance of the Bonds; and

WHEREAS, the interest on the Bonds may qualify for a federal tax exemption under Section 142(a)(7) of the Internal Revenue Code of 1986 (the “Code”), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, Bonds are required to be approved, following a public hearing, by an elected representative of the issuer of the Bonds (or of the governmental unit on behalf of which the Bonds are issued) and an elected representative of the governmental unit having jurisdiction over the area in which the Project is located; and

WHEREAS, this City Council is the elected legislative body of the City and is the applicable elected representative required to approve the issuance of the Bonds within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City, on February 17, 2022, to the effect that a public hearing would be held with respect to the Project on February 24, 2022 regarding the issuance of the Bonds; and

WHEREAS, the Los Angeles Housing Department held said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the minutes of said hearing have been presented to this City Council;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Los Angeles, as follows:

1. The recitals hereinabove set forth are true and correct, and this City Council so finds. This Resolution is being adopted pursuant to the Law and the Act.

2. Pursuant to and solely for purposes of Section 147(f) of the Code, the City Council hereby approves the issuance of the Bonds by the City in one or more series up to the maximum amount below and a like amount of refunding bonds, pursuant to a plan of financing, to finance or refinance the Project. It is intended that this Resolution constitute approval of the Bonds: (a) by the applicable elected representative of the issuer of the Bonds; and (b) by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f).

3. Pursuant to the Law and in accordance with the Act, the City hereby authorizes the Los Angeles Housing Department to proceed with a mortgage revenue bond program designed to provide housing within the City of Los Angeles for low- and moderate-income persons through the issuance of the Bonds for the Project, in one or more series and in an amount not to exceed that specified in paragraph 6 hereof.

4. Notwithstanding anything to the contrary hereof, the City shall be under no obligation to issue any portion of the Bonds described in paragraph 6 hereof to be issued by the City for the Project prior to review and approval by the City and the City Attorney of the documents, terms and conditions relating to such Bonds.

5. [Reserved].

6. The "Project" referred to hereof is as follows:

Project Name:	Address	#Units:	Project Sponsor	Maximum Amount:
McCadden Campus Senior Housing	1127 N. Las Palmas Ave. (also known as 1118 N. McCadden Place), Los Angeles, CA 90038	98 (including 1 manager unit)	Thomas Safran & Associates	\$31,250,000

7. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED this ____ day of _____, 2022 at Los Angeles, California.

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on _____, 2022.

By _____

Title _____

RESOLUTION
CITY OF LOS ANGELES

A RESOLUTION APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 THE TECHNICAL REISSUANCE OF BONDS BY THE CITY OF LOS ANGELES TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE MULTIFAMILY HOUSING PROJECT LOCATED WITHIN THE CITY OF LOS ANGELES AND APPROVING, FURTHER, CERTAIN AMENDMENTS TO THE EXISTING BOND DOCUMENTS.

WHEREAS, the City of Los Angeles (the “City”) is authorized, pursuant to Section 248, as amended, of the City Charter (the “Charter”) of the City and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (the “Law”), to issue its revenue bonds for the purposes of providing permanent financing for the acquisition, construction and development of multifamily rental housing for persons and families of low or moderate income (the “Program”) which will satisfy the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the “Act”); and

WHEREAS, the City previously issued its Multifamily Housing Revenue Bond (McCadden Campus Senior Housing), Series 2018K in the aggregate principal amount of \$25,000,000 (the “Bond”) pursuant to an Indenture of Trust dated as of December 1, 2018 (the “Indenture”) among the City, U.S. Bank National Association, as trustee (the “Trustee”) and Wells Fargo Bank, National Association, as Initial Bondowner Representative (“Bondowner Representative”) to fund a loan to finance the acquisition, construction and equipping of that certain multifamily rental housing project described in paragraph 9 below (the “Project”); and

WHEREAS, the Project is located wholly within the City; and

WHEREAS, the owner of the Project, McCadden Plaza, L.P., has requested that the City approve modifications to the Indenture and certain other loan documents to increase the permanent loan amount of the Bond pursuant to a First Supplement to Indenture of Trust (the “Supplemental Indenture”); and

WHEREAS, it is in the public interest and for the public benefit that the City authorize, execute and deliver as necessary the Supplemental Indenture and it is within the powers of the City to provide for such amendments; and

WHEREAS, the amendments effected by the Supplemental Indenture will cause the Bond to be “reissued” under the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the interest on the “reissued” Bond may qualify for a federal tax exemption under Section 142(a)(7) of the Code, only if such reissued Bond is approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, the Bond is required to be approved, following a public hearing, by an elected representative of the issuer of the Bond (or of the governmental unit on behalf of which the Bond is issued) and an elected representative of the governmental unit having jurisdiction over the area in which the relevant Project is located; and

WHEREAS, this City Council is the elected legislative body of the City and is the applicable elected representative required to approve the issuance of the Bond within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City, on February 17, 2022, to the effect that a public hearing would be held on February 24, 2022, regarding the reissuance of the Bond; and

WHEREAS, the Los Angeles Housing Department held said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the Bond; and

WHEREAS, the minutes of such public hearing, together with any written comments received in connection therewith, have been presented to the City Council; and

WHEREAS, the form of the Supplemental Indenture has been presented to the City Council;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Los Angeles, as follows:

1. The recitals hereinabove set forth are true and correct, and this City Council so finds. This Resolution is being adopted pursuant to the Law and in accordance with the Act.
2. Pursuant to and solely for the purposes of Section 147(f) of the Code, the City Council hereby approves the reissuance of the Bond by the City in one or more series to finance the Project. It is intended that this Resolution constitute approval of the reissued Bond: (a) by the applicable elected representative of the issuer of the Bond and (b) by the applicable elected representative of the governmental unit having jurisdiction of the area in which the Project is located in accordance with said Section 147(f).
3. The execution and delivery on behalf of the City of the Supplemental Indenture substantially in the form presented to the City Council, for the purpose of (i) increasing the permanent loan amount of the Bond, (ii) extending the conversion date (iii) making various ancillary or conforming changes to the Supplemental Indenture and (iv) consenting to the Modification Agreement (Secured Loan) (together with any other related amendments requiring the City's consent, the "Loan Agreement Amendment") is hereby approved, and each Authorized City Representative (as such term is defined in the Indenture) is hereby authorized and directed, for and on behalf of the City, to execute the Supplemental Indenture with such changes as such Authorized City Representative may approve upon consultation with the City Attorney and/or Bond Counsel and approval by

the City Attorney, such approval by the Authorized City Representative to be conclusively evidenced by the execution of such Supplemental Indenture.

4. All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Bond are hereby approved, confirmed and ratified, and each Authorized Representative of the City, the City Clerk and other properly authorized officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those described in the Indenture.

5. The City Clerk of the City or any deputy thereof is hereby authorized to countersign or to attest the signature of any Authorized City Representative and to affix and attest the seal of the City as may be appropriate in connection with the execution and delivery of any of the documents authorized by this resolution, provided that the due execution and delivery of said documents or any of them shall not depend on such signature of the City Clerk or any deputy thereof or affixing of such seal. Any of such documents may be executed in multiple counterparts.

6. In addition to the Authorized City Representative, any official of the City, including any official of the Housing and Community Investment Department, as shall be authorized in writing by the Mayor of the City, is hereby authorized for and on behalf of the City to execute and deliver any of the agreements, certificates and other documents, except the Bond, authorized by this Resolution.

7. Each Authorized City Representative and other properly authorized officials of the City as specifically authorized under this resolution are hereby authorized, directed and empowered on behalf of the City and the City Council to execute any other additional applications, certificates, agreements, documents or other instruments or any amendments or supplements thereto, subject to approval by the City Attorney as to form, or to do and to cause to be done any and all other acts and things as they may deem necessary or appropriate to carry out the purpose of the foregoing authorizations and to address any issues arising with respect to the Bond or the agreements relating thereto subsequent to their issuance.

8. This Resolution shall take effect immediately upon its passage and adoption.

9. The “Project” referred to herein is as follows:

Project Name	Number of Units	Address	Owner
McCadden Campus Senior Housing	98 units (including one manager unit)	1127 North Las Palmas Avenue (also known as 1118 North McCadden Place) Los Angeles, CA 90038	McCadden Plaza, L.P.

[Remainder of page intentionally left blank]

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on _____, 20__.

By _____

Name _____

Title _____

**FIRST SUPPLEMENT TO
INDENTURE OF TRUST**

THIS FIRST SUPPLEMENT TO INDENTURE OF TRUST, dated as of [_____] 1, 2022 (this “First Supplement”), is by and among the **CITY OF LOS ANGELES**, a charter city and municipal corporation of the State of California, duly organized and existing under its charter and the laws of the State of California (the “City” or the “Issuer”), **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”), **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America (the “Bondowner Representative”), and **MCCADDEN PLAZA, L.P.**, a California limited partnership (the “Borrower”) and amends and supplements that certain Indenture of Trust dated as of December 1, 2018 (the “Original Indenture”) among the Issuer, the Bondowner Representative and the Trustee relating to \$25,000,000 in principal amount of the City’s Multifamily Housing Revenue Bond (McCadden Campus Senior Housing), Series 2018K (the “Bond”).

WHEREAS, pursuant to the Original Indenture and Section 248 of the City Charter of the City of Los Angeles and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (collectively, the “Law”), and in accordance with Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California (the “Act”), the Issuer has issued the Bond; and

WHEREAS, the Borrower, CCRC and the Bondowner Representative have agreed that the principal amount of the Bond to be purchased by CCRC upon Conversion shall be increased to an amount up to \$[____]; and

WHEREAS, Section 9.01 of the Original Indenture permits the Issuer, the Bondowner Representative and the Trustee, from time to time and at any time with the prior written consent of the Borrower to enter into an indenture or indentures supplemental to the Original Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of the Original Indenture which affect the rights or obligations of the Borrower thereunder; and

WHEREAS, the Bondowner Representative is currently the sole registered Bondholder; and

WHEREAS, the Issuer, the Bondowner Representative and the Trustee have received an Opinion of Counsel that this First Supplement will not cause the interest on the Bond to be includable in gross income of the Bondholder (other than an Bondholder who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) for purposes of federal income taxation and that this First Supplement is authorized or permitted by the Original Indenture; and

WHEREAS, pursuant to the Original Indenture, the Issuer, the Trustee, the Bondowner Representative (as Bondowner Representative and sole Bondholder) and the Borrower have evidenced their consent to the terms of this First Supplement and waived all required notices

thereof under the Original Indenture, including, but not limited to, in Section 9.01 of the Original Indenture, each as evidenced by the signature of an authorized representative hereto; and

WHEREAS, the Borrower, the Trustee and the Bondowner Representative entered into that certain Modification Agreement (Secured Loan) dated as of September 14, 2021, and which is attached hereto as Exhibit A (the “First Loan Agreement Amendment”) and that certain [Second Modification Agreement (Secured Loan)] dated as of [____], 2021, and which is attached hereto as Exhibit B (the “Second Loan Agreement Amendment” and together with the First Loan Agreement Amendment, the “Loan Agreement Amendment”), each of which amended that certain Loan Agreement dated as of December 1, 2018 (the “Original Loan Agreement”) among the Borrower, the Bondowner Representative and the Issuer; and

WHEREAS, the Loan Agreement Amendment, collectively, extended the “Mandatory Conversion Date” (as defined in the Original Loan Agreement) to [June 1, 2022], and replaced the amount of “\$10,000,000” in the recitals as well as the definitions of “Bond Purchase Agreement” and “Permanent Loan Amount” with the amount of “\$[____]”; and

WHEREAS, the Issuer, as evidenced by its signature hereto, hereby consents to the terms of the Loan Agreement Amendment; and

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto amend the Original Indenture as follows as of the date set forth above:

Section 1. Recitals; Definitions. The foregoing recitals are hereby agreed to and acknowledged. All capitalized terms used in this First Supplement and not otherwise defined have the meanings assigned in the Original Indenture.

Section 2. Amendment to Definition. The following definitions contained in Section 1.01 of the Original Indenture are amended to read or are added to Section 1.01 of the Original Indenture as follows:

The term “**Bond Purchase Agreement**” means the Bond Purchase Agreement dated as of December 1, 2018, among the Borrower, the Bondowner Representative and CCRC, as amended by that certain First Amendment to Bond Purchase Agreement dated as of September 1, 2021, and that certain [Second Amendment to Bond Purchase Agreement dated as of [____] 1, 2021, pursuant to which and subject to the terms and conditions of which, CCRC has agreed to purchase up to \$[____] in principal amount of the Bond on the Conversion Date.

Section 3. Ratification. Except as amended and supplemented hereby, all provisions of the Original Indenture remain in full force and effect, and the Original Indenture, as amended and supplemented by this First Supplement, is hereby ratified. By its execution hereto, the Bondowner Representative hereby authorizes and directs the Trustee to execute this First Supplement.

Section 4. Effective Date. This First Supplement shall become effective as of the date hereof.

Section 5. Execution in Several Counterparts. This First Supplement may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Issuer and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 6. Governing Law. This First Supplement shall be governed by and construed in accordance with the internal laws of the State of California.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned authorized representatives of the Issuer, the Trustee, the Borrower, the Bondowner Representative have evidenced their respective consent to the terms of this First Supplement to Trust Indenture as of the day and year first above written by their below signatures.

CITY OF LOS ANGELES, as Issuer

By: Los Angeles Housing Department

By: _____
Authorized Officer

Approved as to form by:

MICHAEL N. FEUER,
City Attorney

Deputy/Assistant City Attorney

[Issuer signature page to *McCadden Campus* First Supplement to Trust Indenture]

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____

Name: Julia Hommel

Title: Vice President

[Trustee signature page to *McCadden Campus* First Supplement to Trust Indenture]

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, as Bondowner Representative
and sole Bondholder

By: _____

Name: Kenneth J. Sofge

Title: Senior Vice President

[Bondowner Representative signature page to *McCadden Campus*
First Supplement to Trust Indenture]

NOTARY ACKNOWLEDGMENT STATEMENT

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

State of California

County of _____)

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

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

WITNESS my hand and official seal.

Signature _____ [SEAL]

BORROWER:

MCCADDEN PLAZA, L.P.,
a California limited partnership

By: McCadden Campus LLC, a Delaware
limited liability company, its Managing
General Partner

By: Los Angeles LGBT Center, a
California nonprofit public benefit
corporation, its sole member

By: _____
Name: Ricardo DeLeon
Title: Chief Financial Officer

By: McCadden Plaza Affordable Housing,
LLC, a California limited liability
company, its Administrative General
Partner

By: _____
Name: _____
Title: _____

[Borrower signature page for *McCadden Campus* First Supplement to Trust Indenture]

EXHIBIT A

FIRST AMENDMENT TO LOAN AGREEMENT

(Attached)

**MODIFICATION AGREEMENT
(Secured Loan)**

THIS MODIFICATION AGREEMENT ("**Agreement**") is entered into as of September 14, 2021, by and among U.S. BANK NATIONAL ASSOCIATION as Bond Trustee ("**Bond Trustee**"), WELLS FARGO BANK, NATIONAL ASSOCIATION (collectively with its successors or assigns, ("**Lender**"), and MCCADDEN PLAZA, L.P., a California limited partnership ("**Borrower**").

RECITALS

- A. City of Los Angeles, a charter city and municipal corporation of the State of California, duly organized and existing under its charter and the laws of the State of California ("**Issuer**") issued its Multifamily Housing Revenue Bond (McCadden Campus Senior Housing) Series 2018K in the original principal amount of \$25,000,000.00 (collectively, the "**Bond**") for the purpose of making a loan to finance, in part, the acquisition and construction of a multifamily rental housing project known as McCadden Campus Senior Housing, located at 1127 North Las Palmas Avenue, Los Angeles, CA 90038. The Bond was issued on December 19, 2018 pursuant to an Indenture of Trust dated December 1, 2018 ("**Indenture**") by and among the Issuer, Bondowner Representative and Bond Trustee.
- B. Pursuant to the terms of that certain Loan Agreement by and among Issuer, Borrower and Lender dated as of December 1, 2018, as amended by that certain Modification Agreement (Secured Loan) dated March 2, 2021 and executed by and between Borrower and Lender (collectively, and as the same may be amended, modified, supplemented or replaced from time to time, the "**Loan Agreement**"), Lender made a loan to Borrower in the aggregate principal amount of TWENTY FIVE MILLION AND 00/DOLLARS (\$25,000,000.00) ("**Loan**"). The Loan is evidenced by that certain Promissory Note dated December 1, 2018 in the original principal amount of \$25,000,000.00 made by Borrower in favor of Issuer (the "**Note**"), and is further evidenced and secured by certain other documents described in the Loan Agreement as the "**Loan Documents**".
- C. The Note is secured by, among other things, a Construction and Permanent Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing dated December 1, 2018, executed by Borrower, as Trustor, for the benefit of Issuer, as Beneficiary ("**Deed of Trust**"). The Deed of Trust was recorded December 20, 2018, as Document No. 20181293043, in the Official Records of Los Angeles County, California. In accordance with the Indenture, the Note, the Loan Agreement, the Deed of Trust and certain other Loan Documents were assigned by the Issuer to the Bond Trustee pursuant to that certain Assignment of Deed of Trust and Loan Documents], executed as of December 1, 2018 and recorded in the Official Records on December 20, 2018 as Instrument No. 20181293044.
- D. Thomas L. Safran, an individual ("**Safran**"), Thomas L. Safran, Trustee of the Thomas L. Safran Living Trust u/d/t August 5, 2011 ("**Safran Trust**"), Thomas Safran & Associates Development, Inc., a California corporation ("**TSADI**"), and McCadden Plaza Affordable Housing, LLC, a California limited liability company ("**McCadden Plaza**") have previously executed and delivered to Lender that certain Repayment Guaranty dated as of December 1, 2018 (the "**Repayment Guaranty**") guarantying the Loan. Safran, Safran Trust, TSADI, McCadden Plaza and McCadden Campus LLC, a Delaware limited liability company ("**McCadden Campus**") have previously executed and delivered to Lender that certain Completion Guaranty dated December 1, 2018 (the "**Completion Guaranty**"), guarantying the Loan. Safran, Safran Trust, TSADI, McCadden Plaza, McCadden Campus and Los Angeles LGBT Center, a California nonprofit public benefit corporation ("**LALGBT**") have previously executed and delivered to Lender that certain Hazardous Materials Indemnity Agreement (Unsecured - Guarantor) dated December 1, 2018. Safran, Safran Trust, TSADI, McCadden Plaza, McCadden Campus and LALGBT shall sometimes be referred to herein as, individually a "**Guarantor**" and collectively, "**Guarantors**".

- E. Borrower, as indemnitor (in such capacity, "**Indemnitor**") has previously executed and delivered to Lender that certain Hazardous Materials Indemnity Agreement (Unsecured - Borrower), dated December 1, 2018 ("**Indemnity**").
- F. By this Agreement, Borrower, Bond Trustee and Lender intend to modify and/or amend certain terms and provisions of the Loan Documents.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Bond Trustee and Lender agree, subject to the terms and conditions of this Agreement, as follows:

1. **CONDITIONS PRECEDENT.** Lender's obligations under this Agreement are subject to the satisfaction of each and every one of the following conditions precedent:
 - 1.1 Receipt and approval by Lender of an executed, hard copy original of this Agreement and any and all other documents, instruments, policies and forms of evidence or other materials which are required pursuant to this Agreement or any of the other Loan Documents or as otherwise required by Lender, each in form and content acceptable to Lender.
 - 1.2 Reimbursement to Lender by Borrower of Lender's costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, whether such services are furnished by Lender's employees or agents or by independent contractors, including, without limitation, reasonable attorneys' fees, documentation costs and charges and title insurance costs.
 - 1.3 All payments due and owing to Lender under the Loan Documents have been paid current.
 - 1.4 Delivery by Borrower to Lender of a modification fee in the amount of \$25,000.00.
2. **REPRESENTATIONS AND WARRANTIES.** As a material inducement to Lender's entry into this Agreement, Borrower represents and warrants to Lender:
 - 2.1 **FORMATION AND ORGANIZATIONAL DOCUMENTS.** Borrower has previously delivered to Lender all of the relevant formation and organizational documents of Borrower, of the partner and members of Borrower, and all guarantors of the Loan and all such formation documents remain in full force and effect and have not been amended or modified since they were delivered to Lender. Borrower hereby certifies that: (i) the above documents are all of the relevant formation and organizational documents of Borrower; (ii) they remain in full force and effect; and (iii) they have not been amended or modified since they were previously delivered to Lender.
 - 2.2 **FULL FORCE AND EFFECT.** The Note and other Loan Documents, as amended hereby, are in full force and effect without any defense, counterclaim, right or claim of set-off; all necessary action to authorize the execution and delivery of this Agreement has been taken; and this Agreement is a modification of an existing obligation and is not a novation.
 - 2.3 **NO DEFAULT.** No Default (as defined in the any of the Loan Documents or Other Related Documents), breach or failure of condition has occurred, or would exist with notice or the lapse of time or both, under any of the Loan Documents (as modified by this Agreement) or Other Related Documents and that all representations and warranties herein and in the other Loan Documents are true and correct, and shall survive execution of this Agreement.
 - 2.4 **TITLE TO THE PROPERTY.** Since the recordation date of the Deed of Trust (stated above), Borrower has not further encumbered the Property, including, without limitation, by entering into any deed of trust, deed to secure debt or mortgage, ground lease, and/or any option to purchase or right of first refusal with respect to the Property.

- 2.5 **NO ADVERSE CHANGE.** There has been no material adverse change in the financial condition of Borrower, any Guarantor, or any Indemnitor from that which existed as of the later of: (A) the Effective Date; or (B) the date upon which the financial condition of such party was first represented to Lender.
- 2.6 **INITIAL REPRESENTATIONS AND WARRANTIES.** All representations and warranties contained in the Loan Agreement remain true and correct on the date of this Agreement as if made on and as of the date of this Agreement.
- 2.7 All conditions precedent to the extension of the Mandatory Conversion Date set forth in this Agreement have been satisfied.
- 2.8 No third party consent is required for the modifications set forth in Section 3 of this Agreement other than those obtained and attached hereto.
- 2.9 Extension of the Mandatory Conversion Date will not cause the term of the Loan to extend beyond the term of any permanent loan commitment or mandatory permanent loan closing/conversion date applicable to the Borrower.
3. **MODIFICATION OF LOAN DOCUMENTS.** The Loan Documents are hereby supplemented and modified to incorporate the following, which shall supersede and prevail over any conflicting provisions of the Loan Documents:
- 3.1 **Extension of Mandatory Conversion Date.** The Mandatory Conversion Date as defined in the Loan Agreement is hereby extended to **December 1, 2021**.
- 3.2 **[Reserved]**
4. **REAFFIRMATION OF LOAN DOCUMENTS.** Borrower reaffirms all of its obligations under the Loan Documents, as amended by this Agreement, and Borrower acknowledges that it has no claims, offsets or defenses with respect to the payment of sums now or hereafter payable under the Loan Documents.
5. **NON-IMPAIRMENT.** Except as expressly provided herein, nothing in this Agreement shall alter or affect any provision, condition, or covenant contained in any of the Loan Documents or affect or impair any rights, powers, or remedies of Lender, it being the intent of the parties hereto that the provisions of the Loan Documents shall continue in full force and effect except as expressly modified hereby.
6. **NO PREJUDICE; RESERVATION OF RIGHTS.** This Agreement shall not prejudice any rights or remedies of Lender under the Loan Documents. Furthermore, nothing in this Agreement shall be deemed to be a waiver, election or estoppel of any rights, powers, privileges, remedies, defenses or objection available to Lender or its affiliated entities under the Loan Documents and under applicable laws and in equity in connection with any default or Default by Borrower under the Loan Agreement, and Lender expressly reserves all rights, power, privileges, remedies, defenses and objections.
7. **RELEASE.** Borrower releases Lender and its respective parents, subsidiaries, affiliates and their respective agents, employees, directors, officers, shareholders and their successors and assigns (collectively, the "**Lender Parties**") from and against any and all acts, causes of action, suits, obligations, liabilities, demands, damages, cost or expense or other claims of Borrower of any nature whatsoever, sounding in tort, contract, equity or otherwise, known or unknown, fixed or contingent (collectively, the "**Liabilities**"), which arose or will arise on or before the date of this Agreement from or out of, or are based upon or in any way related to the Loan Documents, this Agreement or the Property, including but not limited to any act, actions, payment to be made and

performed under the Loan Documents, or any representation, warranty, express or implied, made with respect thereto or thereunder.

Borrower understands that it may later discover facts in addition to, or different from, the facts it now believes to be true, and that it may later discover claims it does not now suspect. The parties intend for this release to operate as a final and irrevocable release of all of Borrower's claims above described, and accordingly agree that this release may not be terminated or rescinded because of any later discovery by Borrower of different or additional facts or any unknown or unsuspected claim.

Borrower represents that it has not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity any matter released hereby or any portion thereof or interest therein and shall indemnify, defend and hold the Lender Parties harmless from and against any and all claims based on or arising out of any such assignment or transfer or purported assignment or transfer.

Borrower waives any rights it may have under Section 1542 of the California Civil Code, which reads:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

8. MISCELLANEOUS PROVISIONS.

- 8.1 **No Waiver.** No previous waiver and no failure or delay by Lender in acting with respect to the terms of the Note, the Loan Agreement, or this Agreement shall constitute a waiver of any breach, default, or failure of condition under the Note, the Loan Agreement, this Agreement or the obligations secured thereby. A waiver of any term of the Note, the Loan Agreement, this Agreement or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.
- 8.2 **Severability.** If any provision or obligation under this Agreement and the other Loan Documents shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that provision shall be deemed severed from the Loan Documents and the validity, legality and enforceability of the remaining provisions or obligations shall remain in full force as though the invalid, illegal, or unenforceable provision had never been a part of the Loan Documents, provided, however, that if the rate of interest or any other amount payable under the Note, the Loan Agreement or this Agreement or any other Loan Document, or the right of collectibility therefor, are declared to be or become invalid, illegal or unenforceable, Lender's obligations to make advances under the Loan Documents shall not be enforceable by Borrower.
- 8.3 **Time.** Time is of the essence of each and every term herein.
- 8.4 **Governing Law and Consent to Jurisdiction.** This Agreement and any claim, controversy or dispute arising under or related to this Agreement, the relationship of the parties, and/or the interpretation and enforcement of the rights and duties of the parties will be governed by, and construed and enforced in accordance with, the laws of the State of California without regard to any conflicts of law principles, except to the extent preempted by federal laws. Borrower and all persons and entities in any manner obligated to Lender under the Loan Documents consent to the jurisdiction of any federal or state court within the State of California having proper venue and also consent to service of process by any means authorized by State of California or federal law.

- 8.5 **Headings.** All articles, section or other headings appearing in this Agreement and any of the other Loan Documents are for convenience of reference only and shall be disregarded in construing this Agreement and any of the other Loan Documents.
- 8.6 **Counterparts.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.
- 8.7 **Defined Terms.** Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings attributed to such terms in the Loan Agreement.
- 8.8 **Exhibits, Schedules and Riders.** All exhibits, schedules, riders and other items attached hereto are incorporated into this Agreement by such attachment for all purposes.
- 8.9 **Inconsistencies.** In the event of any inconsistencies between the terms of this Agreement and the terms of any of the other Loan Documents, the terms of this Agreement shall prevail.
- 8.10 **Integration; Interpretation.** The Loan Documents contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated therein and supersede all prior negotiations or agreements, written or oral. The Loan Documents shall not be modified except by written instrument executed by all parties. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Lender in writing.

IN WITNESS WHEREOF, Borrower, Bond Trustee and Lender have caused this Agreement to be duly executed as of the date first above written.

"LENDER"

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: 
Patricia B. Parina
Vice President

“BORROWER”

MCCADDEN PLAZA, L.P.,
a California limited partnership

By: McCadden Campus LLC,
a Delaware limited liability company
Its Managing General Partner

By: Los Angeles LGBT Center,
a California nonprofit public benefit corporation
Its Sole Member

By: Ricardo DeLeon
Ric
Chief Financial Officer

By: McCadden Plaza Affordable Housing, LLC,
a California limited liability company
Its Administrative General Partner

By: _____
Name: _____
Title: _____

LOAN NO. 1018499

"BORROWER"

MCCADDEN PLAZA, L.P.,
a California limited partnership

By: McCadden Campus LLC,
a Delaware limited liability company
Its Managing General Partner

By: Los Angeles LGBT Center,
a California nonprofit public benefit corporation
Its Sole Member

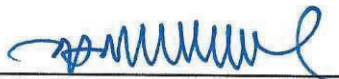
By: _____
Ricardo DeLeon
Chief Financial Officer

By: McCadden Plaza Affordable Housing, LLC,
a California limited liability company
Its Administrative General Partner

By: Jordan Pynes
Name: Jordan Pynes
Title: President

"BOND TRUSTEE"

U.S. BANK NATIONAL ASSOCIATION

By: 
Julia Hommel
Vice President

[The remainder of this page left intentionally blank]

GUARANTOR'S CONSENT


Each of the undersigned (individually, a "**Guarantor**" and collectively, "**Guarantors**") consents to the foregoing Agreement and the transactions contemplated thereby and reaffirms its obligations under that certain Completion Guaranty, that certain Repayment Guaranty, and that certain Hazardous Materials Indemnity Agreement (Unsecured - Guarantor), each dated December 1, 2018, as the same may be amended, modified, supplemented or replaced from time to time (collectively, the "**Guaranty**"), guarantying the Loan.

Guarantor reaffirms that its obligations under the Guaranty are separate and distinct from Borrower's obligations and reaffirms its waivers, as set forth in the Guaranty, of each and every one of the possible defenses to such obligations.

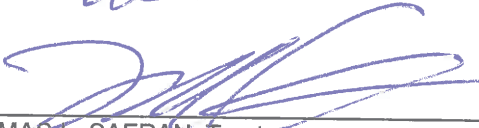
Agreed and Acknowledged:

Dated as of: September 14, 2021

"GUARANTOR"



THOMAS L. SAFRAN, an individual



THOMAS L. SAFRAN, Trustee
of The Thomas L. Safran Living Trust
u/d/t August 5, 2011

THOMAS SAFRAN & ASSOCIATES
DEVELOPMENT, INC.,
a California corporation

By: Renee Groves
Name: Renee Groves
Title: Chief Financial Officer

MCCADDEN PLAZA AFFORDABLE HOUSING, LLC,
a California limited liability company

By: Jordan Pynes
Name: Jordan Pynes
Title: President

GUARANTOR'S CONSENT

The undersigned ("**Guarantor**") consents to the foregoing Agreement and the transactions contemplated thereby and reaffirms its obligations under that certain Completion Guaranty and that certain Hazardous Materials Indemnity Agreement (Unsecured - Guarantor), each dated December 1, 2018, as the same may be amended, modified, supplemented or replaced from time to time (collectively, the "**Guaranty**"), guarantying the Loan.

Guarantor reaffirms that its obligations under the Guaranty are separate and distinct from Borrower's obligations and reaffirms its waivers, as set forth in the Guaranty, of each and every one of the possible defenses to such obligations.

Agreed and Acknowledged:

Dated as of: September 14, 2021

"GUARANTOR"

MCCADDEN CAMPUS LLC,
a Delaware limited liability company

By: Los Angeles LGBT Center,
a California nonprofit public benefit corporation
Its Sole Member

By: Ricardo DeLeon
R
Chief Financial Officer

GUARANTOR'S CONSENT

The undersigned ("**Guarantor**") consents to the foregoing Agreement and the transactions contemplated thereby and reaffirms its obligations under that certain Hazardous Materials Indemnity Agreement (Unsecured - Guarantor), dated December 1, 2018, as the same may be amended, modified, supplemented or replaced from time to time (collectively, the "**Guaranty**"), guarantying the Loan.

Guarantor reaffirms that its obligations under the Guaranty are separate and distinct from Borrower's obligations and reaffirms its waivers, as set forth in the Guaranty, of each and every one of the possible defenses to such obligations.

Agreed and Acknowledged:

Dated as of: September 14, 2021

"GUARANTOR"

LOS ANGELES LGBT CENTER,
a California nonprofit public benefit corporation

By: Ricardo DeLeon

Chief Financial Officer

EXHIBIT B

SECOND AMENDMENT TO LOAN AGREEMENT

(Attached)

**MODIFICATION AGREEMENT
(Secured Loan)**

THIS MODIFICATION AGREEMENT ("**Agreement**") is entered into as of [REDACTED], 2021, by and among U.S. BANK NATIONAL ASSOCIATION as Bond Trustee ("**Bond Trustee**"), WELLS FARGO BANK, NATIONAL ASSOCIATION (collectively with its successors or assigns, ("**Lender**"), and MCCADDEN PLAZA, L.P., a California limited partnership ("**Borrower**").

RECITALS

- A. City of Los Angeles, a charter city and municipal corporation of the State of California, duly organized and existing under its charter and the laws of the State of California ("**Issuer**") issued its Multifamily Housing Revenue Bond (McCadden Campus Senior Housing) Series 2018K in the original principal amount of \$25,000,000.00 (collectively, the "**Bond**") for the purpose of making a loan to finance, in part, the acquisition and construction of a multifamily rental housing project known as McCadden Campus Senior Housing, located at 1127 North Las Palmas Avenue, Los Angeles, CA 90038. The Bond was issued on December 19, 2018 pursuant to an Indenture of Trust dated December 1, 2018 ("**Indenture**") by and among the Issuer, Bondowner Representative and Bond Trustee.
- B. Pursuant to the terms of that certain Loan Agreement by and among Issuer, Borrower and Lender dated as of December 1, 2018, as amended by (i) that certain Modification Agreement (Secured Loan) dated March 2, 2021 and executed by and between Borrower and Lender and (ii) that certain Modification Agreement (Secured Loan) dated September 14, 2021 and executed by and among Borrower, Bond Trustee and Lender (collectively, and as the same may be amended, modified, supplemented or replaced from time to time, the "**Loan Agreement**"), Lender made a loan to Borrower in the aggregate principal amount of TWENTY FIVE MILLION AND 00/DOLLARS (\$25,000,000.00) ("**Loan**"). The Loan is evidenced by that certain Promissory Note dated December 1, 2018 in the original principal amount of \$25,000,000.00 made by Borrower in favor of Issuer (the "**Note**"), and is further evidenced and secured by certain other documents described in the Loan Agreement as the "**Loan Documents**".
- C. The Note is secured by, among other things, a Construction and Permanent Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing dated December 1, 2018, executed by Borrower, as Trustor, for the benefit of Issuer, as Beneficiary ("**Deed of Trust**"). The Deed of Trust was recorded December 20, 2018, as Document No. 20181293043, in the Official Records of Los Angeles County, California. In accordance with the Indenture, the Note, the Loan Agreement, the Deed of Trust and certain other Loan Documents were assigned by the Issuer to the Bond Trustee pursuant to that certain Assignment of Deed of Trust and Loan Documents], executed as of December 1, 2018 and recorded in the Official Records on December 20, 2018 as Instrument No. 20181293044.
- D. Thomas L. Safran, an individual ("**Safran**"), Thomas L. Safran, Trustee of the Thomas L. Safran Living Trust u/d/t August 5, 2011 ("**Safran Trust**"), Thomas Safran & Associates Development, Inc., a California corporation ("**TSADI**"), and McCadden Plaza Affordable Housing, LLC, a California limited liability company ("**McCadden Plaza**") have previously executed and delivered to Lender that certain Repayment Guaranty dated as of December 1, 2018 (the "**Repayment Guaranty**") guarantying the Loan. Safran, Safran Trust, TSADI, McCadden Plaza and McCadden Campus LLC, a Delaware limited liability company ("**McCadden Campus**") have previously executed and delivered to Lender that certain Completion Guaranty dated December 1, 2018 (the "**Completion Guaranty**"), guarantying the Loan. Safran, Safran Trust, TSADI, McCadden Plaza, McCadden Campus and Los Angeles LGBT Center, a California nonprofit public benefit corporation ("**LALGBT**") have previously executed and delivered to Lender that certain Hazardous Materials Indemnity Agreement (Unsecured - Guarantor) dated December 1, 2018. Safran, Safran Trust,

TSADI, McCadden Plaza, McCadden Campus and LALGBT shall sometimes be referred to herein as, individually a "**Guarantor**" and collectively, "**Guarantors**".

- E. Borrower, as indemnitor (in such capacity, "**Indemnitor**") has previously executed and delivered to Lender that certain Hazardous Materials Indemnity Agreement (Unsecured - Borrower), dated December 1, 2018 ("**Indemnity**").
- F. By this Agreement, Borrower, Bond Trustee and Lender intend to modify and/or amend certain terms and provisions of the Loan Documents.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Bond Trustee and Lender agree, subject to the terms and conditions of this Agreement, as follows:

1. CONDITIONS PRECEDENT. Lender's obligations under this Agreement are subject to the satisfaction of each and every one of the following conditions precedent:

- 1.1 Receipt and approval by Lender of an executed, hard copy original of this Agreement and any and all other documents, instruments, policies and forms of evidence or other materials which are required pursuant to this Agreement or any of the other Loan Documents or as otherwise required by Lender, each in form and content acceptable to Lender.
- 1.2 Reimbursement to Lender by Borrower of Lender's costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, whether such services are furnished by Lender's employees or agents or by independent contractors, including, without limitation, reasonable attorneys' fees, documentation costs and charges and title insurance costs.
- 1.3 All payments due and owing to Lender under the Loan Documents have been paid current.
- 1.4 Delivery by Borrower to Lender of a modification fee in the amount of \$25,000.00.

2. REPRESENTATIONS AND WARRANTIES. As a material inducement to Lender's entry into this Agreement, Borrower represents and warrants to Lender:

- 2.1 **FORMATION AND ORGANIZATIONAL DOCUMENTS.** Borrower has previously delivered to Lender all of the relevant formation and organizational documents of Borrower, of the partner and members of Borrower, and all guarantors of the Loan and all such formation documents remain in full force and effect and have not been amended or modified since they were delivered to Lender. Borrower hereby certifies that: (i) the above documents are all of the relevant formation and organizational documents of Borrower; (ii) they remain in full force and effect; and (iii) they have not been amended or modified since they were previously delivered to Lender.
- 2.2 **FULL FORCE AND EFFECT.** The Note and other Loan Documents, as amended hereby, are in full force and effect without any defense, counterclaim, right or claim of set-off; all necessary action to authorize the execution and delivery of this Agreement has been taken; and this Agreement is a modification of an existing obligation and is not a novation.
- 2.3 **NO DEFAULT.** No Default (as defined in the any of the Loan Documents or Other Related Documents), breach or failure of condition has occurred, or would exist with notice or the lapse of time or both, under any of the Loan Documents (as modified by this Agreement) or Other Related Documents and that all representations and warranties herein and in the other Loan Documents are true and correct, and shall survive execution of this Agreement.

- 2.4 **TITLE TO THE PROPERTY.** Since the recordation date of the Deed of Trust (stated above), Borrower has not further encumbered the Property, including, without limitation, by entering into any deed of trust, deed to secure debt or mortgage, ground lease, and/or any option to purchase or right of first refusal with respect to the Property.
- 2.5 **NO ADVERSE CHANGE.** There has been no material adverse change in the financial condition of Borrower, any Guarantor, or any Indemnitor from that which existed as of the later of: (A) the Effective Date; or (B) the date upon which the financial condition of such party was first represented to Lender.
- 2.6 **INITIAL REPRESENTATIONS AND WARRANTIES.** All representations and warranties contained in the Loan Agreement remain true and correct on the date of this Agreement as if made on and as of the date of this Agreement.
- 2.7 All conditions precedent to the extension of the Mandatory Conversion Date set forth in this Agreement have been satisfied.
- 2.8 No third party consent is required for the modifications set forth in Section 3 of this Agreement other than those obtained and attached hereto.
- 2.9 Extension of the Mandatory Conversion Date will not cause the term of the Loan to extend beyond the term of any permanent loan commitment or mandatory permanent loan closing/conversion date applicable to the Borrower.
3. **MODIFICATION OF LOAN DOCUMENTS.** The Loan Documents are hereby supplemented and modified to incorporate the following, which shall supersede and prevail over any conflicting provisions of the Loan Documents:
- 3.1 **Extension of Mandatory Conversion Date.** The Mandatory Conversion Date as defined in the Loan Agreement is hereby extended to **June 1, 2022.**
- 3.2 **[Reserved]**
4. **REAFFIRMATION OF LOAN DOCUMENTS.** Borrower reaffirms all of its obligations under the Loan Documents, as amended by this Agreement, and Borrower acknowledges that it has no claims, offsets or defenses with respect to the payment of sums now or hereafter payable under the Loan Documents.
5. **NON-IMPAIRMENT.** Except as expressly provided herein, nothing in this Agreement shall alter or affect any provision, condition, or covenant contained in any of the Loan Documents or affect or impair any rights, powers, or remedies of Lender, it being the intent of the parties hereto that the provisions of the Loan Documents shall continue in full force and effect except as expressly modified hereby.
6. **NO PREJUDICE; RESERVATION OF RIGHTS.** This Agreement shall not prejudice any rights or remedies of Lender under the Loan Documents. Furthermore, nothing in this Agreement shall be deemed to be a waiver, election or estoppel of any rights, powers, privileges, remedies, defenses or objection available to Lender or its affiliated entities under the Loan Documents and under applicable laws and in equity in connection with any default or Default by Borrower under the Loan Agreement, and Lender expressly reserves all rights, power, privileges, remedies, defenses and objections.
7. **RELEASE.** Borrower releases Lender and its respective parents, subsidiaries, affiliates and their respective agents, employees, directors, officers, shareholders and their successors and assigns (collectively, the **"Lender Parties"**) from and against any and all acts, causes of action, suits, obligations, liabilities, demands, damages, cost or expense or other claims of Borrower of any

nature whatsoever, sounding in tort, contract, equity or otherwise, known or unknown, fixed or contingent (collectively, the "**Liabilities**"), which arose or will arise on or before the date of this Agreement from or out of, or are based upon or in any way related to the Loan Documents, this Agreement or the Property, including but not limited to any act, actions, payment to be made and performed under the Loan Documents, or any representation, warranty, express or implied, made with respect thereto or thereunder.

Borrower understands that it may later discover facts in addition to, or different from, the facts it now believes to be true, and that it may later discover claims it does not now suspect. The parties intend for this release to operate as a final and irrevocable release of all of Borrower's claims above described, and accordingly agree that this release may not be terminated or rescinded because of any later discovery by Borrower of different or additional facts or any unknown or unsuspected claim.

Borrower represents that it has not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity any matter released hereby or any portion thereof or interest therein and shall indemnify, defend and hold the Lender Parties harmless from and against any and all claims based on or arising out of any such assignment or transfer or purported assignment or transfer.

Borrower waives any rights it may have under Section 1542 of the California Civil Code, which reads:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

8. **MISCELLANEOUS PROVISIONS.**

- 8.1 **No Waiver.** No previous waiver and no failure or delay by Lender in acting with respect to the terms of the Note, the Loan Agreement, or this Agreement shall constitute a waiver of any breach, default, or failure of condition under the Note, the Loan Agreement, this Agreement or the obligations secured thereby. A waiver of any term of the Note, the Loan Agreement, this Agreement or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.
- 8.2 **Severability.** If any provision or obligation under this Agreement and the other Loan Documents shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that provision shall be deemed severed from the Loan Documents and the validity, legality and enforceability of the remaining provisions or obligations shall remain in full force as though the invalid, illegal, or unenforceable provision had never been a part of the Loan Documents, provided, however, that if the rate of interest or any other amount payable under the Note, the Loan Agreement or this Agreement or any other Loan Document, or the right of collectibility therefor, are declared to be or become invalid, illegal or unenforceable, Lender's obligations to make advances under the Loan Documents shall not be enforceable by Borrower.
- 8.3 **Time.** Time is of the essence of each and every term herein.
- 8.4 **Governing Law and Consent to Jurisdiction.** This Agreement and any claim, controversy or dispute arising under or related to this Agreement, the relationship of the parties, and/or the interpretation and enforcement of the rights and duties of the parties will be governed by, and construed and enforced in accordance with, the laws of the State of California without regard to any conflicts of law principles, except to the extent preempted

by federal laws. Borrower and all persons and entities in any manner obligated to Lender under the Loan Documents consent to the jurisdiction of any federal or state court within the State of California having proper venue and also consent to service of process by any means authorized by State of California or federal law.

- 8.5 **Headings.** All articles, section or other headings appearing in this Agreement and any of the other Loan Documents are for convenience of reference only and shall be disregarded in construing this Agreement and any of the other Loan Documents.
- 8.6 **Counterparts.** To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.
- 8.7 **Defined Terms.** Unless otherwise defined herein, capitalized terms used in this Agreement shall have the meanings attributed to such terms in the Loan Agreement.
- 8.8 **Exhibits, Schedules and Riders.** All exhibits, schedules, riders and other items attached hereto are incorporated into this Agreement by such attachment for all purposes.
- 8.9 **Inconsistencies.** In the event of any inconsistencies between the terms of this Agreement and the terms of any of the other Loan Documents, the terms of this Agreement shall prevail.
- 8.10 **Integration; Interpretation.** The Loan Documents contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated therein and supersede all prior negotiations or agreements, written or oral. The Loan Documents shall not be modified except by written instrument executed by all parties. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Lender in writing.
- 8.11 **Additional Condition of Issuer Consent.** If, on or before **June 1, 2022** ("**Outside Date**") (i) Bond Counsel fails to issue to Lender and Issuer an opinion, in form and substance satisfactory to Lender and CCRC that the execution of this Agreement, the amendment to the Loan Agreement and the extension of the Mandatory Conversion Date does not adversely affect the tax-exempt nature of the Bonds (the "**Opinion**") and (ii) the City of Los Angeles does not consent to and approve a copy of this Agreement, this Agreement shall become null and void. Borrower agrees to use all good faith efforts to cause Bond Counsel to issue the Opinion and the Issuer to consent to and approve a copy of this Agreement on or before the Outside Date. If the Bond Opinion is not issued and a copy of this Agreement is not consented to and approved by the Issuer on or before the Outside Date, at the option of Lender, an Event of Default shall have occurred and the outstanding balance of the Loan shall accrue interest from **December 1, 2021** until paid at the Default Rate.

IN WITNESS WHEREOF, Borrower, Bond Trustee and Lender have caused this Agreement to be duly executed as of the date first above written.

"LENDER"

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Patricia B. Parina
Vice President

“BORROWER”

MCCADDEN PLAZA, L.P.,
a California limited partnership

By: McCadden Campus LLC,
a Delaware limited liability company
Its Managing General Partner

By: Los Angeles LGBT Center,
a California nonprofit public benefit corporation
Its Sole Member

By: _____
Ricardo DeLeon
Chief Financial Officer

By: McCadden Plaza Affordable Housing, LLC,
a California limited liability company
Its Administrative General Partner

By: _____
Name: _____
Title: _____

“BOND TRUSTEE”

U.S. BANK NATIONAL ASSOCIATION

By: _____
Julia Hommel
Vice President

[The remainder of this page left intentionally blank]

GUARANTOR'S CONSENT

Each of the undersigned (individually, a "**Guarantor**" and collectively, "**Guarantors**") consents to the foregoing Agreement and the transactions contemplated thereby and reaffirms its obligations under that certain Completion Guaranty, that certain Repayment Guaranty, and that certain Hazardous Materials Indemnity Agreement (Unsecured - Guarantor), each dated December 1, 2018, as the same may be amended, modified, supplemented or replaced from time to time (collectively, the "**Guaranty**"), guarantying the Loan.

Guarantor reaffirms that its obligations under the Guaranty are separate and distinct from Borrower's obligations and reaffirms its waivers, as set forth in the Guaranty, of each and every one of the possible defenses to such obligations.

Agreed and Acknowledged:

Dated as of: , 2021

"GUARANTOR"

THOMAS L. SAFRAN, an individual

THOMAS L. SAFRAN, Trustee
of The Thomas L. Safran Living Trust
u/d/t August 5, 2011

THOMAS SAFRAN & ASSOCIATES
DEVELOPMENT, INC.,
a California corporation

By: _____
Name: _____
Title: _____

MCCADDEN PLAZA AFFORDABLE HOUSING, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

GUARANTOR'S CONSENT

The undersigned ("**Guarantor**") consents to the foregoing Agreement and the transactions contemplated thereby and reaffirms its obligations under that certain Completion Guaranty and that certain Hazardous Materials Indemnity Agreement (Unsecured - Guarantor), each dated December 1, 2018, as the same may be amended, modified, supplemented or replaced from time to time (collectively, the "**Guaranty**"), guarantying the Loan.

Guarantor reaffirms that its obligations under the Guaranty are separate and distinct from Borrower's obligations and reaffirms its waivers, as set forth in the Guaranty, of each and every one of the possible defenses to such obligations.

Agreed and Acknowledged:

Dated as of: _____, 2021

"GUARANTOR"

MCCADDEN CAMPUS LLC,
a Delaware limited liability company

By: Los Angeles LGBT Center,
a California nonprofit public benefit corporation
Its Sole Member

By: _____
Ricardo DeLeon
Chief Financial Officer

GUARANTOR'S CONSENT

The undersigned ("**Guarantor**") consents to the foregoing Agreement and the transactions contemplated thereby and reaffirms its obligations under that certain Hazardous Materials Indemnity Agreement (Unsecured - Guarantor), dated December 1, 2018, as the same may be amended, modified, supplemented or replaced from time to time (collectively, the "**Guaranty**"), guarantying the Loan.

Guarantor reaffirms that its obligations under the Guaranty are separate and distinct from Borrower's obligations and reaffirms its waivers, as set forth in the Guaranty, of each and every one of the possible defenses to such obligations.

Agreed and Acknowledged:

Dated as of: , 2021

"GUARANTOR"

LOS ANGELES LGBT CENTER,
a California nonprofit public benefit corporation

By: _____
Ricardo DeLeon
Chief Financial Officer