

A



mercy
HOUSING

September 15, 2020

El Dorado County
Procurement and Contracts Division
On behalf of Health and Human Services Agency/PHA
2580 Fairlane Court
Placerville, CA 95667

RE: El Dorado Haven Request for Proposal #20-918-076 for Project-Based Mainstream Voucher Program

To Whom it May Concern:

Enclosed is our application for 5 Project-Based Vouchers for the proposed 65-unit multifamily development located at 6500 Pleasant Valley Road, El Dorado, CA 95619. The property will consist of four buildings, 2 mid-rise apartment buildings and 2 two-story walk-ups. Additionally, amenities such as a community room, an outdoor space with grills and picnic tables, and a playground will be made available for residents' enjoyment.

The Applicant and Developer, Mercy Housing California, established in 1988, is a 501(c)3 nonprofit benefit corporation and one of the State's largest affordable housing developers. Completing over 146 affordable developments totaling over 9,900 units, Mercy strives to serve low-income seniors, families, and people who have experienced homelessness. Attached you will find an organizational chart for Mercy Housing California detailing its constituent parts and size variation, and below is our mailing address:

2512 River Plaza Dr, Suite 200
Sacramento, CA 95833

As a Vice President and officer of the corporation, I am authorized to submit this application and execute all necessary documents and agreements to implement the program. Per the submittal requirements, please find attached our organizational chart for Mercy Housing California. While this structure has remained fairly consistent, our overall staffing has experienced steady growth of approximately 20% over the past 5 years.

Mercy Housing California is honored to have this opportunity to continue our partnership with the county to meet the housing needs of the community. Should there be any questions I can be reached at (916) 414-4440 or sdaues@mercyhousing.org.

Sincerely,

Stephan Daues

vice president

Mercy Housing California

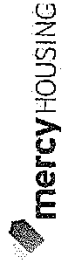
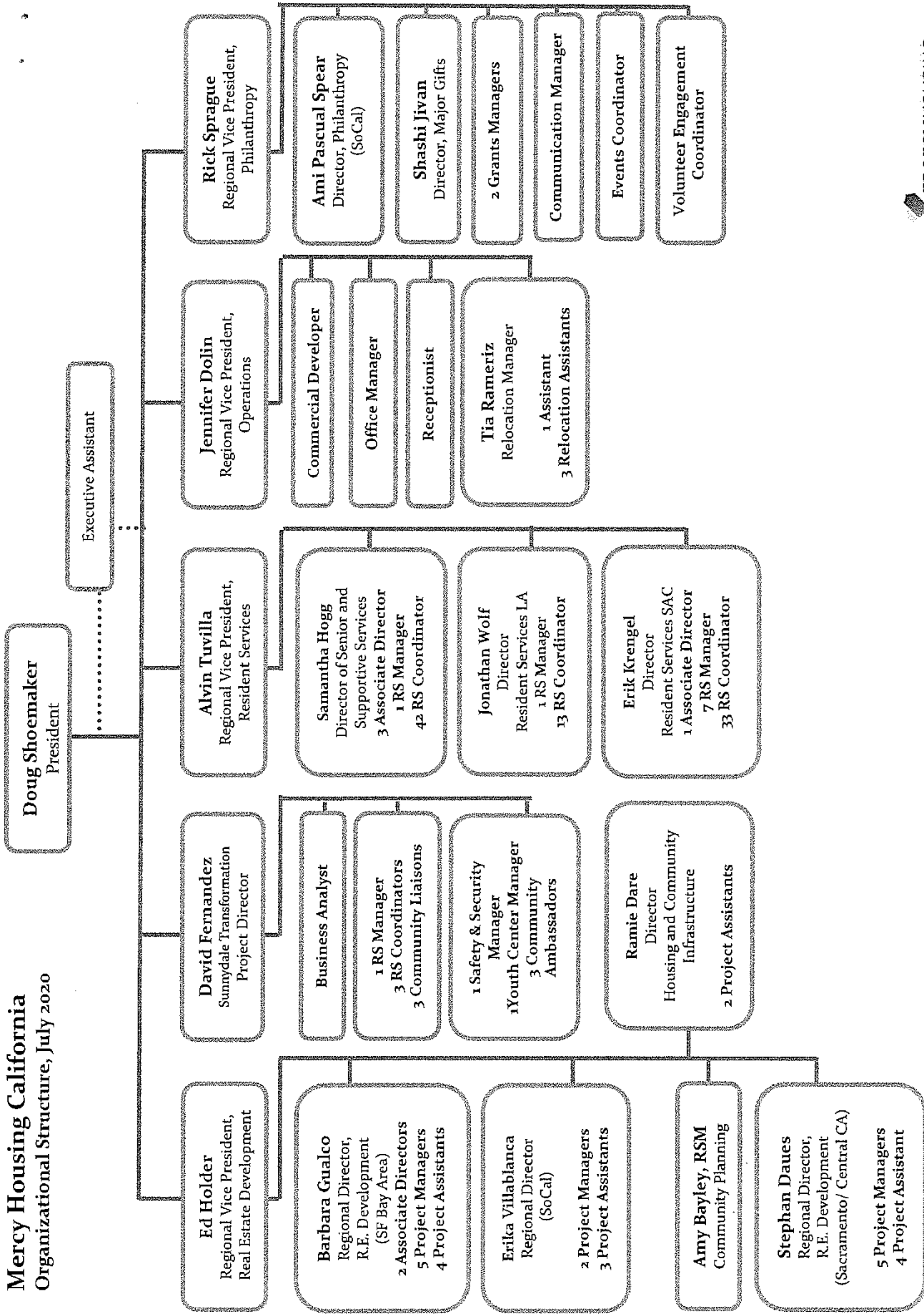
512 River Plaza Dr, Suite 200, Sacramento, CA 95833 o | 916-414-4400 f | 916-414-4490

mercyhousing.org

Mercy Housing is sponsored by communities of Catholic Sisters

Mercy Housing California

Organizational Structure, July 2020



El Dorado Haven

Mercy Housing California

Request for Proposal #20-918-076 for Project-Based Mainstream Voucher Program

Application (Attachment C to RFP)



**EL DORADO COUNTY
HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HOUSING AUTHORITY**

File # _____

**OWNER/DEVELOPER PROPOSAL for the
PROJECT BASED VOUCHER PROGRAM**

INSTRUCTIONS:

Please fill out the attached form completely. If you fail to give complete information or documentation in the format as required, your proposal may not be considered. Since we will process applications on a first-come, first served basis, it is very important that you submit your proposal fully completed.

Members of the public may review all proposals submitted, but all private confidential information will be redacted. Please submit one application for each project for which you are seeking vouchers. Submit one (1) original, three (3) hard copies and one (1) electronic copy via USB drive, of your proposal not later than the time and date indicated on the cover page of the RFP. All submittals shall be submitted in a sealed envelope or container and clearly marked with the RFP number and title on the outside of the parcel.

County of El Dorado
Procurement and Contracts
2850 Fairlane Court
Placerville, California 95667
RFP#20-918-076 – Project-Based Mainstream Voucher Program

Applications and supporting documentation will be accepted until Tuesday, September 15, 2020.

Inquiries/Clarification Requests

Questions regarding this RFP must be submitted in writing by email or U.S. mail to the Procurement and Contracts Office and must be received no later than 5:00 p.m. on **August 5, 2020.**

All emails must have “**RFP #20-918-076 – QUESTION**” as their subject, and all envelopes or containers must be clearly marked “**RFP #20-918-076 – QUESTION**” for convenience purposes. Emails, envelopes, and/or containers not clearly labeled may be overlooked and not responded to.

Questions will not be accepted by telephone, facsimile (fax), or orally. The County reserves the right to decline a response to any question if, in County's assessment, the information cannot be obtained and shared with all potential organizations in a timely manner.

A summary of the questions submitted, including responses deemed relevant and appropriate by County, will be posted to the County website on or about **August 14, 2020**.

All inquiries shall be submitted by email to: tara.baird@edcgov.us
or by U.S. Mail to:

County of El Dorado
Procurement and Contracts
2850 Fairlane Court
Placerville, California 95667
RFP#20-918-076 – Question

Proposers are cautioned that they are not to rely upon any oral statements that they may have obtained. Proposers shall direct all inquiries to the contact above and shall not contact the requesting department directly regarding any matter related to this Request for Proposal.

A. IDENTITY OF APPLICANT

1. Name and Address of Applicant:

Mercy Housing California

Name

2512 River Plaza Drive, Suite 200 Sacramento, CA 95833

Complete Address

916-414-4440

Work Phone

916-414-4436

Message Phone

2. Name and Address of owner of property, if different from above:

Future owner once built: Mercy Housing California 102, L.P. same address as above

Current land owner: El Dorado County Federated Church

Name

1031 Thompson Way, Placerville, CA 95667

Complete Address

530-622-2889

Work Phone

530-622-2889

Message Phone

B. Description of Project

<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Rehab	<input type="checkbox"/> Existing
--	--------------------------------	-----------------------------------

1. Property address in El Dorado County. Specify address for each building:

Address of Property	Total # of Units By BR Size – List all	Building Type. (i.e. Low Rise, Walk Up, Single Family, Twnhse)
i.e. - 123 Main Street, Placerville, CA	3 4 Studios 1BR/1BA	Apartment
6500 Pleasant Valley Rd	14	1 BRs Walk Up
6500 Pleasant Valley Rd	12	3 BRs Walk Up
6500 Pleasant Valley Rd	4 of each	1,2,3 BRs Mid-Rise
6500 Pleasant Valley Rd	8, 19	8 1 BRs, 19 2 BRS Mid-Rise

2. Complete the following for each project that you propose to construct and designate the number of units by unit type to which you are proposing to attach assistance.

BEDROOM SIZE	Total # of Units	# of Units to be Assisted with PBV
SRO		
0 Bdrm		
1 Bdrm	26	5
2 Bdrm	23	
3 Bdrm	16	
4 Bdrm		
5 Bdrm		

3. If you are requesting more than 25 percent of units in the project to be considered for award for PBV assistance, are these units going to be designated for the elderly, disabled, or families receiving supportive services?

Yes No

If Yes, please specify the target population:

<input type="checkbox"/> Elderly (62 Yrs. Or Older)	<input type="checkbox"/> Families Receiving
<input type="checkbox"/> Disabled	<input type="checkbox"/> Supportive Services

4.	How many units of the total requested for PBV assistance are accessible to persons with disabilities? Describe number and type of accessible features.	
	Bedroom Size/Number	Accessible Features
	5 / 1 BRs	All State and Local Code Requirements
5.	(New construction projects only) Are there any non-residential units (e.g., commercial office space) in the project that you propose to construct?	
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If yes, describe (including square footage and use):	
	N/A	
6.	Has this property been assisted under any federal housing program at any time during the last 12 months (e.g., CDBG, 202, 811, 221 (d) (3), HOME, 236 Programs) or will the proposed project be assisted under any other federal housing programs?	
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If Yes, please list the additional subsidy programs applicable to this property and provide the project and operating subsidy contract number (if applicable):	
	N/A	
7.	Is there a housing affordability restriction in the deed or other document?	
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If Yes, please indicate the name of the program and the jurisdiction requiring it as well as the expiration date of the restriction:	
	N/A	

8.	Please indicate the proposed distribution of the utilities.	
	Utility Type	Paid by Owner Paid by Tenant
	Cooking – Gas	X
	Cooking - Electric	X
	Heating – Gas	X
	Heating - Electric	X
	Electric (Lights, etc.)	X
	Water	X
	Heating of Hot Water - Electric	X
	Heating of Hot Water – Natural Gas	X
	Sewer	X
	Garbage	X
9.	Is the tenant providing either the range or refrigerator?	
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If yes, which one(s)?	<input type="checkbox"/> range <input type="checkbox"/> refrigerator
10.	Provide a brief narrative of the services available near the property. Be sure to include information about the distance to a public transit stop, public park, public library, supermarket or Farmer's Market (minimum of weekly frequency), pharmacy, public medical clinic or hospital, public school (if family project) or senior center (if senior project).	
	See attached, B-10 Brief Narrative of Amenities	
11.	Briefly describe the need for project-based assistance in this community. Address factors such as anticipated vacancy rates and rent affordability for very-low income households.	
	See attached, B-11 Need for Project Based Assistance	
12.	Will the project be located in (select all that apply):	
	<input checked="" type="checkbox"/>	A low poverty census tract (less than 20%)
	<input type="checkbox"/>	A census tract that is a HUD-designated Enterprise Zone, Economic Community, or Renewal Community

<input type="checkbox"/>	A census tract that is undergoing significant revitalization		
<input type="checkbox"/>	The area where State, local, or federal dollars have been invested that has assisted in the achievement of the statutory requirement		
<input type="checkbox"/>	The same census tract where new market rate units are being developed and such market rate units will positively impact the poverty rate in the area		
<input type="checkbox"/>	An area where the poverty rate is greater than 20 percent and in the past five years there has been an overall decline in the poverty rate.		
<input checked="" type="checkbox"/>	A census tract where there are meaningful opportunities for educational and economic advancement		
13.	Type of ownership of property or site control (Check one)		
<input type="checkbox"/> Mortgage	<input type="checkbox"/> Own free and clear	<input checked="" type="checkbox"/> Option	<input type="checkbox"/> Lease
Other (please explain):			
14.	Site Control. Please attach evidence of ownership or site control (e.g., grant deed, option, deposit receipt, lease). Site control must be in owner's possession prior to application.		
15.	Please indicate the Requested Contract Term (in years). Note: HAP Contracts must be for a minimum of 1 year and a maximum of 20 years, but the term is at the discretion of the Housing Authority		
20 years			
16.	Please indicate if the owner is willing to accept an extension of the HAP Contract and the number of years they would be willing to extend the HAP (20 year maximum extension).		
Yes.			
17.	For existing units, provide the estimated date upon which the units could be leased to new tenants:		
N/A			

C.	Experience		
1.	Does the applicant have experience owning and operating affordable housing that involved a HAP or AHAP contract with a Public Housing Authority?		
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Specify how many years of experience:	30+

2.	How many units of affordable housing does the applicant own and operate?	
Number of Units:		9,190 affordable units
3.	How many affordable housing properties does the applicant own and operate?	
Number of Properties:		146 affordable properties
4.	Provide the most recent audit or unaudited financial statement for a successful project of similar size.	
D. Financial Information		
1.	Indicate the monthly contract rent expected under the Project-Based Voucher Program. Include a proposed 15-year operating budget.	
	Size of Units	Number of Units
	Studio	
	1 Bedroom	5
	2 Bedroom	
	3 Bedroom	
	4 Bedroom	
	5 Bedroom	
	NOTE: Proposed contract rents must not exceed the lower of 110% of the established Fair Market Rents as published by HUD or the Housing Authority payment standard, including any area wide exception Payment Standard if applicable.	
2.	Provide a brief narrative on how you plan to finance the new construction or rehabilitation. Include a proposed development budget (for new construction/rehabilitation only).	
	The proposed development has secured funding from the state HCD for the No Place Like Home program. Additional state funding, MHP and tax credits will complete the financing in 2021. See the attached sources and uses development budget labeled as D-2.	
3.	Attach evidence of financing commitments, e.g., award or notification letters, published lists of allocation awards, etc.	
4.	Describe your experience, if any, with HUD/FHA housing programs.	
	HUD Program	Number of Units Owned/Managed
	HUD Section 202/811	500+

Project Based Vouchers	1500+
HOME/CDBG	2000+
Section 236/22d4/etc	500+
0	
E. NEW CONSTRUCTION/REHABILITATION PROPOSED	
(Complete this section for New Construction or Rehabilitated Properties)	
1.	Describe the work you propose to do in a short narrative. Show the total cost for all work.
	Cost
Unit Construction	\$12,769,565
Site Improvements/Landscape	\$3,175,524
Offsite Improvements	\$150,000
General Conditions	\$956,705
Contractor Overhead & Profit	\$956,706
Insurance/Bond/City Tax	\$135,064
Other	
Total Cost of Improvements or Construction	\$18,143,564 (See attachment D-2)
(If you have a contractor's bid or estimate, please attach it)	
2.	Estimate the length of time it will take to complete the proposed new construction
425	Days
3.	Provide documentation of compliance with City and/or County Planning Department.
See attachment E-3, Compliance with Planning Department	
F. Tenants	
Please attach your written tenant selection criteria and plan to fill the PBV assisted units. At a minimum the plan must state that all vacancies for PBV units will be filled by eligible applicants referred from the PHA waiting list and must describe, with specificity, your tenant screening criteria. Please note that criteria for screening both assisted and unassisted tenants must be consistent.	

G. Support Services			
1. Indicate if any of the following populations are to be served:			
<input checked="" type="checkbox"/> Single Person	<input type="checkbox"/> Elderly (62 Yrs. Or Older)	<input checked="" type="checkbox"/> Families Eligible for Supportive Services	<input type="checkbox"/> None of the above

2.	Describe the Support Services to be Provided			
----	--	--	--	--

Type of Service	FTE	Service Provider	Term of Service Commitment	Financial Commitment For Services
Case Manager	See attachment G-2			
Services Coordinator/Other Service Specialist	1	Mercy Housing	15 years	Operating budget
Adult educational, health and wellness or skill building classes	.25	Mercy Housing	15 Years	Operating Budget
Licensed child care or after school program for school age children				
Health or behavioral health services provided by an appropriately-licensed organization or individual	See attachment G-2			

Provide documentation of funding source for services for duration of contract (may be provided through operating budget).

H. PROPOSED SITE AMENITIES

Please indicate what amenities the owner plans to provide for the units and property and briefly describe how these amenities are appropriate to the tenant population:

In-unit amenities for tenants include a refrigerator, a stove/oven, and a dishwasher. In addition to these amenities, the property will have a Community Room, a Computer Room, outdoor seating picnic Areas and a Tot-Lot for the children. The Community Room will serve as a space for all residents to engage and participate with on-site staff and meetings. Computers will be available for residents to check-out during business hours and the tot-lot will be open to all families. The outdoor seating areas will serve as a space for residents to engage.
--

PLANS FOR MANAGING AND MAINTAINING UNITS AFTER
NEW CONSTRUCTION

OWNER OR MANAGEMENT AGENT

NAME Mercy Housing Management Group

ADDRESS 2512 River Plaza Drive, Suite 200

Sacramento, CA 95833

HOW LONG HAVE YOU MANAGED ASSISTED PROPERTIES? 30+ years

PROPERTY MANAGEMENT STAFFING:		
	No. of Staff	Working Hours
OFFICE STAFF:	1	1 FTE
MAINTENANCE:	1	1 FTE

MANAGEMENT PLAN

Do you have a written plan for management of the units?

Yes X No _____

If Yes, please include the management plan with this application. If No, please identify what personnel will manage the units, their location, hours of operation and any other duties and responsibilities.

MAINTENANCE AND REPAIR PLAN

Do you have a written plan for maintenance of the units?


(Included in Management Plan)
Yes X No _____

If Yes, please include the maintenance plan with this application. If No, please prepare a description of how units will be maintained, both on an on-going and long-term basis, focusing on preventive and routine maintenance, emergency repairs, security, health and safety areas. Please identify what personnel will perform the maintenance of units and common areas, their location and hours of operation.

CERTIFICATIONS

The Owner/Proposer Certifies that:

- a. The owner has not required any tenant to move without cause during the 12 months prior to the date of application.
- b. The owner is willing to comply with all the temporary relocation requirements of the Agency and will compensate, as required, a temporarily relocated tenant for the costs of such relocation.
- c. The data and exhibits contained in this application and proposal are true, correct, and complete; and
- d. The owner will not require any tenant to move without cause during the period of time following submittal of this application until the date on which he/she signs an Agreement to enter into a Housing Assistance Payments Contract whenever that may occur.

	09/15/2020	916-414-4440
Owner Signature	Date	Phone No.
sdaues@mercyhousing.org	Mercy Housing California 2512 River Plaza Drive, Suite 200 Sacramento, CA 95833	
Owner email address	Owner Address	
Stephan Daues	sdaues@mercyhousing.org	916-414-4440
Name of Contact	Email address of Contact	Phone No.

In addition to fully completing this application form, all applicants must include a Complete Owner Proposal, consistent with the requirements set forth in the RFP, Section 3.4, as well as the following Attachments:

- D Certification of Equal Opportunity
- E Disclosure of Lobby Activities
- F Certification of Census Tract
- G HUD Form – 50071: Certification of Payments to Influence Federal Transactions
- H HUD Form – 2992 – Certification Regarding Debarment and Suspension
- I HUD Form – 2880 – Applicant Disclosure Update
- J Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
- K Uniform Relocation Act Certification
- L Certification of Permissive Zoning
- M Owner's Certification of Participation in the Low Income Housing Tax Credit Program
- N HUD Form – 2991: Certification of Consistency with the Consolidated Plan
- O Design Architect's Certification

El Dorado Haven

Mercy Housing California

Request for Proposal #20-918-076 for Project-Based Mainstream Voucher Program

Supplemental Materials to Application

B-10 Provide a brief narrative of the services available near the property:

Amenities in consideration of 2020 TCAC Guidelines, located in a Rural Location.

Narrative:

The project, El Dorado Haven is surrounded by a number amenities within a 2 mile rural radius. The nearest bus stop is located only 0.2 miles away from the location and is located at 424 Pleasant Valley Rd and Oro Lane, this transit amenity serves the community hourly, M-S and includes additional service for peak hours. In addition to transit, there is a Community Center located 0.9 miles from the site and is open to the Diamond Springs Community members; this location is found at 6139 Pleasant Valley Rd in El Dorado. The nearest Grocery Store is located at 4300 Missouri Flat Rd in Placerville, California and it is 1.4 miles from the project. Union Mine High School will serve future residents of the community and is 0.5 miles from the site located at 6530 Koki Lane. In addition, the site is 1.2 miles from a health center located at 4641 Missouri Flat Rd which is open to the community regardless if they can pay or not. Lastly, the nearest pharmacy for future residents is located 1.4 miles from the site and is located at 4300 Missouri Flat Dr.

List:

1. **Transit:** EDT 424 at Pleasant Valley Rd & Oro
Pleasant Valley Rd And Oro Lane Lane 0.2 miles
2. **Park/Community Center:** El Dorado Community Hall 0.9 miles
6139 Pleasant Valley Rd, El Dorado, CA 95623
3. **Grocery Store:** Walmart 1.4 miles
4300 Missouri Flat Rd, Placerville, CA 95667
4. **School:** Union Mile High School 0.5 miles
6530 Koki Lane, El Dorado, CA 95623
5. **Medical Clinic:** El Dorado Community Health Center 1.2 miles
4641 Missouri Flat Rd, Placerville, CA 95667
6. **Pharmacy:** Walmart Pharmacy 1.4 miles
4300 Missouri Flat Rd, Placerville, CA 95667

B-11 Briefly describe the need for project-based assistance in this community.

Narrative:

The need for project-based assistance in this community currently and in the near future is unprecedented. According to the research collected in our market study analysis by Raney Planning & Management, Inc., the vacancy rate in the Diamond Springs Market Area is 0.7 percent for multifamily housing, and 0.0 percent for income-restricted developments. Furthermore, the existing developments maintain a waiting list that is six months to three years long should a unit become available. Additionally, permitting for multifamily developments only represents 1.1 percent of all building permits issued since 2009. Finally, the projected number of units that will be in demand for extremely low/low-income households in 2022 (the year the property will be ready for occupancy) will be 291 units.

Considering the long waitlists and virtually no vacancies coupled with a short supply of upcoming multifamily developments with income restrictions, the need for project-based assistance cannot be understated. The number of households in need is set to increase and many presently are still on waiting lists, therefore this funding is integral to the financial success of the proposed development and the future well-being of the local community who need access to safe and affordable housing now.

El Dorado Haven

B-14

Site Control

Attached is the Option Agreement between Mercy Housing California, the applicant and developer, and El Dorado County Federated Church, the current land owner. As described herein, the land is to be donated for the project, with compensation limited to minimal holding costs. The cost of the land is shown in the development budget based on a current appraisal. This paper only "cost" is offset by a "source" of funding shown as the land donation. Also attached herein is a recent preliminary title report showing El Dorado County Federated Church as the current fee title owner of the property.

REAL ESTATE OPTION AGREEMENT

(APN 331-301-171)

This REAL ESTATE OPTION AGREEMENT (the "Agreement") is effective as of August 19, 2019 (the "Agreement Date"), by and between Mercy Housing California, a California nonprofit public benefit corporation (the "Buyer") and El Dorado County Federated Church, a non-profit religious corporation (the "Seller").

RECITALS

- A. Seller is the fee owner of the Property (defined in Section 2 below).
- B. Buyer is seeking a donation of the Property from Seller in connection with its intent to develop and operate the Property as a low-cost housing project (the "Project").
- C. Buyer and Seller desire that, subject to the satisfaction of the conditions precedent contained in this Agreement, Seller transfer its right, title and interest in and to the Property to Buyer.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **OPTION TO PURCHASE.** Seller hereby grants to Buyer an exclusive option ("Option") to purchase the Property (defined below) in connection with the Project and subject to the terms and conditions contained in this Agreement.
2. **PROPERTY DESCRIPTION.** The "Property" is that certain real property located in the unincorporated area in the county of El Dorado, California, more particularly described in Exhibit A attached hereto and incorporated herein by this reference.
3. **TERM OF OPTION.** The rights conferred upon Buyer shall commence on the Agreement Date, and shall automatically terminate, without any further action of either party hereto, at five o'clock p.m. (5:00 p.m.) on the date which is thirty (30) days after : (i) the date on which Buyer has received financing for the purchase and development of the Property, and (ii) all governmental approvals for the development of the Property, but in no event later than twenty-four (24) months after the Agreement Date ("Option Term").
4. **OPTION PAYMENT.** In consideration for the grant of the Option, concurrently with Buyer's execution of this Agreement, Buyer shall pay to Seller One Dollar (\$1.00) ("Option Payment"), which amount shall be nonrefundable to Buyer and applicable to the Purchase Price.

5. **EXERCISE OF OPTION.** Buyer shall exercise the Option no later than the expiration of the Option Term. Buyer shall exercise the Option by Buyer's delivery of written notice to Seller and the Title Company. The date of Buyer's written notice shall be the "Option Exercise Date."
6. **DUE DILIGENCE MATERIALS.** Concurrently with the execution hereof, Seller shall deliver or make available to Buyer all non-confidential, non-proprietary documents and materials in its possession relating to the ownership or operation of the Property.
7. **PURCHASE AGREEMENT; CLOSING.** During the Option Term, the parties shall negotiate in good faith a purchase and sale agreement for the Property ("Purchase Agreement") which will include the specific terms for Buyer's purchase of the Property. Buyer shall prepare the initial draft of the Purchase Agreement. The parties shall use good faith, diligent efforts to finalize the Purchase Agreement during the Option Term and to execute the Purchase Agreement immediately following the Option Exercise Date. The Purchase Agreement shall include the following terms, together with such other terms as are mutually acceptable to the parties:
 - a) The Purchase Price shall be One Dollar (\$1.00);
 - b) At close of escrow, Buyer shall pay for 100% of title and escrow costs and shall reimburse to Seller up to \$25,000 of any Seller-paid County Property Taxes and other typical holding costs it has incurred to date.
8. **ENTRY AND INSPECTION.** During the Option Term, Buyer and its agents and representatives shall be entitled to enter onto the Property to perform appraisals, inspections and tests of the Property, including invasive testing, as reasonably necessary to satisfy the requirements of proposed lenders or investors providing financing for the acquisition or development of the Property. After making such tests and inspections, Buyer shall promptly restore the Property to its condition prior to such tests and inspections. Buyer shall defend, indemnify and hold harmless Seller from all losses, costs, liabilities, claims, and expenses (including reasonable attorneys' fees), of any kind or nature whatsoever, incurred, suffered by, or claimed against the Seller, its directors, officers, employees, and agents by reason of any actual damage to the Property or injury to any persons caused by Buyer and/or its agents, employees or contractors in exercising said inspection rights.
9. **SELLER'S OPERATION OF THE PROPERTY DURING THE OPTION TERM.** During the Option Term, Seller shall continue to operate and maintain the Property according to its customary property management practices, provided that Seller may not enter into any lease, occupancy, or other agreement which may affect the Property or modify the terms of any existing lease or occupancy agreement without the prior written consent of Buyer, which Buyer may give or withhold in its sole and absolute discretion.

10. **UNIFORM RELOCATION ACT COMPLIANCE.** During the Option Term, Buyer may perform any required actions in order to comply with the Uniform Relocation Assistance and Real Property Acquisition Policy Act (URA) for the Project (“Relocation Obligations”). Seller agrees that Buyer shall have access to, and the right to contact and interview, residents, both during the Option Term and following Buyer’s exercise of the Option, and that Buyer may collect detailed information about the income and replacement housing needs of each existing resident at the Property being displaced by the development who was residing at the Property as of the Agreement Date (“Displaced Residents”). Buyer may provide a General Information Notice to residents during the Option Term. Following Buyer’s exercise of the Option, Buyer may provide the following notices to each Displaced Resident:

- (a) a General Information Notice;
- (b) a Notice of Relocation Eligibility;
- (c) a 90-day Notice; and
- (d) any other notice required in order to comply with the URA or as set forth in HUD Handbook 1378 (“URA Handbook”).

Buyer shall pay for any and all costs associated with the relocation of the Displaced Residents.

11. **MEMORANDUM OF AGREEMENT; QUITCLAIM.**

- (a) Promptly following execution of this Agreement, the parties shall execute and record in the Official Records of El Dorado County a memorandum of this Agreement against the Property in the form attached hereto as Exhibit B and incorporated herein by this reference (“Memorandum”), subject to any encumbrances then of record. Seller is responsible for obtaining any consents or approvals required as a condition of such recordation.
- (b) The Option will automatically terminate and be of no further force or effect, and the Memorandum shall terminate and be removed as a lien on the Property, and a quitclaim in the form attached hereto as Exhibit C and incorporated herein by this reference (“Quitclaim”) shall be recorded on the earlier of (i) the date of the closing of the purchase of the Property by Buyer, if the Option is exercised, or (ii) the date of expiration or earlier termination of the Option Term. Escrow shall need no further instructions to record the Quitclaim other than evidence of the satisfaction of either (i) or (ii) above.

12. **ASSIGNMENT.** Buyer may, with written notice to Seller, assign this Agreement (“Permitted Assignment”) to an affiliated nonprofit public benefit corporation or limited

liability company, or to a limited partnership of which an affiliated nonprofit public benefit corporation or limited liability company is the general partner (“Permitted Assignee”), and only to the extent the Permitted Assignee continues to pursue the Project. In the event of a Permitted Assignment, all of their terms, conditions, and obligations of this Agreement shall be binding upon and shall inure to the benefit of Permitted Assignee. No assignment shall relieve the assigning party of any of its obligations hereunder. Buyer shall not otherwise assign, transfer or convey its rights and/or obligations under this Agreement and/or with respect to the Property without the prior written consent of Seller, which consent Seller may withhold in its reasonable discretion.

13. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, facsimile or electronic mail, shall be deemed received upon the earlier of (a) if personally delivered, the date of delivery to the address of the person to receive such notice, (b) if mailed, three (3) business days after the date of posting by the United States post office, (c) if given by electronic mail or facsimile, when sent (if sent before 5:00 p.m. on a business day, otherwise on the next business day), or (d) if delivered by overnight delivery, one (1) business day after mailing. Any notice, request, demand, direction or other communication sent by electronic mail must be confirmed within by letter mailed or delivered in accordance with the foregoing.

To Seller: El Dorado County Federated Church
1031 Thompson Way
Placerville, CA 95667
Attn: Sharon Fraser, Council Chair
Email: federatedchurchcouncil@gmail.com

With a copy to: Becker Nelson Center & James
263 Main Street, Level 2
Placerville, CA 95667
Attn: Kevin A. James
Email: kjames@bncj-law.com

Buyer: Mercy Housing California
2512 River Plaza Drive, Ste 200
Sacramento, CA 95833
Attn: Stephan Daues
Email: sdaues@mercyhousing.org

With a copy to: Gubb & Barshay LLP
505 14th Street, Suite 450
Oakland, CA 94612
Attn: Evan Gross
Telephone: (415) 781-6600
Email: egross@gubbandbarshay.com

14. **MODIFICATION.** No modification, variation or amendment of this Agreement shall be effective unless it is in writing and is signed by all parties to this Agreement.
15. **ENTIRE AGREEMENT.** This Option Agreement contains the entire agreement between the parties and supersedes all prior agreements, with respect to the subject matter, and no warranties, agreements or representations have been made or shall be binding upon either party unless expressly set forth therein.
16. **CONSTRUCTION.** This Agreement shall be construed according to the laws of the State of California.
17. **DISPUTE RESOLUTION.** The parties shall attempt to resolve any disputes under this Agreement through mediation. Any and all controversies or claims arising out of or relating to this Agreement which cannot be resolved by mediation shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association and judgment on the award rendered by the arbitrator or arbitrators shall be entered in any court having jurisdiction thereof. The arbitration shall take place in El Dorado County, California.
18. **ATTORNEY FEES.** In the event that suit is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney fees.
19. **AUTHORITY.** Each party has full power and authority to execute this Agreement and perform its respective obligations hereunder.
20. **COUNTERPARTS.** This Agreement may be executed in counterparts.

Remainder of Page Intentionally Left Blank;

Signatures on Following Page

EXHIBIT "B" TO REAL ESTATE OPTION AGREEMENT
MEMORANDUM OF REAL ESTATE OPTION AGREEMENT

Title Report

Mercy Housing

Attn: Stephan Daues
Your Ref No.:

Escrow Officer: Sara Rewinkle
Email: Sara.Rewinkle@fnf.com
File No.: FSSE-0101900210-MC
Escrow No.: FSSE-0101900210 -SR

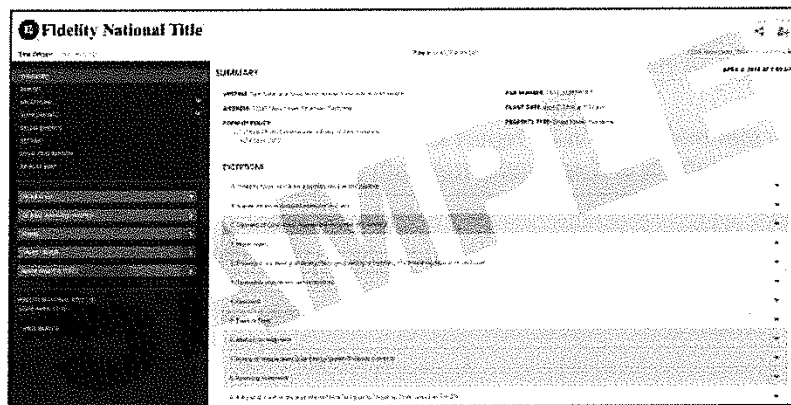
Property Address: See APN Please, El Dorado, CA

Introducing LiveLOOK

LiveLOOK title document delivery system is designed to provide 24/7 real-time access to all information related to a title insurance transaction.

Access title reports, exception documents, an easy-to-use summary page, and more, at your fingertips and your convenience.

[To view your new Fidelity National Title LiveLOOK report, Click Here](#)



Effortless, Efficient, Compliant, and Accessible

 **Fidelity National Title Company**

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

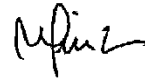
The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Fidelity National Title Insurance Company, a Florida corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Fidelity National Title Insurance Company

By:



President

Attest:



Secretary

Countersigned By:



Authorized Officer or Agent



Visit Us on our Website: www.fntic.com



ISSUING OFFICE: 2150 John Glenn Drive, Suite 400, Concord, CA 94520

FOR SETTLEMENT INQUIRIES, CONTACT:

Fidelity National Title Company
8525 Madison Avenue, Suite 110 • Fair Oaks, CA 95628
(916)646-6018 • FAX (916)962-9243

***Another Prompt Delivery From Fidelity National Title Company Title Department
Where Local Experience And Expertise Make A Difference***

PRELIMINARY REPORT

Update C

Title Officer: Mark Clayton
Email: Mark.Clayton@titlegroup.fntg.com
Title No.: FSSE-0101900210-MC

Escrow Officer: Sara Rewinkle
Email: Sara.Rewinkle@fnf.com
Escrow No.: FSSE-0101900210 -SR

TO: Mercy Housing

Attn: Stephan Daues
Your Ref No.:

PROPERTY ADDRESS(ES): See APN Please, El Dorado, CA

EFFECTIVE DATE: August 25, 2020 at 12:00 AM

The form of policy or policies of title insurance contemplated by this report is:

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee as to Parcel One and Easement as to Parcel Two

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

El Dorado County Federated Church, a Non-Profit Religious Corporation

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 331-301-017-000

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF EL DORADO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE

PARCEL 1, as said Parcel is shown on that certain Parcel Map filed March 24, 2006 in the Office of the County Recorder of said County in Book 49 of Parcel Maps, at Page 50.

PARCEL TWO:

An Non-Exclusive Easement for Road and Public Utility Purposes over, and under as reserved in that certain "Grant Deed" recorded April 6, 2006, in Instrument No. 2006-0023184, of Official Records

AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2020-2021
2. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
3. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

4. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: The Pacific Telephone and Telegraph Company, a corporation
Purpose: Communication Facilities
Recording Date: November 27, 1927
Recording No.: Book 107, Page 350, of Official Records

5. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: The Pacific Telephone and Telegraph Company, a corporation
Purpose: Underground Communication Facilities
Recording Date: August 27, 1931
Recording No.: Book 123, Page 53, of Official Records

6. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: El Dorado Irrigation District, an irrigation district
Purpose: Water Pipes
Recording Date: January 17, 1964
Recording No.: Book 672, Page 455, of Official Records

7. Matters contained in that certain document

Entitled: EXTENSION OF FACILITIES AGREEMENT
Dated: September 12, 1984
Executed by: El Dorado Irrigation District and Farnworth Lumber Inc.
Recording Date: September 17, 1984
Recording No.: Book 2344, Page 746, of Official Records

Reference is hereby made to said document for full particulars.

and Recording Date: September 17, 1984
and Recording No.: Book 2344, Page 749, of Official Records

EXCEPTIONS
(continued)

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract/plat;

Purpose: Road and Utility Easement for Access
Affects: as shown on map
Recording No.: Book 49 of Parcel Maps, at Page 50

9. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Snowline Hospice of El Dorado County, a California non-profit corporation
Purpose: Road and Public Utility Easements
Recording Date: April 6, 2006
Recording No.: Instrument No. 2006-0023184, of Official Records

10. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: El Dorado Irrigation District
Purpose: Sewer Pipelines
Recording Date: December 11, 2006
Recording No.: Instrument No. 2006-0084871, of Official Records

11. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: El Dorado Irrigation District
Purpose: Sewer Pipelines
Recording Date: June 29, 2007
Recording No.: Instrument No. 2007-0043105, of Official Records

12. An option to purchase said Land with certain terms, covenants, conditions and provisions as set forth therein.

Optionor: El Dorado County Federated Church, a non-profit religious corporation
Optionee: Mercy Housing California, a California nonprofit public benefit corporation
Disclosed by: Memorandum of Real Estate Option Agreement
Recording Date: September 17, 2019
Recording No.: Instrument No. 2019-0038859, of Official Records

13. Water rights, claims or title to water, whether or not disclosed by the public records.

14. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

EXCEPTIONS
(continued)

15. This Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below.

Name of Corporation: El Dorado County Federated Church, a Non-Profit Religious corporation

- a. A copy of the corporation By-laws and Articles of Incorporation.
- b. An original or certified copy of the resolution authorizing the subject transaction, together with a Certificate of Compliance pursuant to Section 5912 or 7912 Corporations Code.
- c. If the Articles and/or By-laws require approval by a "parent" organization, a copy of those By-laws and Articles of Incorporation is required.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

16. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.
17. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF EXCEPTIONS

NOTES

- Note 1.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
- Note 2.** Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.
- Note 3.** Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
- Note 4.** Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
- Note 5.** Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
- Note 6.** Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:

Tax Identification No.: 331-301-017-000
Fiscal Year: 2019-2020
1st Installment: \$953.58
2nd Installment: \$953.58
Land: \$175,247.00
Improvements: \$0.00
Code Area: 078-103

Note 7. Note: The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.

Note 8. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

Name(s) furnished: Mercy Housing

If these name(s) are incorrect, incomplete or misspelled, please notify the Company.

NOTES
(continued)

- Note 9.** Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
- Note 10.** Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

END OF NOTES



Inquire before you wire!

WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Effective April 9, 2020

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice. We may use comments or feedback that you submit to us in any manner without notice or compensation to you.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests to privacy@fnf.com, by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

**ATTACHMENT ONE
(CONTINUED)**

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [(or T)] this policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

[PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

**ATTACHMENT ONE
(CONTINUED)**

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]
7. [Variable exceptions such as taxes, easements, CC&R's, etc., shown here.]

**ATTACHMENT ONE
(CONTINUED)**

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY - ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies

CTC - Chicago Title Company
CLTC - Commonwealth Land Title Company
FNTC - Fidelity National Title Company of California
FNTCCA - Fidelity National Title Company of California
TICOR - Tigor Title Company of California
LTC - Lawyer's Title Company
SLTC - ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC - Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
FNTIC - Fidelity National Title Insurance Company
FNTIC - Fidelity National Title Insurance Company
CTIC - Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
CTIC - Chicago Title Insurance Company

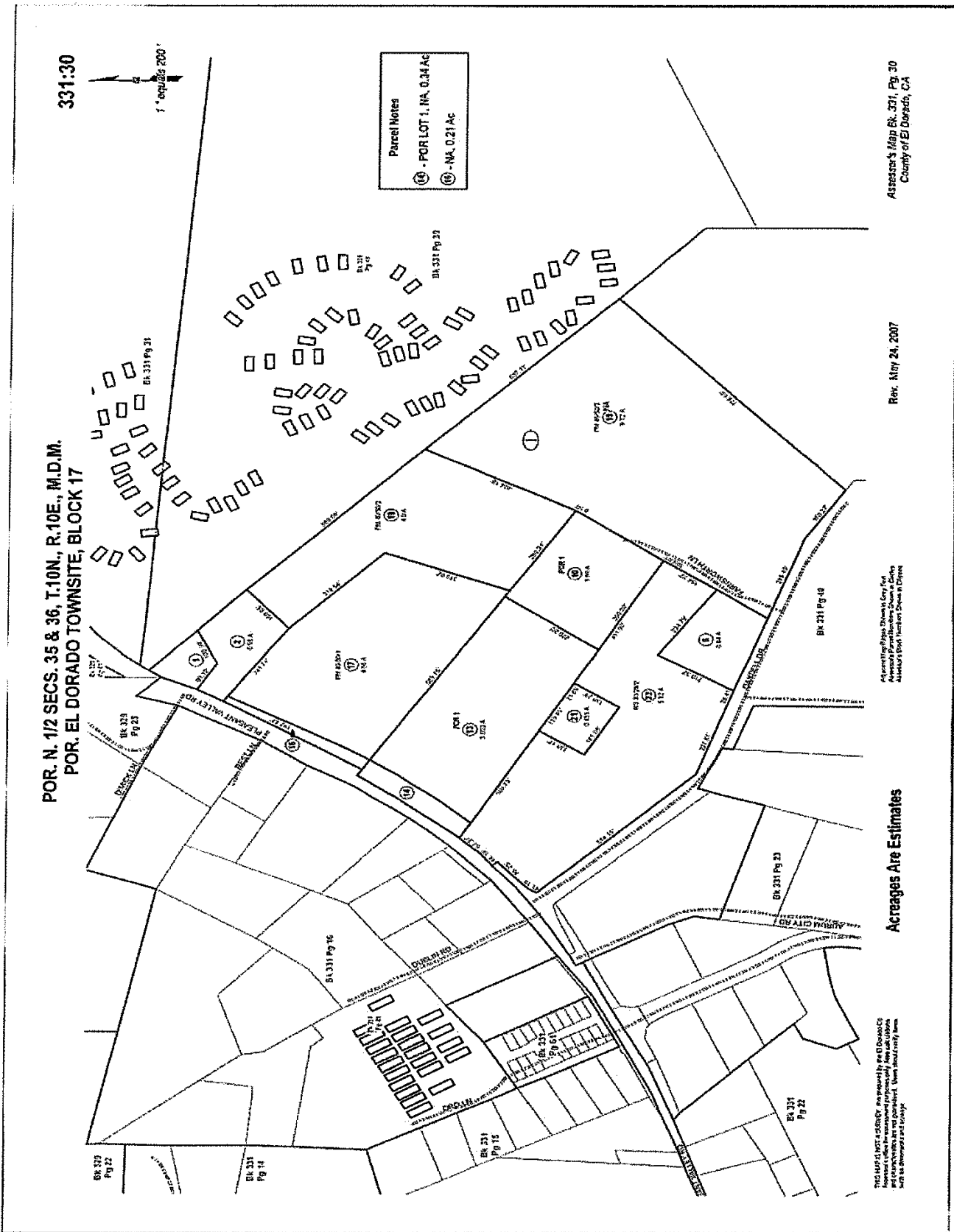
Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty percent (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.



POR. N. 1/2 SECS. 35 & 36, T.10N., R.10E., M.D.M.
 POR. EL DORADO TOWNSITE, BLOCK 17

331:30

1" equals 200'

Parcel Notes
 (M) - POR LOT 1, 1/4, 0.34 AC
 (N) - NA, 0.21 AC

Assessor's Map BK. 331, Pg. 30
 County of El Dorado, CA

Rev. May 24, 2007

Assessor's Map BK. 331, Pg. 30
 County of El Dorado, CA

Acresages Are Estimates

THIS MAP IS NOT A SURVEY. It is prepared by the D. Douglas Co. and is not intended to be used as a legal document. It is not intended to be used as a legal document. It is not intended to be used as a legal document.

This map/plot is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

El Dorado Haven

C-4

Most recent audited financial statement for a similar project

Attached is the 2018/19 audit for Trailside Terrace, Mercy Housing's 40 unit tax credit, HOME, CDBG, and MHSa financed development built in 2013.

**Mercy Housing California 55,
a California Limited Partnership,
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Reports**

December 31, 2019 and 2018



**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

Index

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Balance Sheets	4
Statements of Operations	6
Statements of Partners' Equity (Deficit)	7
Statements of Cash Flows	8
Notes to Financial Statements	10
Supplementary Information	
Supplementary Information Required by the California Housing Finance Agency	21
Managing Agent's Certification	32
Certification of General Partner	33
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34
Summary of Audit Findings and Recommendations	36

Independent Auditor's Report

To the General Partner,
Mercy Housing California 55, a California Limited Partnership

Report on the Financial Statements

We have audited the accompanying financial statements of Mercy Housing California 55, a California Limited Partnership, CalHFA No. 11003M, which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations, partners' equity (deficit) and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mercy Housing California 55, a California Limited Partnership, as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 21 to 31 is presented for purposes of additional analysis as required by the California Housing Finance Agency ("CalHFA") and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020, on our consideration of Mercy Housing California 55, a California Limited Partnership's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mercy Housing California 55, a California Limited Partnership's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mercy Housing California 55, a California Limited Partnership's, internal control over financial reporting and compliance.



Charlotte, North Carolina
March 19, 2020

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Balance Sheets
December 31, 2019 and 2018**

Assets

	2019	2018
Current assets		
Cash - operations	\$ 22,595	\$ 3,373
Tenant accounts receivable	1,369	1,286
Accounts receivable - subsidy	176	1,002
Accounts and notes receivable - operations	14,450	12,000
Prepaid expenses	10,361	9,816
Total current assets	48,951	27,477
Deposits held in trust - funded		
Tenant deposits	22,929	26,816
Restricted deposits and funded reserves		
Escrow deposits	33,968	44,962
Reserve for replacements	92,941	99,159
Other reserves	135,834	135,774
Total restricted deposits and funded reserves	262,743	279,895
Rental property		
Land	1,483,689	1,483,689
Buildings	10,313,967	10,304,019
Furnishings	202,287	193,052
	11,999,943	11,980,760
Less accumulated depreciation	(2,136,888)	(1,817,880)
Total rental property	9,863,055	10,162,880
Other assets		
Deferred tax credit fees, net	22,795	25,675
Total other assets	22,795	25,675
Total assets	\$ 10,220,473	\$ 10,522,743

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Balance Sheets
December 31, 2019 and 2018**

Liabilities and Partners' Equity (Deficit)

	2019	2018
Current liabilities		
Accounts payable - operations	\$ 21,111	\$ 20,281
Accounts payable - entity	44,542	32,542
Accrued wages payable	5,344	1,524
Accrued interest payable - first mortgage	1,151	1,239
Mortgage payable - first mortgage (short-term)	20,768	19,680
Prepaid revenue	1,290	782
	94,206	76,048
Deposits liability		
Tenant deposits held in trust (contra)	25,424	26,316
	25,424	26,316
Long-term liabilities		
Mortgage payable - first mortgage	102,647	115,205
Other mortgages payable (long-term)	4,405,739	4,405,739
Accrued interest payable - other loans/notes	796,171	675,699
	5,304,557	5,196,643
Total long-term liabilities	5,304,557	5,196,643
Total liabilities	5,424,187	5,299,007
Contingency	-	-
Partners' equity (deficit)	4,796,286	5,223,736
Total liabilities and partners' equity (deficit)	\$ 10,220,473	\$ 10,522,743

See Notes to Financial Statements.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Statements of Operations
Years Ended December 31, 2019 and 2018**

	2019	2018
Income		
Gross potential rent	\$ 373,503	\$ 325,744
Less vacancies and concessions	(40,157)	(4,443)
Net rental income	333,346	321,301
Interest income	120	161
Other income		
Miscellaneous	16,767	8,621
Total income	350,233	330,083
Operating expenses		
Administrative	109,021	85,892
Utilities	53,136	52,589
Operating and maintenance	74,689	105,691
Taxes and insurance	37,367	36,290
Nursing home/assisted living/board and care/other elderly care expenses	24,324	23,604
Total operating expenses	298,537	304,066
Net operating income (loss)	51,696	26,017
Financial, partnership and other expenses		
Depreciation	319,008	331,816
Amortization	2,880	2,879
Financial (including interest of \$142,987 and \$144,022, respectively)	145,258	146,293
Asset management fee	3,500	3,500
Partnership management fee	8,500	8,500
Total financial, partnership and other expenses	479,146	492,988
Net income (loss)	\$ (427,450)	\$ (466,971)

See Notes to Financial Statements.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Statements of Partners' Equity (Deficit)
Years Ended December 31, 2019 and 2018**

	Sunset Lane Apartments LLC	EHCF	EHCF2	Total
Partners' equity (deficit) December 31, 2017	\$ (256)	\$ 3,187,698	\$ 2,504,621	\$ 5,692,063
Distributions	-	(759)	(597)	(1,356)
Net income (loss)	<u>(46)</u>	<u>(261,478)</u>	<u>(205,447)</u>	<u>(466,971)</u>
Partners' equity (deficit) December 31, 2018	(302)	2,925,461	2,298,577	5,223,736
Net income (loss)	<u>(43)</u>	<u>(239,348)</u>	<u>(188,059)</u>	<u>(427,450)</u>
Partners' equity (deficit) December 31, 2019	<u>\$ (345)</u>	<u>\$ 2,686,113</u>	<u>\$ 2,110,518</u>	<u>\$ 4,796,286</u>
Partners' percentage of income (losses)	<u>0.0100%</u>	<u>55.9944%</u>	<u>43.9956%</u>	<u>100.0000%</u>

See Notes to Financial Statements.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Statements of Cash Flows
Years Ended December 31, 2019 and 2018**

	2019	2018
Cash flows from operating activities		
Rental receipts	\$ 323,465	\$ 299,813
Interest receipts	120	161
Other operating receipts	16,767	8,621
Total receipts	340,352	308,595
Administrative expenses paid	(40,531)	(35,479)
Management fees paid	(21,600)	(21,600)
Utilities paid	(52,687)	(51,876)
Salaries and wages paid	(58,581)	(44,762)
Operating and maintenance paid	(50,608)	(88,810)
Real estate taxes paid	(1,731)	(1,731)
Property insurance paid	(21,115)	(16,815)
Miscellaneous taxes and insurance paid	(1,326)	(1,533)
Net tenant security deposits received (paid)	(892)	313
Other operating expenses paid	(37,571)	(37,108)
Interest paid on first mortgage	(14,393)	(15,423)
Interest paid on other mortgages	-	(1,356)
Miscellaneous financial expenses paid	(2,271)	(2,271)
Entity/construction expenses paid (include detail)		
Investor services fee paid	-	(7,000)
Total disbursements	(303,306)	(325,451)
Net cash provided by (used in) operating activities	37,046	(16,856)
Cash flows from investing activities		
Net change in mortgage escrows	10,994	168,920
Net change in reserve for replacements	6,218	(8,965)
Net change in other reserves	(60)	12,287
Net purchases of fixed assets	(19,183)	(205,951)
Entity/construction investing activities (include detail)		
Accounts payable - construction/development	-	(3,132)
Net cash used in investing activities	(2,031)	(36,841)
Cash flows from financing activities		
Mortgage principal payments - first mortgage	(19,680)	(18,650)
Distributions to partners	-	(1,356)
Net cash used in financing activities	(19,680)	(20,006)
Net increase (decrease) in cash and restricted cash	15,335	(73,703)
Cash and restricted cash, beginning	30,189	103,892
Cash and restricted cash, end	\$ 45,524	\$ 30,189

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Statements of Cash Flows
Years Ended December 31, 2019 and 2018**

	2019	2018
Reconciliation of net income (loss) to net cash provided by (used in) operating activities		
Net income (loss)	\$ (427,450)	\$ (466,971)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation	319,008	331,816
Amortization	2,880	2,879
Amortization of debt issuance costs	8,210	8,211
Bad debts	2,564	130
Changes in asset and liability accounts		
(Increase) decrease in assets		
Tenant accounts receivable	(2,647)	(12,533)
Accounts receivable - other	(1,624)	(1,002)
Prepaid expenses	(545)	2,847
Increase (decrease) in liabilities		
Accounts payable	830	(1,528)
Accrued liabilities	3,820	(5,665)
Accrued interest payable	120,384	119,032
Tenant security deposits held in trust	(892)	313
Prepaid revenue	508	615
Entity/construction liability accounts (include detail)		
Partnership administrative fee	8,500	8,500
Investor services fee payable	3,500	(3,500)
Total adjustments	464,496	450,115
Net cash provided by (used in) operating activities	\$ 37,046	\$ (16,856)

See Notes to Financial Statements.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Notes to Financial Statements
December 31, 2019 and 2018**

Note 1 - Organization and nature of operations

Mercy Housing California 55, a California Limited Partnership (the "Partnership") was formed on October 14, 2011 for the purpose of developing, owning, constructing and operating a 40-unit apartment complex operating under the name of Trailside Terrace (the "Project"), located in Shingle Springs, California.

The General Partner is Sunset Lane Apartments LLC, a California Limited Liability Company, ("SLA"). The Limited Partner was Wincopin Circle LLLP ("WC"), a Maryland Limited Liability Limited Partnership. On March 23, 2012, the WC was admitted as the Limited Partner.

Subsequently on December 21, 2012, WC assigned a 55.9944% limited partner interest to Enterprise Housing CalGreen Fund, L.P. ("EHCG") and a 43.9956% limited partner interest to Enterprise Housing CalGreen II Fund, L.P. ("EHCG2"), both Maryland limited partnerships, collectively, the limited partners.

The respective ownership interests are as follows:

Entity	Role	Ownership
SLA	General Partner	0.0100%
EHCG	Limited Partner	55.9944%
EHCG2	Limited Partner	43.9956%
		100.0000%

The Partnership has qualified for and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 ("Section 42"), which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. Each building of the Project must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the credits. The property was placed in service on August 6, 2013 and the credit was first taken in 2013. The credit allocation will be allowed annually in the amount of \$630,000 for ten years if the Project remains in compliance.

The Partnership has also qualified for and been allocated state low-income housing tax credits. The credit allocation will be allowed annually in the amount designated by the State of California for four years if the Project remains in compliance. The total amount allocated will be \$2,100,000. The credit was first taken in 2013.

Based upon the terms of the partnership agreement, the Partnership shall remain in effect until December 31, 2086.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Notes to Financial Statements
December 31, 2019 and 2018**

Note 2 - Summary of significant accounting policies

Cash equivalents

For purposes of the statements of cash flows, the Partnership considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Tenant receivable

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Rental property

Rental property is carried at cost. Expenditures for maintenance and repairs are charged to expense as incurred. Major renewals and betterments are capitalized.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives under the straight-line method.

	<u>Estimated useful lives</u>
Building and improvements	15 - 40 years
Furniture, fixtures and equipment	3 - 7 years

Impairment of long-lived assets

The Partnership reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended December 31, 2019 and 2018.

Tax credit monitoring fees

Deferred tax credit monitoring fees are being amortized over 15 years using the straight-line method.

Total tax credit fees as of December 31, 2019 and 2018 are \$43,190. Amortization expense related to tax credit fees for the years ended December 31, 2019 and 2018 was \$2,880 and \$2,879, respectively. The accumulated amortization related to tax credit fees as of December 31, 2019 and 2018 is \$20,395 and \$17,515, respectively.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Notes to Financial Statements
December 31, 2019 and 2018**

Estimated amortization expense related to tax credit fees for each of the ensuing years through December 31, 2024 and thereafter is as follows:

2020	\$	2,879
2021		2,879
2022		2,879
2023		2,879
2024		2,879
Thereafter		<u>8,400</u>
Total	\$	<u>22,795</u>

Rental income

Rental income is recognized as rentals become due. Advance receipts of rental income are deferred and classified as liabilities until earned. All leases between the Partnership and tenants of the property are operating leases.

Advertising costs

The Partnership's policy is to expense advertising costs when incurred.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Income taxes

The Partnership has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. Income tax returns filed by the Partnership are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2016 remain open.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Notes to Financial Statements
December 31, 2019 and 2018**

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation.

Change in accounting principles

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"). Effective January 2019, the Partnership adopted ASU 2014-09 on a retrospective basis. The modifications under ASU 2014-09 were applied to all of the Partnership's contracts with customers. No practical expedients were applied. The majority of the Partnership's revenue is derived from leases with tenants of the Property generally for terms of one year or less, which are accounted for in accordance with *Leases (Topic 840)*. Therefore, adoption of ASU 2014-09 had no impact on the recognition of rental revenue of the Property during the periods presented or on the opening balances of partners' equity as of January 1, 2019 and 2018.

In November 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-18 *Statement of Cash Flows (Topic 230) - Restricted Cash* ("ASU 2016-18") to address diversity in practice with respect to the cash flows presentation of changes in amounts described as restricted cash and cash equivalents. ASU 2016-18 requires a reporting entity to include amounts described as either restricted cash or restricted cash and cash equivalents (collectively referred to as "restricted cash" herein) when reconciling beginning and ending balances in its statement of cash flows. The update also amends Topic 230 to require disclosures about the nature of restricted cash and provide a reconciliation of cash, cash equivalents and restricted cash between the balance sheet and the statement of cash flows. ASU 2016-18 was adopted retrospectively during the year ended December 31, 2019. Consequently, ending cash, cash equivalents and restricted cash as of December 31, 2018 was increased from \$3,373 to \$30,189. Additionally, ending cash, cash equivalents and restricted cash as of December 31, 2017 increased from \$77,389 to \$103,892.

Note 3 - Restricted escrow deposits and reserves

Operating reserve

In accordance with first amended and restated agreement of limited partnership, the Partnership is required to establish an operating reserve in the initial amount of \$73,968 from the third installment of the Limited Partners' capital contribution. At the time of the sixth installment of the Limited Partners' capital contribution, projected to be made in 2021, an additional \$73,782 is required to be funded. The operating reserve is now fully funded. Any operating reserve withdraw must be replenished from available surplus cash the following year.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Notes to Financial Statements
December 31, 2019 and 2018**

The activity for the years ended December 31, 2019 and 2018 was as follows:

	2019	2018
Balance, January 1	\$ 135,774	\$ 148,061
Interest earnings	60	161
Withdrawals	-	(12,000)
Fees	-	(150)
Other	-	(298)
	\$ 135,834	\$ 135,774

In 2018, an operating reserve withdrawal in the amount of \$12,000 was submitted and approved. However, the funds were not deposited until 2019.

Replacement reserve

In accordance with the first amended and restated agreement of limited partnership, the Partnership is required to establish a replacement reserve. The reserve is to be funded beginning the second full month after the completion date, in the amount of \$600 per unit per year, prorated for a partial year. In 2019, a replacement reserve withdrawal in the amount of \$14,450 was submitted and approved; however, the funds were not deposited until 2020. The withdrawal amount also includes a \$2,300 draw from the mortgagee ("PNA") for a physical need assessment.

The activity for the years ended December 31, 2019 and 2018 was as follows:

	2019	2018
Balance, January 1	\$ 99,159	\$ 90,194
Deposits	24,000	24,124
Interest earnings	60	-
Withdrawals	(30,278)	(15,159)
	\$ 92,941	\$ 99,159

Services reserve

In accordance with the first amended and restated agreement of limited partnership, the Partnership is required to establish a services reserve in the initial amount of \$23,032 from the fifth installment of the Limited Partners' capital contribution.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Notes to Financial Statements
December 31, 2019 and 2018**

The activity for the years ended December 31, 2019 and 2018 was as follows:

	2019	2018
Balance, January 1	\$ 23,032	\$ 23,032
Balance, December 31	\$ 23,032	\$ 23,032

Escrow deposits

The Partnership established a construction escrow in order to fund the development costs. In 2018, the Partnership withdrew the entire balance of the escrow to pay for a fire lane that has been in process since 2016. The escrow was held with Citibank, the construction loan lender. The Project has an insurance escrow balance of \$10,936 and \$21,930, respectively, at December 31, 2019 and 2018 which is included in escrow deposits on the balance sheets.

Tenant security deposits

The Partnership is required to hold security deposits in a separate bank account in the name of the Project.

Note 4 - Related party transactions

Management fee

The Project is managed by Mercy Housing Management Group ("MHM"), an affiliate of the General Partner, according to a management agreement. The management fee is equal \$45 per unit per month for the years ended December 31, 2019 and 2018. For each of the years ended December 31, 2019 and 2018, \$21,600 of management fees have been charged to operations. The management agent also receives \$12.50 and \$10.50, respectively, per unit per month for accounting and bookkeeping fees. For the years ended December 31, 2019 and 2018, \$6,000 and \$5,040 of accounting and bookkeeping fees have been charged to operations each year. Personnel working at the Property are employees of MHM. The Partnership reimburses MHM for the actual salaries and related benefits, as reflected in the accompanying financial statements. For the years ended December 31, 2019 and 2018, respectively, the Partnership owes MHM \$413 and \$0 for expenses paid on behalf of the Partnership, which is included in accounts payable.

The management agent pays certain operating expenses on behalf of the Project each month and is to be reimbursed the following month.

The compensation paid to the management agent in excess of 5% of the Owner's effective gross income for any calendar month shall be deferred and paid out of the Owner's Cash Flow as defined in the Owner's First Amended and Restated Limited Partnership Agreement ("LPA") in the priority shown on Exhibit A-4 to the LPA to the extent the payment of such compensation would cause or increase an operating deficit, as defined by the LPA, of the owner.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Notes to Financial Statements
December 31, 2019 and 2018**

Related party line of credit

The Partnership entered into a Line of Credit with Mercy Housing California ("MHC"), an affiliate of the General Partner, in the amount of \$675,000. The loan shall bear interest at an annual rate equal to the weighted average cost of funds for MHI plus 2.0 percent. At December 31, 2019 and 2018, the rate was 5.00 and 5.00 percent, respectively. The loan matures on December 31, 2020, but can be automatically renewed for one year. As of December 31, 2019 and 2018, no amount remains payable.

Investor services fee

The investor services agreement requires the Partnership to pay the Limited Partners an investor services fee totaling \$3,500. The fee is to be paid for services related to the operation of the Partnership. The fee is paid from cash flow and does accrue. For the years ended December 31, 2019 and 2018, \$3,500 and \$3,500, respectively, has been charged to operations. As of December 31, 2019 and 2018, \$7,000 and \$3,500, respectively, remains payable.

Insurance coverage

All insurance coverage is provided through an arrangement with Mercy Housing, Inc. ("MHI"), an affiliate of the General Partner, which, in turn, contracts its insurance coverage through a market-based placements program. MHI carries a replacement cost blanket policy for investments in building, personal property and business interruption. Additional coverage is provided for various other business risks, including flood, general liability and directors and officer's risk.

Resident services

The Partnership signed a contract with MHC to provide supportive programs that improve the economic status of the residents, transforms neighborhoods and stabilizes the lives of the tenants free of charge. For the years ended December 31, 2019 and 2018, \$24,307 and \$23,604, respectively, was charged to the Partnership and is included in miscellaneous administrative expenses on the statements of operations. As of December 31, 2019 and 2018, \$2,026 and \$0, respectively, is included in accounts payable.

Partnership administration fee

The partnership administration agreement requires the Partnership to pay the General Partner a partnership administration fee in the amount of \$8,500. The fee for the initial year is to be prorated for the number of months the Partnership has rental income. The fee is to be paid for services related to the administration of the Project. The fee is paid annually, does accrue, and is payable out of cash flows, as defined. For the years ended December 31, 2019 and 2018, \$8,500 and \$8,500, respectively, have been charged to the Partnership. As of December 31, 2019 and 2018, \$37,542 and \$29,042, respectively, remains payable.

Due to affiliates

For the years ending 2019 and 2018, the Partnership owes MHI \$78 and \$0, respectively, for expenses paid on behalf of the Partnership, which is included in accounts payable.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Notes to Financial Statements
December 31, 2019 and 2018**

Note 5 - Statements of cash flows

The following table provides a reconciliation of cash and restricted cash reported within the balance sheets that sum to the total of the same such amounts in the statements of cash flows.

	2019	2018
Cash	\$ 22,595	\$ 3,373
Deposits held in trust - funded	22,929	26,816
 Total cash and restricted cash shown in the statements of cash flows	 \$ 45,524	 \$ 30,189

Amounts included in restricted cash are comprised of security deposits held in trust for the future benefit of tenants upon moving out of the property as required by regulatory authority.

Note 6 - Mortgages payable

Mortgage loans payable with Citibank, N.A., County of El Dorado ("CDBG" and "HOME"), the California Housing Finance Agency ("CalHFA") and the Affordable Housing Program ("AHP") at December 31, 2019 and 2018 are as follows:

Lender Name	Citibank	HOME	CalHFA	CDBG	AHP	Total
Original amount	\$ 350,000	\$ 3,000,000	\$ 540,800	\$ 483,000	\$ 390,000	
Maturity date	7/31/2029	3/31/2067	3/1/2067	6/1/2068	7/1/2069	
Security/deed of trust	First	Second	Third	Fourth	Fifth	
Payment terms	Monthly	Cash flow	Cash flow	Cash flow	At maturity	
Interest rate	5.39%	3.00%	3.00%	3.00%	0.00%	
Imputed rate	20.79%	0.00%	0.00%	0.00%	0.00%	
Monthly principal and interest	\$ 2,839	\$ -	\$ -	\$ -	\$ -	
12/31/2019 Accrued interest	\$ 1,151	\$ 578,197	\$ 125,520	\$ 92,454	\$ -	\$ 797,322
12/31/2018 Accrued interest	\$ 1,239	\$ 488,402	\$ 109,333	\$ 77,964	\$ -	\$ 676,938
2019 Interest expense	\$ 22,515	\$ 89,795	\$ 16,187	\$ 14,490	\$ -	\$ 142,987
2018 Interest expense	\$ 23,550	\$ 89,795	\$ 16,187	\$ 14,490	\$ -	\$ 144,022
Principal payments due in the following years:						
2020	\$ 20,768	\$ -	\$ -	\$ -	\$ -	\$ 20,768
2021	21,915	-	-	-	-	21,915
2022	23,126	-	-	-	-	23,126
2023	24,404	-	-	-	-	24,404
2024	25,752	-	-	-	-	25,752
Thereafter	140,309	2,993,170	539,569	483,000	390,000	4,546,048
Outstanding balance, December 31, 2019	256,274	2,993,170	539,569	483,000	390,000	4,662,013
Unamortized debt issuance costs	(132,859)	-	-	-	-	(132,859)
Total, net of debt issuance costs	\$ 123,415	\$ 2,993,170	\$ 539,569	\$ 483,000	\$ 390,000	\$ 4,529,154
Outstanding balance, December 31, 2018	\$ 275,954	\$ 2,993,170	\$ 539,569	\$ 483,000	\$ 390,000	\$ 4,681,693
Unamortized debt issuance costs	(141,069)	-	-	-	-	(141,069)
Total, net of debt issuance costs	\$ 134,885	\$ 2,993,170	\$ 539,569	\$ 483,000	\$ 390,000	\$ 4,540,624

The Partnership's loans listed above are secured by the property and its improvements in the lien priority described above.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Notes to Financial Statements
December 31, 2019 and 2018**

Note 7 - Partners' capital contributions

As of December 31, 2019 and 2018, the General Partner is required to make total contributions of \$100. The Limited Partners are required to make total contributions of \$7,955,000 in installments. The Limited Partners made no contributions during the years ended December 31, 2019 and 2018. The Limited Partners are required to make additional contributions of \$73,782 in one installment.

Unless otherwise specified in the partnership agreement, profits, losses and tax credits are allocated 0.01 percent to the General Partner and 99.99 percent to the Limited Partners.

Note 8 - Concentration of credit risk

The Partnership maintains its cash balances in several accounts in various banks. At times, these balances may exceed the federal insurance limits; however, the Partnership has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at December 31, 2019.

Note 9 - Commitments and contingencies

Property use restriction

The terms of various lender agreements and their underlying regulatory agreements restrict the use of the property and require units to be rented to low and very low income qualified tenants for a defined period of affordability. Failure to comply with the terms could result in a requirement to repay a portion or all of the proceeds received.

Tax credit compliance

The Project's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility, and rent limits or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, any such potential noncompliance, if it were to occur, likely would result in an adjustment to the contributed capital by the Limited Partners.

Note 10 - MHSA Housing Program Subsidy

A Capitalized Operating Subsidy Reserve agreement between the Partnership and CalHFA dated March 1, 2012 will provide to the Project a total amount of \$540,000 for the purpose of subsidizing operating costs of the five MHSA ("Mental Health Services Act") housing units. The total reserve balance has been based on a 22-year projection and the yearly release will be determined by CalHFA in advance each year at its sole and absolute discretion. During the years ended December 31, 2019 and 2018, \$25,459 and \$21,708, respectively, of the funds were released and is included in rental income in the statements of operations.

Note 11 - Distribution of operating cash flow/surplus cash

Surplus cash, as defined by the partnership agreement, is distributable as follows:

1. To replenish any operating reserve withdraw from the prior year;

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Notes to Financial Statements
December 31, 2019 and 2018**

2. To pay the deferred development fee in accordance with the Development Services Agreement;
3. To payment of any asset management, partnership management, investor services, managing general partner, incentive management and similar fees in a total combined amount not to exceed \$12,000 per annum;
4. 50% of the remainder as distributions;
5. To repay the HOME loan and the MHSa loan.
 - i. 15.27% to debt services of the CalHFA/MHSA loan;
 - ii. 84.73% to debt services of the El Dorado County HOME loan.

Note 12 - Operating Deficit Contributions

If, at any time or from time to time after the later of (i) Stabilization Date, or (ii) Loan Conversion, an Operating Deficit exists, then the General Partner shall contribute funds (an Operating Deficit Contribution) to the Partnership as a contribution to capital in an amount equal to the amount of the Operating Deficit. The General Partner's obligation to make Operating Deficit Contributions after such date to fund Operating Deficits which are not funded from the Operating Reserve shall be limited to the Maximum Operating Deficit Contribution, as defined. The obligation of the General Partner to make Operating Deficit Contributions shall terminate on the date that the following have occurred simultaneously: (i) the Project has operated at the Required Debt Service Coverage for a period of at least two consecutive years, which two year period shall have commenced no earlier than three years after the achievement of the Stabilization Date; and (ii) the balance in the Operating Reserve equals or exceeds the Operating Reserve Amount (less any amounts to be funded from the Limited Partner's Capital Contribution Installments due after the expiration of the period). Operating Deficit Contributions shall be repayable, without interest, solely from Cash Flow.

Note 13 - Subsequent events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of Mercy Housing California 55, a California Limited Partnership through March 19, 2020 (the date the financial statements were available to be issued) and concluded that no subsequent events occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

As Required by CalHFA

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Supplementary Information Required by the
California Housing Finance Agency
Years Ended December 31, 2019 and 2018**

<u>Account No.</u>	<u>2019</u>	<u>2018</u>
Rental revenue		
5120 Rent revenue - gross potential	\$ 326,740	\$ 289,885
5121 Tenant assistance payments	46,763	35,859
5100T Total rental revenue	373,503	325,744
Vacancies		
5220 Apartments	(39,390)	(4,443)
5250 Rental concessions	(767)	-
5200T Total vacancies	(40,157)	(4,443)
5152N Net rental revenue	333,346	321,301
Financial revenue		
5440 Revenue from investments - replacement reserve	60	161
5490 Revenue from investments - miscellaneous	60	-
5400T Total financial revenue	120	161
Other revenue		
5910 Laundry and vending	6,201	6,245
5920 Tenant charges	5,953	1,412
5990 Miscellaneous revenue	4,613	964
5900T Total other revenue	16,767	8,621
5000T Total revenue	350,233	330,083

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Supplementary Information Required by the
California Housing Finance Agency
Years Ended December 31, 2019 and 2018**

<u>Account No.</u>	<u>2019</u>	<u>2018</u>
Administrative expenses		
6203	1,608	2,004
6204	2,300	-
6310	8,057	77
6311	15,331	12,607
6320	21,600	21,600
6330	30,197	17,108
6331	8,568	8,568
6340	-	875
6350	10,279	10,279
6351	6,000	5,040
6370	2,564	130
6390	2,517	7,604
6263T	<u>109,021</u>	<u>85,892</u>
Utilities expense		
6450	15,780	14,310
6451	12,683	13,086
6452	6,884	8,793
6453	17,789	16,400
6400T	<u>53,136</u>	<u>52,589</u>
Operating and maintenance expenses		
6510	23,124	23,075
6515	4,173	2,768
6520	36,373	68,906
6525	10,269	9,387
6546	750	1,555
6500T	<u>74,689</u>	<u>105,691</u>

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Supplementary Information Required by the
California Housing Finance Agency
Years Ended December 31, 2019 and 2018**

<u>Account No.</u>	<u>2019</u>	<u>2018</u>
Taxes and insurance		
6710 Real estate taxes	1,731	1,731
6711 Payroll taxes	5,737	3,842
6720 Property and liability insurance	20,570	19,662
6722 Workmen's compensation	3,457	4,100
6723 Health insurance and other employee benefits	4,546	5,422
6790 Miscellaneous taxes, licenses, permits and insurance	1,326	1,533
6700T Total taxes and insurance	<u>37,367</u>	<u>36,290</u>
Financial expenses		
6820 Interest on first mortgage payable	22,515	23,550
6825 Interest on other mortgages	120,472	120,472
6890 Miscellaneous financial expenses	2,271	2,271
6800T Total financial expenses	<u>145,258</u>	<u>146,293</u>
6900 Nursing home/assisted living/board and care/other elderly care expenses	24,324	23,604
6000T Total cost of operations before depreciation and amortization	<u>443,795</u>	<u>450,359</u>
5060T Income (loss) before depreciation and	<u>(93,562)</u>	<u>(120,276)</u>
Depreciation and amortization		
6600 Depreciation expense	319,008	331,816
6610 Amortization expense	2,880	2,879
Total depreciation and amortization	<u>321,888</u>	<u>334,695</u>
5060N Operating income (loss)	<u>(415,450)</u>	<u>(454,971)</u>
Corporate or mortgagor entity revenue and expenses		
7190 Other expenses	12,000	12,000
7100T Net entity expenses	<u>12,000</u>	<u>12,000</u>
Total expenses	<u>777,683</u>	<u>797,054</u>
3250 Net income (loss)	<u>\$ (427,450)</u>	<u>\$ (466,971)</u>

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Supplementary Information Required by the
California Housing Finance Agency
Years Ended December 31, 2019 and 2018**

Detail of Accounts - Statements of Operations

	2019	2018
Miscellaneous Other Revenue (Account No. 5990)		
Recovery of bad debt	210	964
Bond refund	1,044	-
Prior year audit accruals	3,335	-
Tax refund	22	-
Tenant charge	2	-
	\$ 4,613	\$ 964
Miscellaneous Administrative Expenses (Account No. 6390)		
Administrative fees	\$ 160	\$ 123
Credit report	337	682
Admin/food	-	175
Bank service charges	-	292
Employee recognition	29	43
2017 audit fee adjustment	-	3,499
Compliance fees	1,881	1,812
Aged deposit write-off	-	978
Postage	110	-
	\$ 2,517	\$ 7,604
Nursing Home/Assisted Living/Board and Care/Other Elderly Care Expenses (Account No. 6900)		
6990 Salaries and Benefits		\$ 24,324
Other Entity Expenses (Account No. 7190)		
Partnership management fee	\$ 8,500	\$ 8,500
Asset management fee	3,500	3,500
	\$ 12,000	\$ 12,000

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Supplementary Information Required by the
California Housing Finance Agency
Year Ended December 31, 2019**

Cash on Hand and in Banks

Unrestricted cash operating accounts		
Cash on hand (petty cash)	\$	200
Operating account		22,363
Operating Cash- Designated		32
	\$	22,595
Restricted cash accounts		
Replacement reserve	\$	92,941
Operating reserve		135,834
Services reserve		23,032
Escrow deposits		10,936
Tenant security deposits		22,929
	\$	285,672

Tenant Security Deposits (Restricted)

The tenant security deposits are maintained in separate interest bearing accounts with interest earned on these deposits credited to a liability account to be refunded or applied for the benefit of tenants.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Supplementary Information Required by the
California Housing Finance Agency
Year Ended December 31, 2019**

Reserve for Replacements/Reserves

In accordance with the provisions of the Regulatory Agreement, restricted cash and investments are held by the California Housing Finance Agency to be used for replacements of property or other reserve requirements with the approval of CalHFA as follows:

	<u>Reserve for replacements</u>	<u>Operating expense reserve</u>
Balance, December 31, 2018	\$ 99,159	\$ 135,774
Deposits (\$2,000 x 12 months)	24,000	-
Interest earned	60	61
Withdrawals	<u>(30,338)</u>	<u>-</u>
Balance, December 31, 2019	<u>\$ 92,881</u>	<u>\$ 135,835</u>

Mortgage Impound Accounts

	<u>Hazard insurance escrow</u>	<u>Other escrow</u>	<u>Total</u>
Balance, December 31, 2018	\$ 21,930	\$ 23,032	\$ 44,962
Distributions	(33,492)	-	-
Payments made	<u>22,498</u>	<u>-</u>	<u>(10,994)</u>
Balance, December 31, 2019	<u>\$ 10,936</u>	<u>\$ 23,032</u>	<u>\$ 33,968</u>

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Supplementary Information Required by the
California Housing Finance Agency
Year Ended December 31, 2019**

Changes in Fixed Asset Accounts

	Assets			Balance 12/31/19
	Balance 12/31/18	Additions	Deletions	
Land	\$ 1,483,689	\$ -	\$ -	\$ 1,483,689
Buildings	10,304,019	9,948	-	10,313,967
Furnishings	193,052	9,235	-	202,287
	\$ 11,980,760	\$ 19,183	\$ -	\$ 11,999,943
Accumulated depreciation	\$ 1,817,880	\$ 319,008	\$ -	\$ 2,136,888
Total net book value				\$ 9,863,055

Fixed Asset Detail

Additions to Buildings Account

Item and quantity	Amount
Drainage ditch	\$ 10,048
Permit fees	(100)
	\$ 9,948

Additions to Furnishings Account

Item and quantity	Amount
Renovations	\$ 9,235
	\$ 9,235

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Supplementary Information Required by the
California Housing Finance Agency
Year Ended December 31, 2019**

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses payable to suppliers are due as follows:

Current	<u>\$ 21,111</u>
Total	<u>\$ 21,111</u>

Gross Potential Rents

Gross potential rents includes the following:

Tenant rental payments	\$ 275,451
Tenant assistance payments	46,763
Rent free units	8,568
Vacancy loss and rent concessions	40,157
Bad debt	<u>2,564</u>
Total gross potential rents	<u>\$ 373,503</u>

Management fee

Property management fees of \$21,600 were incurred during 2019 for the property management services provided by MHM.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

**Supplementary Information Required by the
California Housing Finance Agency
Year Ended December 31, 2019**

Operating Cash Flow/Surplus Cash Computation

Operating income	
Total income	\$ 350,233
Interest earned on restricted reserve accounts	(120)
Prior year audit accrual	<u>(3,335)</u>
Adjusted operating income	346,778
Operating expenses	<u>(298,537)</u>
Adjusted net income	48,241
Other activity	
Mandatory debt service	
Citibank	(34,073)
MHSA perm loan service fee	(2,271)
Deposits into replacement reserve account	(24,000)
Withdrawals from replacement reserve account included in operating expenses	<u>11,556</u>
Total other activity	<u>(48,788)</u>
Operating cash flow/surplus cash	<u><u>\$ (547)</u></u>

Management expects to use surplus cash to reimburse the operating reserve in 2020.

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

December 31, 2019

CALIFORNIA HOUSING FINANCE AGENCY		MHSA Supplemental Form (Assisted Financial Statements)		03/2016 to 12/2019	
PROJECT: Trailside Terrace		AUDIT YEAR: 2019			
CalHFA# 11003M		Fiscal Year End (FYE)			
Total # Non-COSR MHSA Units:					
Total # Non-MHSA Units: 38		Total Units: 40			
Total COSR MHSA Units: 2		Per Unit Avg: 12%			
Acct #	Account Description	Actual	Non-MHSA Units & Non-COSR MHSA Units	COSR MHSA Units	Comments or Variance Explanation
REVENUE					
	Rent				
5120	Total Other Units - Non COSR MHSA	\$215,143	\$215,143		
5121	MHSA COSR Units - Tenant Payment	\$11,397		\$11,397	
5140	Rent Revenue- Utility & Commercial	\$0			
5170	Rent Revenue- Garage & Parking	\$0			
5100-010	Non MHSA COSR Units - Tenant Rental Subsidy	\$10,772		\$10,772	
5100-020	MHSA COSR Units - Tenant Rental Subsidy	\$0			
5180T	Total Rent Revenue	\$237,312	\$235,915	\$11,397	
	Vacancies				
5200	Apartments- MHSA Unit	\$390		\$390	
5240	Apartments- Non MHSA Unit	\$30,908	\$30,908		
5260	Partial Concessions	\$767			
5270	Damage & Parking Spaces	\$0			
5290	Miscellaneous	\$0			
5290T	Total Vacancies	\$40,127	\$39,782	\$390	
5182N	Net Rental Revenue	\$237,312	\$236,133	\$11,252	
	Financial Revenue				
5300	Food	\$0			
5305	Recreation (Activities) and Rehabilitation	\$0			
5308	Rehabilitation	\$0			
5309	Other Service Revenue	\$0			
5309T	Total Elderly Care Revenue	\$0	\$0	\$0	
5410	Financial Revenue- Project Operations Interest	\$0			
5415	Revenue from Investments- Federal Receipts Interest	\$0			
5440	Revenue from Investments- Replacement Reserves Interest	\$80	\$80		
5490	Revenue from Investments- Miscellaneous Interest	\$0			
5490T	Total Financial Revenue	\$80	\$80	\$0	
	Other Revenue				
5510	Laundry & Washing Revenue	\$6,201	\$5,395	\$806	
5520	Tenant Charges	\$6,923	\$5,119	\$1,774	
5530	Miscellaneous Revenue	\$4,423	\$2,822	\$1,572	
5530T	COSR Payment	\$25,420	\$14,420	\$28,450	
5600T	Total Other Revenue	\$42,016	\$14,404	\$27,611	
5600T	Total Revenue	\$329,431	\$309,617	\$38,813	
EXPENSES					
	Administrative Expenses				
5200	Conferences & Meetings	\$1,600	\$1,380	\$220	
5204	Management Consultants	\$2,300	\$2,000	\$299	
5210	Advertising & Marketing	\$0			
5230	Other Recurring Expenses	\$0			
5210	Office Salaries	\$9,267	\$7,010	\$1,047	
5211	Office Expenses	\$18,331	\$13,330	\$1,003	
5212	Office or Model Apartment Rent	\$0			
5220	Management Fee	\$21,600	\$19,752	\$2,056	
5230	Manager or Superintendent Salaries	\$26,197	\$26,271	\$2,025	
5231	Administrative Home Free Unit	\$8,588	\$7,464	\$1,114	
5240	Legal Expense - Project	\$0			
5260	Audit Expenses	\$10,270	\$8,943	\$1,228	
5281	Bookkeeping Fees/Accounting Services	\$8,000	\$5,220	\$1,780	
5270	Gas Costs	\$2,884	\$2,251	\$252	
5290	Miscellaneous Administrative Expenses	\$2,517	\$2,190	\$227	
5290T	Total Administrative Expenses	\$108,821	\$94,848	\$14,173	
	Utilities				
5420	Fluor Oil Cost	\$0			
5430	Electricity	\$18,750	\$13,720	\$2,025	
5451	Water	\$12,663	\$11,034	\$1,645	
5452	Gas	\$6,944	\$6,960	\$500	
5461	Sewer	\$17,789	\$15,475	\$2,313	
5400T	Total Utilities Expense	\$56,146	\$49,228	\$6,603	

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

December 31, 2019

Acct#	Account Description	Actuals	Non-MHSA Units & Non-COER MHSA Units	COER MHSA Units	Comments or Variance Explanation
	Operating & Maintenance Expenses				
8510	Payroll	\$23,124	\$23,124	\$2,000	
8515	Supplies	\$4,173	\$3,651	\$522	
8520	Contracts	\$36,373	\$37,642	\$4,728	
8521	Operating & Maintenance Rent Free Unit	\$0			
8522	Garbage & Trash Removal	\$10,269	\$9,854	\$1,305	
8530	Security Payroll/ Contracts	\$0			
8531	Security Rent Free Unit	\$0			
8540	Heating/Cooling Repairs & Maintenance	\$750	\$623	\$28	
8542	Snow Removal	\$0			
8570	Vehicle & Maintenance Equip. Operator & Repair	\$0			
8580	Miscellaneous Operating & Maintenance Expenses	\$0			
8590T	Total Operating & Maintenance	\$74,616	\$64,974	\$9,710	
	Taxes & Insurance				
8710	Rent Estate Taxes	\$1,731	\$1,506	\$225	
8711	Payroll Taxes (Project status)	\$5,727	\$4,591	\$746	
8720	Property & Liability Insurance (Hazard)	\$20,477	\$17,865	\$2,574	
8721	Liability Bond Insurance	\$0			
8722	Management Compensation	\$3,497	\$3,059	\$448	
8723	Health Insurance & Other Benefits	\$4,548	\$3,926	\$521	
8730	Miscellaneous Taxes, Licenses, Permits & Insurance	\$1,328	\$1,184	\$172	
8790T	Total Taxes & Insurance	\$37,307	\$32,999	\$4,308	
	Financial Expenses				
8820	Net Mortgage PM/ Debt Service	\$22,915	\$22,915		
8830	Interest on Notes Payable (Long Term)	\$0			
8840	Interest on Notes Payable (Short Term)	\$0			
8850	Mortgage Insurance Premium/ Service Charge	\$0			
8860	Miscellaneous Financial Expenses	\$1,271	\$2,271		
8890-80	Portion of Non COER Partnership Asset Management Fees	\$0			
8890-80	Portion of Non COER Deferred Developer Fee	\$0			
8890T	Total Financial Expenses	\$24,786	\$24,786	\$0	
8901	Food	\$0			
8902	Restroom and Rehabilitation	\$0			
8903	Rehabilitation Salaries	\$0			
8930	Other Service Expenses	\$24,307	\$24,307		
8990	Total Elderly Care Expense	\$24,307	\$24,307	\$0	
	Replacement Reserve				
		\$24,900	\$26,380	\$2,180	
	MHSA Farm Loan Service Fee				
		\$2,273	\$1,676	\$289	
8990T	Total Cost of Operations	\$349,877	\$310,514	\$28,963	
	Net Revenue or (Deficit)	-81,148	-89,937	-2180	

Account Description	COER	Comments or Variance Explanation
Optional Expenses paid from available COER		
On-site Supportive Service Costs		
MHSA MHF Service Fee		
Partnership Asset Management Fees	\$1,920	\$0 (80% to MHF Admin, 20% to ST MHSJ and the paid with COER)
Annual Bond Insurance Fees		
Operating Expense Reserve		
Portion of Deferred Developer Fee		
Total MHSA Optional Expenses	\$1,800	
Variance - Underfunded or Overfunded	\$2,996	

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

December 31, 2019

Managing Agent's Certification

We hereby certify that we have examined the accompanying financial statements and supplementary data of Mercy Housing California 55, a California Limited Partnership, as of and for the year ended December 31, 2019 and to the best of our knowledge and belief, the same are complete and accurate.

Mercy Housing Management Group
Managing Agent

Cheryll O'Bryan

Authorized Signature

President
Title

4/6/2020
Date

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

December 31, 2019

Certification of General Partner

We hereby certify that we have examined the accompanying financial statements and supplementary data of Mercy Housing California 55, a California Limited Partnership, as of and for the year ended December 31, 2019 and to the best of our knowledge and belief, the same are complete and accurate.

Sunset Lane Apartments LLC
General Partner


Authorized Signature

Secretary

Title

4/6/2020

Date

Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

To the General Partner
Mercy Housing California 55, a California Limited Partnership

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mercy Housing California 55, a California Limited Partnership, which comprise the balance sheet as of December 31, 2019, and the related statements of operations, partners' equity (deficit) and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mercy Housing California 55, a California Limited Partnership's, internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mercy Housing California 55, a California Limited Partnership's, internal control. Accordingly, we do not express an opinion on the effectiveness of Mercy Housing California 55, a California Limited Partnership's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mercy Housing California 55, a California Limited Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and, grant agreements, noncompliance with which could have a material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Charlotte, North Carolina
March 19, 2020

**Mercy Housing California 55,
a California Limited Partnership
(dba Trailside Terrace)
CalHFA Project No.: 11003M**

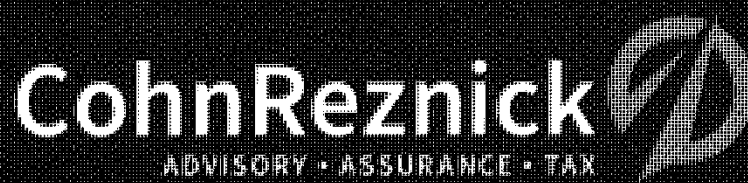
**Summary of Audit Findings and Recommendations
December 31, 2019**

Findings and Recommendations

There are no findings and recommendations to report in the December 31, 2019 financial statements.

Status of Prior Year Findings and Recommendations

There are no findings and recommendations to report in the December 31, 2018 financial statements.



Independent Member of Nexia International

cohnreznick.com

	Restricted Rents																	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
Inflation	609,060	624,287	639,894	655,891	672,288	689,095	706,323	723,981	742,080	760,632	779,648	799,139	819,118	839,596	860,566	882,100	904,153	926,757
2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2.5%	47,160	48,339	49,547	50,786	52,056	53,357	54,691	56,058	57,460	58,896	60,369	61,878	63,425	65,011	66,636	68,302	70,009	71,760
2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2.5%	30,204	30,959	31,733	32,526	33,339	34,173	35,027	35,903	36,800	37,720	38,663	39,630	40,621	41,636	42,677	43,744	44,836	45,959
USING	666,424	703,594	721,174	739,203	757,693	776,625	796,041	815,942	836,341	857,249	878,680	900,647	923,164	946,243	969,899	994,146	1,019,000	1,044,475
2.5%	3,900	3,997	4,097	4,199	4,304	4,412	4,522	4,635	4,751	4,870	4,992	5,116	5,244	5,376	5,510	5,648	5,789	5,934
2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2.5%	3,900	3,997	4,097	4,199	4,304	4,412	4,522	4,635	4,751	4,870	4,992	5,116	5,244	5,376	5,510	5,648	5,789	5,934
E - TOTAL	690,323	707,591	725,271	743,403	761,998	781,037	800,563	820,577	841,092	862,119	883,672	905,764	928,408	951,618	975,409	999,794	1,024,789	1,050,408
5.0%	30,453	31,214	31,995	32,795	33,614	34,455	35,316	36,199	37,104	38,032	38,982	39,957	40,956	41,980	43,029	44,105	45,208	46,339
5.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5.0%	2,358	2,417	2,477	2,539	2,603	2,668	2,735	2,803	2,873	2,945	3,018	3,094	3,171	3,251	3,332	3,415	3,500	3,588
0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5.0%	195	200	205	210	215	221	226	232	238	243	250	256	262	269	275	282	289	297
50.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LOSS	33,006	33,931	34,877	35,844	36,832	37,843	38,877	39,934	40,215	41,220	42,250	43,307	44,389	45,499	46,637	47,802	48,998	50,222
COME	657,317	673,750	690,594	707,859	725,555	743,694	762,287	781,344	800,877	820,899	841,422	862,457	884,019	906,119	928,772	951,991	975,791	1,000,186
VE	462,252	478,431	495,176	512,507	530,445	549,010	568,226	588,114	608,698	630,002	652,052	674,874	699,495	722,942	748,245	774,433	801,539	829,592
3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2.0%	65,000	66,625	68,291	69,998	71,748	73,542	75,380	77,265	79,196	81,176	83,205	85,286	87,418	89,603	91,843	94,139	96,493	98,905
2.5%	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500
0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ERVES	559,752	577,556	595,967	615,005	634,693	655,052	676,106	697,878	720,394	743,678	767,758	792,660	818,412	845,045	872,588	901,073	930,531	960,968
INCOME	97,565	98,194	94,627	92,854	90,663	88,642	86,181	83,465	80,463	77,221	73,664	69,798	65,606	61,074	56,184	50,919	45,260	39,188
ipicity)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
equity)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ipicity)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% Fee	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454	36,454
-NPLH	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073
ipicity)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
er Fee	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
enses:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SERVICE	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527	51,527
ice	46,038	44,667	43,100	41,327	39,335	37,115	34,653	31,938	28,956	25,694	22,137	18,270	14,079	9,547	4,657	(609)	(6,267)	(12,339)
RATIO	1.89	1.87	1.84	1.80	1.76	1.72	1.67	1.62	1.56	1.50	1.43	1.35	1.27	1.19	1.09	0.99	0.88	0.76

D-2 Current Development Budget:

Residential Permanent Sources of Funds										7/15/20		
USES OF FUNDS	Total Costs (Residential & Commercial)		HCD - MHP	HCD NPLH	County Fee waivers	Land donation	GP equity	Gross Tax Credit Equity	Total Residential Sources	Commercial Sources		Residential Cost Difference Dev Budget vs. Sources
	Land Cost or Value	Other (Specify)								Source Name	Source Name	
LAND ACQUISITION												
Demolition	\$1,280,795	\$0				\$1,280,795	\$0	\$1,280,795	\$0		\$0	\$0
Legal	\$10,000	\$0				\$0	\$0	\$10,000	\$0		\$0	\$0
Land Lease Rent Payment	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Total Land Cost or Value	\$1,290,795	\$0				\$1,280,795	\$0	\$1,290,795	\$0		\$0	\$0
Existing Improvements Cost or Value	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
GHSA Cost or Value	\$150,000	\$0				\$0	\$0	\$150,000	\$0		\$0	\$0
Total Acquisition Cost	\$1,440,795	\$0				\$0	\$0	\$1,440,795	\$0		\$0	\$0
Total Land Cost/Acquisition Cost	\$1,440,795	\$0				\$0	\$0	\$1,440,795	\$0		\$0	\$0
Predevelopment Interest/Holding Cost Assumed, Accrued Interest on Existing Debt (Rehab/Asst)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Excess Purchase Price Over Appraisal	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
REHABILITATION												
Site Work	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Structures	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
General Requirements	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Contractor Overhead	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Contractor Profit	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Prevailing Wages	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
General Liability Insurance	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Total Rehabilitation Costs	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Total Rehabilitation Expenses	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
NEW CONSTRUCTION												
Site Work	\$3,175,524	\$3,175,524				\$3,175,524	\$0	\$3,175,524	\$0		\$0	\$0
Structures	\$10,112,050	\$10,112,050	\$5,954,020	\$2,698,467		\$0	\$1,971,563	\$10,112,050	\$0		\$0	\$0
General Requirements	\$956,705	\$956,705				\$0	\$956,705	\$956,705	\$0		\$0	\$0
Contractor Overhead	\$478,353	\$478,353				\$0	\$478,353	\$478,353	\$0		\$0	\$0
Contractor Profit	\$478,353	\$478,353				\$0	\$478,353	\$478,353	\$0		\$0	\$0
Prevailing Wages	\$2,698,467	\$2,698,467				\$0	\$2,698,467	\$2,698,467	\$0		\$0	\$0
General Liability Insurance	\$135,064	\$135,064				\$0	\$135,064	\$135,064	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Total New Construction Costs	\$17,992,544	\$17,992,544	\$5,954,020	\$2,698,467	\$0	\$0	\$5,677,553	\$17,992,544	\$0		\$0	\$0
Total New Construction Expenses	\$17,992,544	\$17,992,544	\$5,954,020	\$2,698,467	\$0	\$0	\$5,677,553	\$17,992,544	\$0		\$0	\$0
ARCHITECTURAL FEES												
Design	\$720,340	\$720,340				\$0	\$720,340	\$720,340	\$0		\$0	\$0
Supervision	\$180,065	\$180,065				\$0	\$180,065	\$180,065	\$0		\$0	\$0
Total Architectural Costs	\$900,405	\$900,405	\$0	\$0	\$0	\$0	\$900,405	\$900,405	\$0		\$0	\$0
Total Survey & Engineering	\$125,000	\$125,000				\$0	\$125,000	\$125,000	\$0		\$0	\$0
CONSTRUCTION INTEREST & FEES												
Construction Loan Interest	\$966,783	\$966,783				\$0	\$966,783	\$966,783	\$0		\$0	\$0
Origination Fee	\$227,175	\$227,175				\$0	\$227,175	\$227,175	\$0		\$0	\$0
Credit Enhancement/Application Fee	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Bond Premium	\$180,065	\$180,065				\$0	\$180,065	\$180,065	\$0		\$0	\$0
Cost of Issuance	\$157,833	\$157,833				\$0	\$157,833	\$157,833	\$0		\$0	\$0
Title & Recording	\$60,000	\$60,000				\$0	\$60,000	\$60,000	\$0		\$0	\$0
Taxes	\$16,135	\$16,135				\$0	\$16,135	\$16,135	\$0		\$0	\$0
Insurance	\$95,409	\$95,409				\$0	\$95,409	\$95,409	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Total Construction Interest & Fees	\$1,723,420	\$1,723,420	\$0	\$0	\$0	\$0	\$1,723,420	\$1,723,420	\$0		\$0	\$0
PERMANENT FINANCING												
Origination Fee	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Credit Enhancement/Application Fee	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Title & Recording	\$10,000	\$10,000				\$0	\$10,000	\$10,000	\$0		\$0	\$0
Taxes	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Insurance	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Total Permanent Financing Costs	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$10,000	\$0		\$0	\$0
Subtotalize Forward	\$22,193,204	\$22,193,204	\$5,954,020	\$2,698,467	\$0	\$1,280,795	\$5,986,398	\$22,193,204	\$0		\$0	\$0
LEGAL FEES												
Legal Paid by Applicant	\$85,000	\$85,000				\$0	\$85,000	\$85,000	\$0		\$0	\$0
Attorney legal	\$95,000	\$95,000				\$0	\$95,000	\$95,000	\$0		\$0	\$0
Total Attorney Costs	\$180,000	\$180,000	\$0	\$0	\$0	\$0	\$180,000	\$180,000	\$0		\$0	\$0
RESERVES												
Operating Reserve	\$152,820	\$152,820				\$0	\$152,820	\$152,820	\$0		\$0	\$0
Replacement Reserve	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Transition Reserve	\$111,461	\$111,461				\$0	\$111,461	\$111,461	\$0		\$0	\$0
Rent Reserve	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Other (Specify)	\$0	\$0				\$0	\$0	\$0	\$0		\$0	\$0
Total Reserve Costs	\$264,281	\$264,281	\$0	\$0	\$0	\$0	\$264,281	\$264,281	\$0		\$0	\$0

USES OF FUNDS	Total Costs (Residential & Commercial)	Total Residential Cost from Dev Budget	HCD - MHP	HCD - NFLH	County - Fee waivers	Land donation	GP equity	Gross Tax Credit/Entuity	Total Residential Sources	Commercial Sources		Residential Cost Difference Dev Budget vs. Sources
										Source Name	Source Name	
CONTINGENCY COSTS												
Construction Hard Cost Contingency	\$1,832,365	\$1,832,365					\$1,107,738	\$724,627	\$1,832,365			\$0
Soft Cost Contingency	\$275,000	\$275,000					\$275,000	\$275,000	\$275,000			\$0
Total Contingency Costs	\$2,107,365	\$2,107,365	\$0	\$0	\$0	\$1,107,738	\$999,627	\$2,107,365	\$2,107,365	\$0	\$0	\$0
OTHER PROJECT COSTS												
TOAC App	\$39,502	\$39,502						\$39,502	\$39,502			\$0
Environmental Audit	\$25,000	\$25,000						\$25,000	\$25,000			\$0
Local Development Impact Fees	\$2,170,479	\$2,170,479			\$518,943			\$2,170,479	\$2,170,479			\$0
Permit Processing Fees	\$325,000	\$325,000						\$325,000	\$325,000			\$0
Capital Fees	\$0	\$0						\$0	\$0			\$0
Marketing	\$65,000	\$65,000						\$65,000	\$65,000			\$0
Furnishings	\$50,000	\$50,000						\$50,000	\$50,000			\$0
Market Study	\$15,000	\$15,000						\$15,000	\$15,000			\$0
Accounting/Reimbursable	\$0	\$0						\$0	\$0			\$0
Appraisal Costs	\$15,000	\$15,000						\$15,000	\$15,000			\$0
construction mgmt/feeling	\$120,000	\$120,000						\$120,000	\$120,000			\$0
Prevailing wage monitoring	\$25,000	\$25,000						\$25,000	\$25,000			\$0
Syndication costs	\$140,000	\$140,000						\$140,000	\$140,000			\$0
Other: (Specify)	\$0	\$0						\$0	\$0			\$0
Other: (Specify)	\$0	\$0						\$0	\$0			\$0
Other: (Specify)	\$0	\$0						\$0	\$0			\$0
Other: (Specify)	\$0	\$0						\$0	\$0			\$0
SUBTOTAL PROJECT COST	\$2,771,431	\$2,771,431	\$0	\$2,636,467	\$518,943	\$1,280,795	\$1,372,019	\$3,471,038	\$2,989,981	\$0	\$0	\$0
DEVELOPER COSTS												
Developer Overhead/Profit	\$3,680,533	\$3,680,533						\$3,680,533	\$3,680,533			\$0
Consulting/Processing Fees	\$0	\$0						\$0	\$0			\$0
Project Administration	\$0	\$0						\$0	\$0			\$0
Broker Fees Paid to a Related Party	\$0	\$0						\$0	\$0			\$0
Construction Oversight by Developer	\$0	\$0						\$0	\$0			\$0
Other: (Specify)	\$0	\$0						\$0	\$0			\$0
Total Developer Costs	\$3,680,533	\$3,680,533	\$0	\$0	\$518,943	\$1,280,795	\$1,372,019	\$3,680,533	\$3,680,533	\$0	\$0	\$0
TOTAL PROJECT COST	\$31,395,364	\$31,395,364	\$6,679,544	\$2,636,467	\$518,943	\$1,280,795	\$1,372,019	\$148,907,596	\$11,995,384	\$0	\$0	\$0

El Dorado Haven

D-3

Evidence of Financial Commitment

Attached please find the commitment from Wells Fargo for a Construction Loan. Also attached are the award letters for the No Place Like Home funding.



Wells Fargo Bank, N. A.
MAC A0119-177
333 Market Street, 17th Floor
San Francisco, CA 94105

September 8, 2020

Stephen Daues
Mercy Housing California
2512 River Plaza Drive, Suite 200
Sacramento, CA 95833

Re: El Dorado Haven Apartments
6500 Pleasant Valley Road
El Dorado, California, 95623
Direct Purchase of Tax Exempt Bonds

Dear Mr. Daues:

We are pleased to advise you that Wells Fargo Bank, N.A. ("Lender"), hereby commits to make a construction loan ("Loan") (herein after to as "Loan") for the purpose of financing the development of a 65-unit, low-income affordable housing development (the "Improvements") to be located upon that certain real property located at 6500 Pleasant Valley Road, El Dorado, California 95623 (the "Property"). This letter shall hereinafter be referred to as the "Commitment". Lender's decision is based on representations and information supplied by you to us. Lender's obligation to grant the Loan is subject to satisfaction of all of the following terms and conditions:

1. **PROJECT DESCRIPTION:** The project shall include the new construction of a sixty-five (65) -unit affordable multifamily housing development on the Property. Of the 65 units, 64 units shall be affordable to households earning no more than fifty percent (50%) of the Area Median Income (defined below) and one manager unit. The "Area Median Income" shall mean the area median income as determined annually by the U.S. Department of Housing and Urban Development ("HUD") and is adjusted for household size.
2. **BORROWER:** The Borrower shall be a limited partnership wherein Mercy Housing, California (Mercy) or a wholly controlled affiliate of Mercy is general partner. The limited partner shall join the partnership under terms subject to WFB approval.
3. **PURPOSE OF LOAN:** The Loan is to be used by Borrower solely to pay costs of constructing the Improvements and for such other purposes as Lender expressly agrees to in the loan agreement for the Loan. The Permanent Period Loan will be used to provide non-recourse mortgage debt based on income from the property.
4. **LOAN AGREEMENT:** The terms and conditions of the Loan shall be documented in a loan agreement to be executed by and between Borrower and Lender ("Loan Agreement") and

any other documents discussed herein or as Lender may require.

5. PRINCIPAL AMOUNT: The principal amount of the Loan shall be in the lesser of (a) approximately \$24,414,532.00 or (b) an amount not to exceed eighty percent (80%) of the total appraised value of: (i) the Improvements and Property assuming restricted rents; (ii) the Low Income Housing Tax Credits ("LIHTCs") awarded by the California Tax Credit Allocation Committee ("TCAC"), (iii) and any favorable financing. The appraisal shall be in form and substance acceptable to Lender, and shall be prepared by an appraiser, approved by Lender. Borrower shall also submit to Lender a market study acceptable to Lender. The Loan amount is subject to modification by Lender based on the outcome of Lender's review of the project costs, appraisal, and market conditions.
6. TERM OF LOAN: The Loan shall mature twenty (20) months after the recordation of the deed of trust securing the Loan (the "Maturity Date"). There shall be one (1) option of six (6) months to extend the Loan, conditioned on:
 - a) the Construction Loan not being in default; and
 - b) Borrower providing evidence satisfactory to Lender that Borrower has not experienced a significant deterioration in financial capacity; and
 - c) Borrower delivering to Lender documentary evidence satisfactory to Lender that the expiration dates of both the "Investor Commitment" and the "Permanent Loan Commitments" (as those terms are hereinafter defined), as well as any other agreements for takeout financing, have expiration dates at least thirty (30) days later than the date to which the maturity date is to be extended upon exercise of the option; and
 - d) Borrower providing evidence of continued compliance with all TCAC achievement dates; and
 - e) Such other items as Lender may require, as provided for in the Loan Agreement; and
 - f) Lien-free completion of the improvements; and
 - g) First extension option requires 90% leased and occupied; and
 - h) No extension fee.

Bank reserves the right to modify the term of the extensions and the conditions of lease-up and occupancy for each extension based upon the Bank Appraisal.

7. INTEREST RATE: The Loan shall bear interest at a tax exempt interest rate per annum (computed on the basis of a 360-day year, actual number of days elapsed) equal to two and twenty five hundredths percent (2.25%) above Lender's quoted one month LIBOR Rate, and is an indicative rate if the loan were to close as of the date of this commitment. A 0.75% floor on the LIBOR will be effective. The all-in interest rate at no point will be lower than one hundred sixty-five basis points (3.00%). This will be a variable rate that will reset on the first day of each month. While Lender will attempt to maintain an interest rate that preserves feasibility for the project and for the Lender, Lender reserves the right to increase the

spread over the 30-day Libor rate to reflect market conditions including the cost of funds during the term of this commitment. "LIBOR Rate" is the rate of interest, rounded upward to the nearest whole multiple of one-sixteenth of one percent (.0625%), and quoted by Lender as the London Inter-Bank Offered Rate for deposits in U.S. Dollars at approximately 9:00 a.m. California time pursuant to a fixed rate agreement. As of September 1, 2020, one month Libor is .17%. The indicative construction rate if funded on September 1, 2020 would be 3.00%. The interest reserve during the construction period will be calculated using the all-in variable rate plus a cushion of 1.00%.

8. MONTHLY PAYMENTS: Interest only shall be payable on the first day of each month on Loan proceeds disbursed through the end of the previous month.
9. ACCELERATION: Lender shall have the right to accelerate repayment of the Loan in the event of a default under any document executed in connection with the Loan or upon sale, transfer or alienation of the Property or Improvements or of any of the partnership or ownership interests in Borrower, without in each instance first receiving the prior written consent of Lender.
10. PROPERTY OWNERSHIP: Fee ownership of the Property and Improvements shall be vested in Borrower or an affiliate of Borrower and condition of title shall be satisfactory to Lender. Borrower shall provide Lender with copies of all documents relating to the ownership of the Property, including, without limitation, documents relating to a ground lease or easements affecting the Property.

In the event of a ground lease financing, all ground leases must be subordinate to the Deed of Trust (defined below) and shall be on terms acceptable to Lender in its sole and absolute discretion. The Deed of Trust shall cover both the fee and leasehold interests, and both the lesser and lessee thereunder shall execute the Deed of Trust (as defined herein).

In addition, any and all purchase options related to the Property shall at all times remain subordinate to the Deed of Trust.

11. SECURITY: The Loan shall be evidenced by a promissory note ("Promissory Note") secured by a deed of trust and assignment of rents, which shall be a first lien upon the Property and Improvements (the "Deed of Trust").

The Loan shall also be secured by a security agreement (as part of the Deed of Trust) and a financing statement ("Financing Statement") constituting a first lien on all equipment, furniture, fixtures, and materials to be incorporated into the Improvements and other personal property owned by Borrower located on or used in connection with the Property or Improvements.

In the event the project has any rental assistance payments, the Loan shall also be secured by an assignment of such rental assistance. Closing of the Loan will be subject to Lender receipt and approval of any contracts or an agreement to enter into a housing assistance contract.

The Loan shall also be secured by an assignment of all leases (as part of the Deed of Trust) of the Property and Improvements or any part thereof (including the right to collect rent),

and such additional collateral as Lender customarily requests for this type of project. Encumbrances on or interests in the collateral, which would have priority over Lender's security interest, shall be removed or subordinated, as Lender may request, unless Lender specifically agrees otherwise.

The Loan shall also be secured by a security agreement which takes an assignment of and security interest in all right, title and interest in and to all: (a) capital contributions made or to be made by the partners thereof and (b) the LIHTCs in the event of foreclosure (the "Security Agreement").

12. LEASES AND RENTAL SCHEDULE: Lender reserves the right to review and approve all existing leases. All leases of the Property and Improvements shall be subject to Lender's approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan and the LIHTCs without Lender's prior written approval.

Borrower shall not enter into residential leases on the Property and Improvements until Borrower has entered into the Partnership Agreement with Investor and has executed the Investor Commitment (defined below).

13. OTHER FINANCING: Borrower, as a requirement of the Loan, shall procure and deliver to Lender evidence satisfactory to Lender that Borrower has obtained construction and permanent period financing upon terms and in such amounts acceptable to Lender, sufficient to complete construction of the Improvements in the approximate amount of \$14,272,832 and include, but are not limited to No Place Like Home funds, MHP funds, county fee waivers, land donation and general partner equity. All such other financing shall be subordinate to the Loan and shall be disbursed prior to disbursement of the Loan. If required by Lender, providers of other financing and Borrower shall enter into an Intercreditor Agreement with Lender, such agreement to be in form and substance satisfactory to Lender. Lender, in its sole discretion, reserves the right to make a determination that there are or will be adequate funds to support other financing commitments provided by public agencies.
14. TAX CREDITS: Borrower represents that it is applying for an estimated aggregate federal and state tax credit allocation of approximately \$20,287,421 and agrees to perform all actions and to meet all requirements to maintain the LIHTC allocation including, without limitation, (a) acquiring or assuming control of the Property; (b) submission to TCAC of a cost certification (prepared by a CPA); and (c) placing the project in service by the required placed-in-service date. Borrower agrees to provide Lender with evidence satisfactory to Lender that it can and will meet the placed-in-service date, including, but not limited to a detailed construction schedule, leasing schedule, and a LIHTC processing timetable that is in accordance with the reservation/award of the LIHTCs. Construction must be in accordance with the LIHTC reservation/award and must be completed in accordance with all requirements of the LIHTC reservation, unless such date has been extended by TCAC in writing.

Borrower shall submit to Lender for Lender's approval prior to close of the Loan a commitment from an investor or investors acceptable to Lender ("Investor") to purchase the

limited partnership interest(s) in Borrower and the Property in the approximate amount of \$17,388,097.00 ("Investor Commitment"). The Investor Commitment shall be upon terms acceptable to Lender and shall be in full force and effect at the time of closing of the Loan and shall remain in full force and effect during the term of the Loan until such time as Investor is admitted as a limited partner of Borrower as described above. Lender reserves the right to request and verify, to the Lenders satisfaction, the names of the entities that make up the Investor that will be the end and actual users of the LIHTCs and may require written acknowledgement from these entities that they have agreed to honor the terms and pricing in the Investor Commitment. The Investor is expected to enter the partnership agreement at construction loan closing with an approximate minimum net initial investment equal to \$1,738,810 (10%) and Lender may require a larger initial investment based on Investor, terms of Investment Commitment, and or changes in the overall structure of the transaction.

15. PERMANENT LOAN COMMITMENT AND TRI-PARTY AGREEMENT:

- a) Borrower shall submit to Lender for Lender's approval prior to close of the Loan legally enforceable permanent loan commitments ("Permanent Loan Commitment"), if any, in terms acceptable to Lender. The Permanent Loan Commitment shall both be in full force and effect at the time of closing of the Loan and shall remain in full force and effect during the term of the Loan. A lapse in the Permanent Loan Commitment, or any part thereof, shall be an event of default under the Loan. During the term of the Loan (as it may be extended pursuant to the Building Loan Agreement), Borrower agrees to execute all documents and otherwise satisfy all conditions precedent to the obligation of Permanent Lender to fund the Permanent Loan Commitment.
- b) Lender's Commitment shall be subject to the execution by Borrower, Lender and Permanent Lender of agreement regarding permanent financing or tri-party agreement satisfactory to Lender. All other financing sources must be subordinate to WFB during the construction and permanent loan terms.
- c) Borrower shall procure and deliver to WFB evidence satisfactory to WFB that Borrower has obtained commitments from the tax credit investor, and any other permanent or construction financing sources necessary to complete construction of the project and to repay the Construction Loan and that all other sources of funds have the approval and financial capacity necessary to fund upon meeting their respective conditions. WFB in its sole discretion, reserve the right to make a determination that there are or will be adequate funds to support the financing commitments provided by public agencies.

16. ASSIGNMENT: If Borrower is a limited partnership, Lender reserves the right, in its sole and absolute discretion, to require an assignment of all partnership interests in Borrower.

17. GUARANTIES: Mercy Housing, Inc., shall provide a repayment and completion guaranty to Lender in a form acceptable to Lender ("Guaranties") for the Loan. The guaranties will be released upon full repayment of the Bank's construction financing.

18. RESERVES: WFB has underwritten the project with operating reserves and replacement reserves in substantial conformity with the TCAC guidelines and include, but are not

limited to a capitalized operating reserve and transition reserve in the approximate amount of \$252,718 and annual replacement reserve deposits of \$500 per unit per year.

19. RESTRICTIONS AND REGULATIONS: All existing restrictions and future restrictions on the use (or which otherwise limit development or operation) of the Property or Improvements (including, without limitation, any income and/or affordability restrictions or requirements) shall be subject to Lender's approval and shall be and shall at all times remain subordinate to the Deed of Trust. Borrower shall deliver such evidence as Lender may require of compliance with all governmental regulations or restrictions on the lawful construction, use, occupation and operation of the Property and Improvements.
20. APPRAISAL: Lender shall procure an appraisal of the Property and Improvements, which appraisal shall be engaged by Lender, paid for by Borrower, and shall be in form and substance satisfactory to Lender (the "Appraisal"). At Lender's option Lender may perform the Appraisal. Borrower will pay all fees and costs for all Appraisals.

CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTION
11423 PERMITS BORROWER TO RECEIVE, UPON WRITTEN
REQUEST, A COPY OF ANY APPRAISAL REPORT WHICH IS
PREPARED IN CONNECTION WITH ITS LOAN. THE RIGHT TO
RECEIVE THE REPORT IS CONDITIONED UPON BORROWER'S
PAYING FOR ALL APPRAISAL FEES AND ALL COSTS INCURRED IN
PRODUCING THE REPORT AND ALL ACTUAL COPYING COSTS.

If Borrower would like a copy of the Appraisal, Borrower must submit a written request to Lender at the address provided below, no later than 90 days after closing of the Loan, or if the Loan does not timely close in accordance with the terms of this Commitment, no later than 90 days after Lender provides notice of the action taken on the application or a notice of incompleteness, or in case of a withdrawn application, 90 days after the withdrawal.

If Lender elects to have the Property reappraised, Lender shall be reasonably satisfied that the Property as improved has the same or greater value as was projected when appraised for Lender's initial approval of the Loan.

21. SURVEYS: A survey, certified by a licensed surveyor, showing the location of all matters affecting the Property, including the location of boundary lines, easements, rights of way, and setting forth the legal description of the Property may be required by Lender and would be subject to Lender's approval prior to close of the Loan. If required by Lender, Borrower shall submit an updated survey (showing the location of all proposed Improvements) following the staking of building corners and a final certified survey (showing no encroachments or exceptions) upon completion of all construction.
22. SOILS AND TOXIC REPORTS: Borrower shall submit soils engineer's reports of the Property which shall be subject to Lender's approval prior to close of the Loan. Grading and foundation work shall be performed in accordance with the recommendations contained in the soil engineer's report, confirmation of which shall be provided to Lender by said soil engineer in writing.

If required by Lender, Borrower shall submit prior to close of the Loan toxic reports on the Property prepared by a professional hazardous materials consultant acceptable to Lender, and said report and the condition of the Property therein shall be subject to Lender's approval.

23. PLANS AND SPECIFICATIONS: Final plans and specifications for the Improvements shall be subject to Lender's review and approval prior to close of the Loan. Lender's review and approval may include, without limitation, architectural plans and details, exterior elevations, interior finish schedule, structural plans and details, plumbing plans, HVAC plans, electrical plans, contractor's cost breakdown, grading plans, drainage, sewer, water, street, electrical and gas plans, plot plans, offsite, and landscaping plans. There shall be no change in the plans and specifications or any material deviation in construction of the Improvements without Lender's prior written consent. Lender shall require an assignment of Borrower's interest in and to the plans and specifications as security for the Loan.

Borrower shall also provide Lender with copies of "will serve" letters from the appropriate utilities and local districts.

24. APPROVALS/PERMITS/DDAs: Borrower shall furnish Lender with copies of all grading and building permits and approvals, variances or conditional use permits which allow the Improvements to be constructed for the intended purpose as stated in this Commitment. Borrower shall also provide Lender with copies of any disposition and development agreements affecting the Property or Improvements, which have been entered into with a public entity, together with the public entity's approval conditions. All disposition and development agreements, including, without limitation, all restrictive covenants contained therein, must be subordinate to the Deed of Trust.
25. ARCHITECTURAL AGREEMENT: The architectural agreement ("Agreement") for the preparation of the plans and specifications and other services shall be subject to Lender's approval. Lender shall require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
26. CONSTRUCTION CONTRACT: The general contractor ("Contractor"), the construction contract ("Contract"), and any change orders issued there under shall all be subject to Lender's approval. Lender shall require an assignment of Borrower's interest in and to the Contract as security for the Loan, and Contractor shall consent to said assignment. Lender may require Contractor to provide a performance and payment bond in a form acceptable to Lender.
27. FINANCIAL REQUIREMENT ANALYSIS -- BORROWER'S FUNDS: A preliminary Financial Requirement Analysis (Lender's form) shall be prepared by Lender from preliminary cost information delivered to Lender by Borrower and may be revised by Lender following Lender's review of additional cost data. The proceeds of the Loan shall be disbursed in accordance with the final Financial Requirement Analysis and the other terms of the Loan documents. Lender reserves the right to specify the manner in which the Loan proceeds will be disbursed, and to require that Borrower has met its obligations and that satisfactory inspections of the Property shall have been completed. Lender shall make disbursements for materials stored either on or off site in its sole and absolute discretion.

Lender shall require the deposit by Borrower into a building loan account at Lender of all additional funds necessary to complete the Improvements, as determined by Lender based upon Lender's review of final cost data, the Contract, the Appraisal and other relevant information. All said additional funds will be treated as Borrower's funds and disbursed by Lender, as requested by Borrower and approved by Lender, prior to the disbursement of any of the Loan proceeds. These additional funds include, but are not limited to, all government funding, all capital contributions from Investor or General Partner, and all Borrower's funds.

Lender reserves the right to receive, review and approve all project expenditures made prior to closing of the Loan.

Lender requires a backend cushion of at least 5.0%, calculated by dividing the developer fee paid at Conversion or thereafter by the Construction Loan Commitment Amount.

28. ADDITIONAL BORROWER'S FUNDS: The Loan Agreement to be executed by Borrower shall provide that if at any time Lender (in the exercise of its sole discretion) shall deem the remaining Loan proceeds to be insufficient to complete the Improvements, Borrower shall, within five (5) business days of written demand by Lender for the deposit of funds sufficient to complete the Improvements, deposit into the building loan account the funds demanded by Lender. Borrower's failure to deposit the funds so demanded by Lender shall constitute a default under the Loan.
29. COST BREAKDOWN/CONTRACTORS: Borrower shall deliver to Lender for Lender's review and approval prior to close of the Loan: (a) a final breakdown of the cost of constructing the Improvements; (b) a list of all contractors, subcontractors and material suppliers to be employed in connection with the construction of the Improvements (setting forth the nature of the work to be performed, the labor and materials to be supplied and the dollar amount of such work or materials); (c) such financial information regarding the Contractor as Lender may request; and (d) a copy of the Contractor's valid and current license. If requested by Lender, Borrower shall also submit copies of all bids received for each item of work to be performed as well as copies of executed subcontracts with accepted bidders.

All contracts, subcontracts, contractors and subcontractors shall be subject to Lender's review and approval prior to close of the Loan.

30. HAZARD INSURANCE: At its expense, Borrower shall procure and maintain fire and extended coverage insurance (or, in lieu thereof, Builder's Risk completed value insurance, as Lender may require) in a form, substance and amount (at least equal to full replacement value) and issued by a company, all approved by Lender. Borrower shall also procure and maintain insurance against specific hazards affecting Lender's security for the Loan as may be required by Lender, governmental regulations or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Lender.
31. PUBLIC LIABILITY AND OTHER INSURANCE: Borrower shall procure and maintain public liability and property damage insurance (with Lender named as an additional insured) in a form, substance and amount and issued by a company, all approved by Lender. Borrower shall also procure and maintain workers' compensation and all other insurance required

under applicable law, which insurance shall be in a form, substance, amount and issued by a company, all approved by Lender.

32. HAZARDOUS MATERIALS: Borrower shall represent and warrant, and provide evidence satisfactory to Lender that hazardous materials have not been, are not being, and will not be stored or used on the Property and Improvements, with the exception of such materials normally used in the construction of similar improvements, and that the Property and Improvements are in compliance with all environmental laws, ordinances and regulations. Borrower shall be solely responsible for any loss, cost, expense or liability in connection with hazardous materials.
33. TITLE INSURANCE: Borrower shall procure and deliver to Lender a 1992 ALTA LP-10 Lender's Policy of Title Insurance, together with such endorsements as Lender may require, including, but not limited to, CLTA endorsement nos. 100, 110.9, 111.5, 116 and 102.5/102.7, insuring Lender in an amount equal to the principal amount of the Loan, that the Deed of Trust constitutes a first lien or charge upon the Property and Improvements, subject only to such items as shall have been approved by Lender. There shall be no exceptions permitted for mechanics liens. A title insurer approved by Lender shall issue such policy. All tax liens; real estate taxes, bonds or assessments, which are due and payable, are to be paid in full prior to the Loan closing.
34. TAX SERVICE CONTRACT: If required by Lender, Borrower shall provide a tax service contract in form and amount acceptable to Lender during the permanent period.
35. ORGANIZATIONAL AGREEMENTS: General partner(s) of Borrower shall submit to Lender certified copies of its/their formation documents including certified copies of Articles of Incorporation, certified copies of Articles of Organization and operating agreements, or partnership agreements, as applicable. Borrower shall submit its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership and Fictitious Business Name Statement; with all exhibits and amendments thereto and related filings or recorded documents, and such related documentation as Lender may request.
36. FINANCIAL INFORMATION: During the term of the Loan, Borrower, Guarantor and its general partners shall deliver to Lender within 120 days of the end of each fiscal year an income and expense statement, a balance sheet and a statement of all changes in financial position signed by authorized officers of Borrower, Guarantor and general partners, as applicable. If Borrower, Guarantor or general partners obtain audited financial information, that person or entity shall promptly submit copies of such information to Lender. Prior to close of the Loan and during the term thereof, Borrower and general partners shall deliver to Lender such additional financial information as may be requested by Lender. Lender reserves the right to review and approve financial statements and other credit information and references prior to closing, in order to allow Lender to properly underwrite the Loan. During the term of the Permanent Period Loan, Borrower shall deliver to Lender quarterly leasing and operating statements with respect to the Property and Improvements and annual audited financial statements for the Property.
37. MANAGEMENT AGREEMENT: Lender reserves the right to review and approve, prior to execution, any agreement providing for the management or operation of the Property or

Improvements by a third party. Lender may require an assignment of Borrower's interest in and to any management or operating agreement as security for the Loan.

38. SIGNS AND PUBLICITY RELEASES: Borrower agrees that Lender may place on the Property appropriate signs to indicate the construction financing provided by Lender and may issue publicity releases to newspapers or trade publications announcing such financing provided by Lender. All signs erected by Borrower with respect to construction of the Improvements shall indicate the construction financing provided by Lender.
39. THIRD PARTY BENEFICIARIES: There shall be no third party beneficiaries to either this Commitment or the Loan and Lender shall not be obligated or expected to provide any assurances, commitments, obligations or agreements to or for the benefit of any third party.
40. INDEMNIFICATION: Borrower shall indemnify, defend and hold Lender harmless against loss or damage suffered by Lender as a result of any claim by any person or entity arising out of or as a result of this Commitment or the transactions contemplated by this Commitment, including, without limitation, any claim for any brokerage commission, finder's fee or similar fees.
41. NOTICES, WAIVERS AND TIME: Time shall be of the essence in this Commitment. No waiver of any of the terms or conditions of this Commitment or of any default hereunder shall be effective unless made in writing and signed by Lender, and no such waiver shall be deemed a waiver of any future condition.

All notices hereunder shall be in writing addressed to Lender at Wells Fargo Bank, Community Lending and Investment (#A01119-177), 333 Market Street, 17th Floor, San Francisco, CA 94105, Attention: Loan Administration Manager, and to Borrower at the address of this Commitment.

42. OPINION OF BORROWER'S COUNSEL: Upon Lender's request, at closing, Lender shall be furnished with a written opinion of Borrower's counsel, at no expense to Lender, to the effect that:
 - (a) The Loan Documents have been duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms, subject only to any applicable bankruptcy, insolvency, reorganization, or similar laws affecting the rights of creditors generally, and other customarily given qualifications;
 - (b) Borrower is duly organized, validly existing and in good standing under the laws of the State of California, and has all the necessary power and authority to carry on its business and to own its property and to undertake its obligations under the Loan Documents;
 - (c) Said counsel knows of no provision of any existing deed of trust, indenture, contract or other agreement binding on Borrower or affecting its property which would conflict with or in any way prevent the execution, delivery and performance of the terms of the Loan Documents;

- (d) To the best of said counsel's knowledge, there are no proceedings pending or threatened before any court or administrative agency which, if adversely determined, would materially adversely affect the financial condition or operation of Borrower, Borrower's general partners, the Property or Improvements, including, but not limited to, bankruptcy, reorganization or insolvency proceedings or any other debtor-creditor proceedings;
 - (e) Borrower has taken all steps required to be taken in order to qualify for the LIHTCs and HUD Section 8 project-based allocations, if applicable;
 - (f) That the project is exempt from Title 34, if applicable;
 - (g) The lien of the Lender's deed of trust is a valid lien on the Property and Improvements and is not subject to any other lien or encumbrance except those approved by Lender, and the security interest described in the Financing Statements are good and valid security interests and not subordinate to any other security interest; and,
 - (h) Such other matters as Lender may reasonably require.
43. LENDER'S EXPENSES: Borrower shall make prompt payment of all expenses of Lender incidental to the Loan including, without limitation, expenses incurred for architectural and engineering review, appraisal or appraisal review, toxic review, construction inspections and legal services (including in-house counsel). Borrower shall also pay all preclosing and closing expenses including, without limitation, escrow fees, title insurance, hazard insurance and bond premiums, architect's and engineer's fees, as well as charges for such items as surveys, recordation, filing and documentary or stamp taxes. If Borrower has not paid previously, all such fees and expenses shall be due and payable at the closing of the Loan. If the Loan does not close due to any action or inaction of Borrower, Borrower shall pay Lender's reasonable expenses incurred with respect to this transaction.
44. LOAN FEE: Borrower shall pay to Lender at closing of the Loan, a Loan Fee of an amount equal to seventy-five hundredths of one percent (0.75%) of Loan plus all unpaid costs and expenses (including, but not limited to, legal, costing, inspection and appraisal expenses). While Lender will make every effort to maintain the fee, Lender reserves the right to increase this fee pricing prior to construction loan closing should the financial condition including the cost of funds so warrant. **Note: no fee is required for the issuance of this commitment letter.**
45. START OF CONSTRUCTION: Borrower shall meet the start of construction deadline stipulated under its allocation of tax credits.
46. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements prior to fourteen (14) months after the start of construction.

Notwithstanding the above, Borrower shall meet the placed-in-service deadline stipulated under its allocation of LIHTCs.

47. PARTICIPATION OF THE LOAN: Borrower understands and agrees that Lender may elect, at any time and in its sole discretion, to sell, assign, or participate all or any part of Lender's interest in the Loan, and that any such sale, assignment or participation may be to one or more financial institutions, private investors, and/or other entities, at Lender's sole discretion.
48. DOCUMENTATION: No Loan will exist and Lender will have no obligation to make the Loan or fund any money unless and until Borrower and Lender have executed the Loan Documents, containing such terms, conditions, representations and warranties as Lender, in its discretion requires, all in form, substance and execution satisfactory to Lender. As used herein, "Loan Documents" shall include but shall not be limited to the Loan Agreement, Promissory Note, Deed of Trust, Security Agreement, Financing Statement, Guaranties, and assignment documents for tax credits, partnership interests, architect's contract, and contractor's contract. Borrower shall promptly deliver to Lender any further documentation that may be required by Lender. No document that is to be delivered to Lender or is subject to Lender's approval shall be modified or terminated without the prior written approval of Lender.
49. CHANGES OR AMENDMENTS: no document, which is to be delivered to Lender or is subject to Lender's approval shall be modified or terminated without the prior, written approval of Lender.
50. PRIOR DISCUSSIONS: All prior oral discussions are merged into this Commitment, which sets forth the entire agreement of Borrower and Lender regarding the proposed Loan.
51. NONASSIGNABILITY OF COMMITMENT: This Commitment shall not be assignable by operation of law or otherwise without the prior written consent of Lender. The Loan shall not be assignable.
52. TERMINATION OF COMMITMENT: Lender reserves the right to cancel this Commitment and terminate its obligations hereunder, upon the occurrence of any of the following events:
- (a) Borrower's failure or inability to comply with the terms or conditions of this Commitment.
 - (b) Nonpayment of fees and expenses provided for in this Commitment.
 - (c) The filing by or against Borrower or general partner of Borrower of a petition in bankruptcy or insolvency or for reorganization or the appointment of a receiver or trustee, or the making by Borrower or general partner of an assignment for the benefit of creditors, or the filing of a petition for arrangement by Borrower or general partner.
 - (d) The disclosure of any information that in the opinion of Lender would impair the ability of Borrower or general partner to perform under the terms of this Commitment or the Loan or of the Property or the Improvements to meet Lender's underwriting standards.
 - (e) The failure of Borrower to disclose to Lender all information material to the Loan or the Property and the Improvements, or the misrepresentation by Borrower of any

material fact relating to the Loan, the Property, the Improvements or the financial condition of Borrower or general partner.

- (f) The termination or expiration, prior to the close of the Loan, of other financing commitments as described in Sections 13, 14 and 15.
- (g) The failure of Borrower to comply with all requirements necessary to maintain the LIHTCs.

Termination of this Commitment shall not entitle Borrower to a return or cancellation of any fees or Lender expenses paid or payable to Lender.

53. ACCEPTANCE OF THIS COMMITMENT: signing and delivering to Lender the enclosed copy of this letter by September 21, 2020 shall evidence Borrower's acceptance of this Commitment. Until receipt of such acceptance by Lender, Lender shall have no liability hereunder, and unless Lender has received such acceptance by that date, this Commitment shall be null and void.

Lender must make any extension of such time for acceptance in writing.

54. EXPIRATION OF COMMITMENT: Lender and Borrower shall cooperate on required loan documentation and subsequent funding of the Loan after acceptance hereof. This Commitment shall expire on September 1, 2021 unless the Loan is closed by that date or Lender has agreed to extend the commitment. Upon expiration, Lender shall be entitled to retain or receive its fees and expenses as provided for herein. Lender must make any extension of such expiration date in writing.
55. PATRIOT ACT COMPLIANCE: To help the government fight the funding of terrorism and money laundering activities, U.S. Federal law requires financial institutions to obtain, verify, and record information that identifies each person (individual or business entity) who opens an account.

What this means for you. When you open an account or add any additional service, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

An account includes a deposit account, cash management services, a transaction or asset account, a credit account (e.g. a loan) or other extension of credit.

Borrower is advised to retain this letter for their records.

Very truly yours,

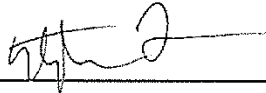
WELLS FARGO BANK, N.A.



Lori A. Saito
Vice President

The undersigned hereby accepts the foregoing Commitment and agrees to be bound by the terms and conditions therein set forth.

Mercy Housing California

By: 

Title: Vice President

cc: John Kauh, WFB

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771 / FAX (916) 263-2763
www.hcd.ca.gov



June 25, 2020

Donald Semon, Director of HHSA
County of El Dorado
3047 Briw Road
Placerville, CA 95667

Stephan Daues, Regional Director
Mercy Housing California
2512 River Plaza Drive, Suite 200
Sacramento, CA 95833

Dear Donald Semon and Stephan Daues:

**RE: Award Announcement – No Place Like Home Program, Competitive Allocation,
Round 2, Notice of Funding Availability Fiscal Year 2019/20
County of El Dorado and Mercy Housing California – El Dorado Haven
Contract No. 20-NPLH-14590**

The California Department of Housing and Community Development (Department) is pleased to announce that the County of El Dorado and Mercy Housing California (Awardees) have been awarded a No Place Like Home program, Competitive Allocation, Round 2, award in the amount of \$2,558,482. This letter constitutes notice of the designation of NPLH program funds for the Awardees.

Awardees will be able to draw down funds when the standard agreement is fully executed, and any general and special conditions have been cleared in writing. In addition, expenditures may not be incurred prior to the execution of the standard agreement.

Congratulations on your successful application. For further information, please contact Aaron New, NPLH Program Manager, Program Design and Implementation Branch (916) 263-2742 or Aaron.New@hcd.ca.gov.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Seeger".

Jennifer Seeger
Acting Deputy Director

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771 / FAX (916) 263-2763
www.hcd.ca.gov



June 25, 2020

Donald Semon, Director of HHS
County of El Dorado
3047 Briw Road
Placerville, CA 95667

Stephan Daues, Regional Director
Mercy Housing California
2512 River Plaza Drive, Suite 200
Sacramento, CA 95833

Dear Donald Semon and Stephan Daues:

RE: Award Announcement – No Place Like Home Program, NonCompetitive Allocation, Round 2, Notice of Funding Availability Fiscal Year 2019/20 County of El Dorado and Mercy Housing California – El Dorado Haven Contract No. 20-NPLH-14647

The California Department of Housing and Community Development (Department) is pleased to announce that the County of El Dorado and Mercy Housing California (Awardees) have been awarded a No Place Like Home program, Noncompetitive Allocation, Round 2, award in the amount of \$836,801. This letter constitutes notice of the designation of NPLH program funds for the Awardees.

Awardees will be able to draw down funds when the standard agreement is fully executed, and any general and special conditions have been cleared in writing. In addition, expenditures may not be incurred prior to the execution of the standard agreement.

Congratulations on your successful application. For further information, please contact Aaron New, NPLH Program Manager, Program Design and Implementation Branch (916) 263-2742 or Aaron.New@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Seeger". The signature is written in a cursive, flowing style.

Jennifer Seeger
Acting Deputy Director

El Dorado Haven

E-1

Proposed Work Narrative

The proposed development is a 65-unit rental apartment community for individuals and families in the unincorporated community of El Dorado, El Dorado County. The project is comprised of four two and three-story residential buildings with a unit mix of 26 one-bedroom units with 630 square feet, 22 two-bedroom units with 865 square feet, and 16 three-bedroom units with 1,100 square feet; one additional two-bedroom unit will be designated for on-site management. One of the buildings also includes approximately 1500 square feet of management and services offices, storage, and multipurpose room.

The site is slightly sloping to the west and will require significant clearing grading work. All necessary utilities service points are nearby but need to be brought to each building underground, requiring significant work to remove bedrock. To take advantage of the slop, the buildings are oriented toward an inward open landscaped courtyard type setting. The parking is on the perimeter to maximize the open space in the interior for residents to enjoy. While a handful of mature oak and other tress exist at the western perimeter, these will likely need removal. New trees, shrubs and other plantings will create a lush landscape to fit into the surrounding pastoral setting.

El Dorado Haven

E-3

Compliance with Planning Department

El Dorado Haven is located on land zone Multifamily Residential (MFR), as evidence by the attached parcel data print out from the Planning Department. Also attached is the applicable page from the County Zoning ordinance addressing MFR in Rural Centers. Also attached is our proposed plan and SB 35 preliminary checklist.

Planning Services

Home > Government > Planning

PARCEL DATA INFORMATION

Disclaimer: This information may not be accurate.

9/14/2020 *Enter Another Parcel*

Assessor's Parcel Number: 331-301-01

PROPERTY INFORMATION:

STATUS	JURISDICTION	TAX RATE	MAP	ACREAGE
ON ASSESSMENT ROLL AND TAXED	COUNTY OF EL DORADO	78 - 100	SEC 36 10 10	0.32

2015 GENERAL PLAN LAND USE INFORMATION:

LAND USE DES.	AG DIST.	ECOLOGICAL PRESERVES	IMPORTANT BIOLOGICAL CORRIDOR	MINERAL RESOURCES	PLATTED LANDS	COMMUNITY REGIONS	RURAL CENTERS	SPECIFIC PLANS	ADOPTED PLAN NAME
MFR						EDDS			

2015 ZONING INFORMATION:

ZONING DESIGNATION	DESIGN CONTROL	PLANNED DEVELOPMENT	OTHER OVERLAYS
RM	DC		

2004 GENERAL PLAN LAND USE INFORMATION:

LAND USE DES.	AG DIST.	ECOLOGICAL PRESERVES	IMPORTANT BIOLOGICAL CORRIDOR	MINERAL RESOURCES	PLATTED LANDS	COMMUNITY REGIONS	RURAL CENTERS	SPECIFIC PLANS	ADOPTED PLAN NAME
MDR, MFR, HDR						EDDS			

2004 ZONING INFORMATION:

ZONING DESIGNATION	DESIGN CONTROL	PLANNED DEVELOPMENT	OTHER OVERLAYS
RE-10, R1A, R1, R2, MP			

DISTRICTS:

FIRE	CSD	SCHOOL	WATER
DIA SPRINGS/EL DORADO FPD		MOTHER LODE UNION	EL DORADO IRRIGATION DIST

FLOOD ZONE INFORMATION (See Note below):

FIRM PANEL NUMBER & REVISION	PANEL REVISION DATE	FLOOD ZONE	FLOOD ZONE BUFFER	FLOODWAY
06017C0775E	09/26/2008	X		

MISCELLANEOUS DATA:

SUPERVISORIAL DISTRICT	AG PRESERVE	RARE PLANT MITIGATION AREA	MISSOURI FLAT MC&FP
3 BRIAN VEERKAMP		Mitigation Area 2	NO

REMARKS:

No Eligibility Review Required

NOTE: The flood zone information presented here is based solely on data derived from the FEMA Flood Information Rate Maps, and does not include data from any other flood studies.

**TABLE 2-1
PLANNING CONCEPT AREAS AND LAND USE DESIGNATION CONSISTENCY MATRIX**

Land Use Designations	Concept Areas		
	Community Regions	Rural Centers	Rural Regions
Multifamily Residential	•	•	
High-Density Residential	•	•	
Medium-Density Residential	•	•	
Low-Density Residential	•	•	•
Rural Residential			•
Agricultural Lands			•
Natural Resource			•
Commercial	•	•	•
Research & Development	•	•	
Industrial	•	•	•
Open Space	•	•	•
Public Facilities	•	•	•
Tourist Recreational	•	•	•

Policy 2.2.1.2 To provide for an appropriate range of land use types and densities within the County, the following General Plan land use designations are established and defined.

Multifamily Residential (MFR): This land use designation identifies those areas suitable for high-density, single family and multifamily design concepts such as apartments, single-family attached dwelling units (i.e., air-space condominiums, townhouses and multiplexes), and small-lot single-family detached dwellings subject to the standards set for in the Zoning Ordinance and which meet the minimum allowable density. Mobile home parks, as well as existing and proposed manufactured home parks, shall also be permitted under this designation. Lands identified as MFR shall be in locations with the highest degree of access to transportation facilities, shopping and services, employment, recreation, and other public facilities. Mixed use development within Community Regions and Rural Centers which combine commercial and residential uses shall be permitted. Except as provided in Objective 2.2.6 (Site Specific Policy), the minimum allowable density is five dwelling units per acre, with a maximum density of 24 dwelling units per acre. Except as provided in Policy 2.2.2.3, this designation is considered appropriate only within Community Regions and Rural Centers. (Resolution 199-2018, September 25, 2018)

High-Density Residential (HDR): This land use designation identifies those areas suitable for intensive single-family residential development at



PLANNING AND BUILDING DEPARTMENT

PLANNING DIVISION

www.edcgov.us/Government/Planning

PLACERVILLE OFFICE:

2850 Fairlane Court, Placerville, CA 95667
BUILDING
(530) 621-5315 / (530) 622-1708 Fax
bldgdept@edcgov.us

PLANNING
(530) 621-5355 / (530) 642-0508 Fax
planning@edcgov.us

Multifamily Housing Project Senate Bill 35 Streamlined Approval Process Eligibility Checklist

Effective January 1, 2018, and as later amended SB 35, or the Permit Streamlining Act, enacted Government Code Section 65913.4 to establish a streamlined, ministerial approval process for multifamily housing projects that include an affordable housing component and satisfy certain eligibility criteria. This handout will serve as a guide to determining if a multifamily housing project qualifies under the Permit Streamlining Act.

These eligibility criteria are state-mandated. The County has no ability to waive or amend these criteria. A multifamily housing project that fails to meet one or more of these criteria will be subject to the County's regular review process instead of the streamlined approval process. This checklist is subject to final review by the El Dorado County Planning and Building Department.

Development proponents are strongly encouraged to review the entirety of the Guidelines for the Streamlined Ministerial Approval Process (Chapter 366, Statutes of 2017), as amended, available online at the California Department of Housing and Community Development website listed under California's 2017 Housing Package information at <http://www.hcd.ca.gov/policy-research/lhp.shtml>

File or Permit # assigned by County _____

Assessor's # (s) 331-301-017-000

Project Name/Request(describe proposed use) El Dorado Haven - proposed new construction of 65 affordable multifamily apartment on 4.66 vacant acres in the El Dorado community.

Applicant Name Mercy Housing California

Mailing Address 2512 River Plaza Drive, Ste 200, Sacramento, CA 95835

Phone: 916/414-4440 Email: sdaues@mercyhousing.org

Property Owner El Dorado Federated Church

Mailing Address 1031 Thompson Way, Placerville, CA

Phone _____ Email Ron Johnson <j.ron48@yahoo.com>

X Signature of property owner or authorized agent

8/21/20

Date

	Eligibility Requirements	Yes	No	N/A
1.	Is the project a multifamily housing development (2 or more units) or a mixed-use project where at least 2/3 of the square footage of the project is not dedicated to residential uses (subd.(a)(1))?	X		
2.	Has the applicant dedicated at least 50% of the units in the project to households making below 80% of the area median income (subd.(a)(4)(B))? https://www.hcd.ca.gov/grants-funding/income-limits/index.shtml	X		
3.	Does at least 75% of the perimeter of the site adjoin parcels currently or formerly developed with "urban uses" (subds.(a)(2)(B),(h)(8))?	X		
4.	Does the site's zoning or general plan designation allow for residential or residential mixed-use development, as applicable to the project (subd.(a)(2)(C))?	X		
5a	If a land subdivision is required, is the project financed with low-income housing tax credits and will prevailing wages be paid?			X
5b	If land subdivision is required, will the development pay prevailing wages to a trained and skilled workforce?			X
6.	Does the project meet density requirements in the general plan designation applicable to the subject property/ies?	X		
7.	Does the project meet objective zoning standards of the zoning designation applicable to the subject property/ies?	X		
8.	Does the project meet objective design review standards per the Community Design Guidelines and the applicable zoning district regulations?	X		
9.	Is the project outside of any of the following areas: <ul style="list-style-type: none"> - Wetlands as defined under federal law - Earthquake fault zones - High or very high fire hazard severity zones - Hazardous waste site - FEMA designated flood plain or floodway - Protected species habitat - Lands under conservation easement <ul style="list-style-type: none"> - A site that would require demolition of housing (1) subject to record rent restrictions or (2) housing occupied by tenants within the past 10 years - A site that would require the demolition of a historic structure listed on a local, state, or federal register - A site governed by the Mobile Home Residency Law, the Recreational Vehicle Park Occupancy Law, the Mobile Home Parks Act, or the Special Occupancy Parks Act 	X		
10.	For projects of over 10 units, will the entire development be a "public work" as defined in Section 1720 of the California Labor Code, or will construction workers be paid at least the prevailing wage?	X		
11.	For projects of 75 or more units, will a "skilled and trained" workforce, as defined in Section 2601 of the California Public Contracts Code, be used to complete the Development?			X

ELIGIBILITY DETERMINATION

Multifamily housing projects shall be reviewed for compliance with the eligibility criteria for the SB 35 streamlined approval process. If a project contains 150 or fewer units, then such review shall be completed within 60 days of the application submittal. If a project contains more than 150 units, then such review shall be completed within 90 days. The County shall provide the applicant written documentation of any eligibility criteria that are not satisfied, as well as an explanation of the reason(s) for that determination.

EXPIRATION OF APPROVAL

An approval for a multifamily housing project pursuant to SB 35 shall not expire if 50% of the units are affordable to households making below 80% of the area median income and the project includes non-tax credit public investment in housing affordability. Otherwise, an approval for a multifamily housing project pursuant to SB 35 shall expire after three years unless vertical construction of the project has begun and is in progress. A one year time extension may be granted if the applicant provides reasonable documentation to prove there has been significant progress toward getting the project construction-ready, such as filing a building permit application.



For questions relating to the Multifamily Housing Project SB 35 Streamlined Ministerial Approval Process eligibility checklist, or questions relating to the construction of such a project, please contact the El Dorado County Planning Services Unit, (530) 621-5355.

You can now schedule an appointment online, or join a line from your computer!

El Dorado County
Planning and Building Department
2850 Fairlane Court, Bldg. C
Placerville, CA 95667
(530) 621-5355

From South Lake Tahoe:
(530) 573-7955 x5355
Fax: (530) 642-0508

Email, planning@edcgov.us



THIS PLAN IS THE PROPERTY OF ANDERS & FALLTRICK ARCHITECTS. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREON. ANY REUSE OR MODIFICATION OF THIS PLAN WITHOUT THE WRITTEN CONSENT OF ANDERS & FALLTRICK ARCHITECTS IS STRICTLY PROHIBITED. THE USER OF THIS PLAN AGREES TO HOLD ANDERS & FALLTRICK ARCHITECTS HARMLESS FROM ANY AND ALL CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING ATTORNEY'S FEES, ARISING OUT OF OR RESULTING FROM THE USE OF THIS PLAN. © 2022 Anders & Falltrick Architects

Project: EL PINOJO HAVEN APARTMENTS
 1100 UNIVERSITY AVENUE AND
 EL CAMINO, CA 95811
 APR. 3.31.2017-171

Proposed: PROPOSED SITE PLAN

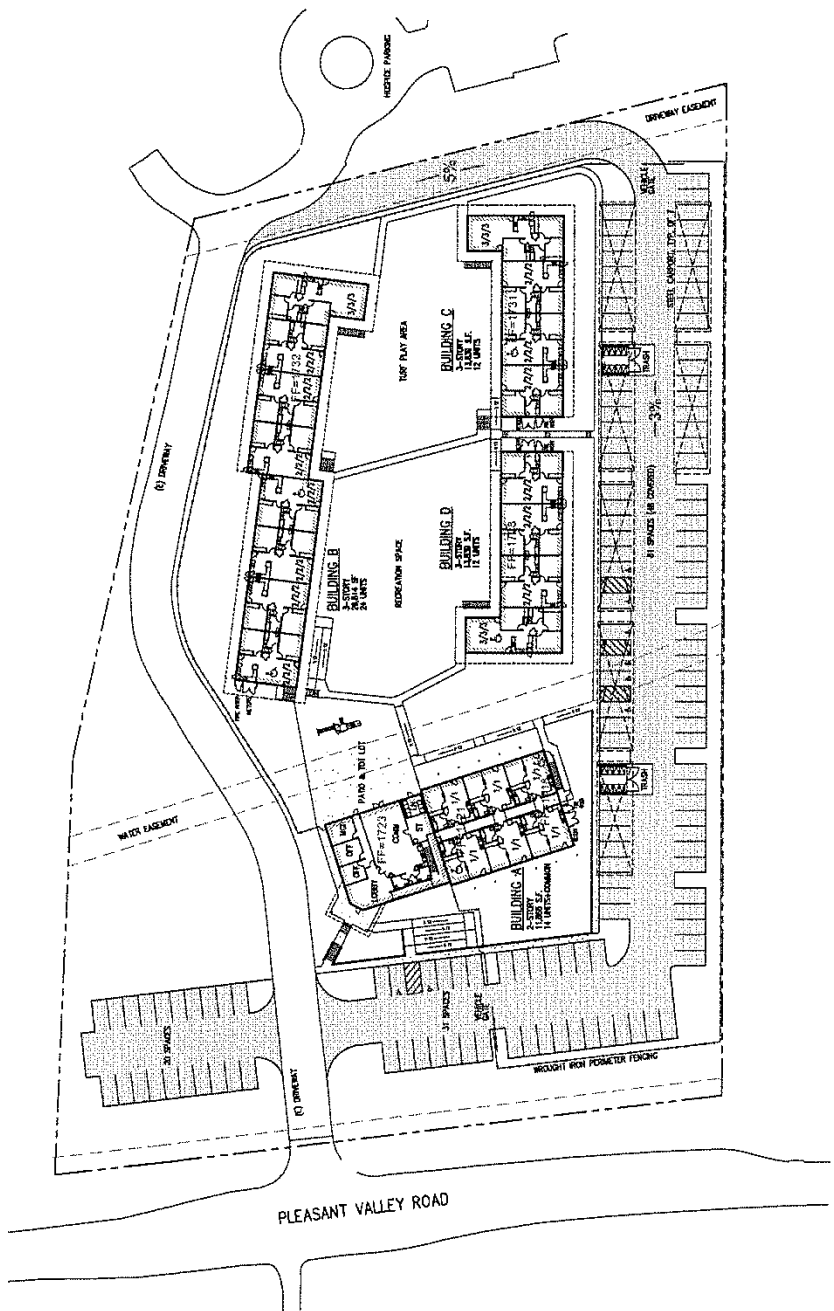
Sheet No.	1507
Drawn By	
Checked By	
Date	5-10-20
Drawn By	

A1.1

PARKING COUNT:
 REQUIREMENTS:
 1 BED: 1.5/UNIT = 21
 2 & 3 BED: 2/UNIT (1 COVERED) = 96
 VISITOR: 1 PER 4 UNITS = 15
 TOTAL REQUIRED = 132
 TOTAL SHOWN = 132

UNIT COUNT:
 62 UNITS TOTAL
 (14) 1-BED
 (39) 2-BED
 (9) 3-BED

PARCEL:
 4.6 ACRES
 13 DWELLING UNITS/ACRE
 ZONE: RES MULTI-FAMILY, HISTORIC



1"=30'-0"

1 SITE PLAN

El Dorado Haven

F-1 :

Tenant Selection Criteria:

Residents for the 5 PBV units will be referred by El Dorado County (EDC) from Coordinated Entry in cooperation with County health and Human Services NPLH eligibility. The households approved for tenancy shall be those whose annual income does not exceed prescribed maximums per all project funding agreements. The project will comply with all Federal, State, or local fair housing and civil rights laws and with all equal opportunity requirements set forth in HUD's administrative procedures. Federal law forbids discrimination based on race, color, religion, sex, handicap, familial status, or national origin. Administrative procedures further prohibit discrimination based on certain class membership or sexual orientation. The project will comply with an Affirmative Fair Housing Marketing Plan, which will comply with affirmative fair housing requirements as outlined in any applicable administrative guideline or law.

El Dorado Haven

G-2

Evidence of Case Management and specialty mental health services

The attached letter and services evidences the county commitment for the 10 NPLH units included in the project, of which overlap with the 5 vouchers included in this application.

COUNTY OF EL DORADO

HEALTH & HUMAN SERVICES

Don Semon
Director

3057 Briw Road, Suite B
Placerville, CA 95667
530-642-7300 Phone / 530-626-7734 Fax

3368 Lake Tahoe Boulevard, Suite 100
South Lake Tahoe, CA 96150
530-573-3200 Phone / 530-541-6736 Fax



BOARD OF SUPERVISORS

JOHN HIDAHL
District I
SHIVA FRENTZEN
District II
BRIAN K. VEERKAMP
District III
LORI PARLIN
District IV
SUE NOVASEL
District V

State Department of Housing and Community Development
No Place Like Home Program
2020 West El Camino Ave
Sacramento, CA 95833

December 19, 2019

To Whom This May Concern:

I write this letter to provide information regarding HHS's commitment to provide services, in a partnership with Mercy Housing, to homeless households served through El Dorado County's No Place Like Home project (NPLH).

The County will make mental health supportive services available to each NPLH tenant for at least 20 years, and will coordinate the provision of or referral to other services (including, but not limited to, substance use services) in accordance with the County's relevant supportive services plan, and as specified in Section 202(n)(1) of the guidelines.

Examples of services that will be provided as a part of No Place Like Home requirements are as follows:

- Case Management
- Behavioral Health
- Human Services (i.e. Medi-Cal, CalFresh, CalWORKs, etc)
- Public Health Services

HHS services, including Behavioral Health FSP services, are available 5-days per week, Monday through Friday. Services will be made available as requested by the NPLH Tenant or Mercy Property Management regardless of how much of a staff person's time has been represented in the application for NPLH Competitive Funding.

Whole Person Care pilot funding will pay for NPLH case management of any chronically homeless individuals identified and referred to a NPLH unit. Funding will be available for at least 3 years, and El Dorado County will intend on renewing this funding stream. Represented in the NPLH application is 0.5 FTE dedicated to NPLH tenants. That being noted, similar to all other HHS services, Whole Person Care case management services can be available as needed, Monday through Friday, 5-days per week. El Dorado County does not have experience administering Whole Person Care funding, however the agency has many years of experience providing case management to vulnerable residents, including homeless households;

Vision Statement:
Transforming Lives and Improving Futures

Mental Health Services Act Funding will pay for behavioral health services, and they will be provided through MHSA funding for the duration of this project. HHSa has provided these services since MHSA funding became available to California Counties;

Position Classification	Total Wages	Total Benefits	Total Wages/ Benefits	Indirect Costs	Total Costs	Funding
MH Clinician	75,171	32,771	107,943	21,860	129,802	MHSA
MH Worker	46,010	28,033	74,042	13,380	87,422	MHSA

Lastly, **California Emergency Solutions to Housing (CESH)** funding will pay for Coordinated Entry intakes and referral for NPLH eligible households through Tahoe Coalition for the Homeless, who is the lead Coordinated Entry Agency for El Dorado's Continuum of Care. This provider has approximately 2 years of experience providing Coordinated Entry intakes, as well as about 5 years of experience providing direct services and emergency shelter services to homeless residents. Funding will support Tahoe Coalition for the Homeless for at least 3 years, however with Coordinated Entry being a federal mandate for Continuums of Care, this process will only continue to evolve, grow, and expand over the coming years through Tahoe Coalition.

Thank you for your support of Mercy Housing and El Dorado County in our efforts to house some of our most vulnerable California residents in this region.

Sincerely,



Don Semon
Director

Title	Minimum requirements	Total FTE	Employing Organization	Location
List each staff position	List min. required staff preparation include education & experiential NOTE: Doesn't take place of the job description or duty statement.	0.3	This could be the County, another CSP, Sponsor or a Project Partner	Select "On-Site" or "Off-Site"
Case Manager	WHOLE PERSON CARE STAFF: Dedicated to case management of chronically homeless. Where applicable, a college degree or certificate is required. Degree and college units must be obtained from an accredited college or university. Courses from non-accredited institutions will not be evaluated for this requirement.	0.5	Lead Service Provider	On-Site
Case Manager	MENTAL HEALTH THERAPIST: Where college degree or certificate is required, degree and college units must be obtained from an accredited college or university. Courses from non-accredited institutions will not be evaluated for this requirement.	0.1	Lead Service Provider	On-Site
Case Manager	MENTAL HEALTH WORKER: Where college degree or certificate is required, degree and college units must be obtained from an accredited college or university. Courses from non-accredited institutions will not be evaluated for this requirement. Two years of experience in a mental health or related setting. College level course work in psychology or a related subject may be substituted for the experience requirement on a year for year basis in addition to the above. Two years of experience in providing case management to individuals with mental health or related issues.	0.1	Lead Service Provider	On-Site
HRIS Admin.	PERSONNEL WILL BE RESPONSIBLE FOR IDENTIFICATION AND COORDINATED ENTRY INTAKES. This position requires a minimum of 2 years of experience in computer software, including HRIS. The successful candidate must have a minimum of 2 years of experience in HRIS, and be authorized to work in the United States. Knowledge of best practices for agencies addressing homelessness and emergency shelter operations preferred.	0.2	Project Partner	Off-Site

California Department of Housing and Community Development
No Place Like Home Program Application
El Dorado County - Mercy Housing California
El Dorado Haven
6500 Pleasant Valley Road, El Dorado, CA 95619

Tab 47

Property Management Plan

El Dorado Haven
MANAGEMENT PLAN

Table of Contents

Section	Subject	Page #
I.	INTRODUCTION	
A.	Development Description	4
B.	Housing First	5
C.	Development Ownership and Management:	7
D.	Management Objectives	7
E.	Updates	7
II.	MANAGEMENT ORGANIZATION, ROLES AND RELATIONSHIPS	
A.	Management Organization	8
B.	Property Management	8
C.	Maintenance Staffing	8
D.	Financial Staffing	9
E.	Hiring of Management Staff	9
F.	Hiring of Residents	9
G.	Resident-Management Relations	9
III.	MARKETING AND RESIDENT SELECTION	
A.	Marketing	10
B.	Application Screening and Decision Processes	10
C.	Interest List Management	15
IV.	OCCUPANCY POLICIES AND PROCEDURES	
A.	Construction Follow Up	15
B.	Leasing, Inspection, Tour and Orientation	15
C.	Annual Resident Income Re-certifications	18
V.	RENT COLLECTION	
A.	Rent Collection Procedures	18
B.	Handling of Rents and Other Payments	19
C.	Late Rent	19
D.	Rent Increases	19

VI.	MAINTENANCE	
A.	Custodial and Grounds Maintenance	20
B.	Emergency Maintenance	21
C.	Corrective Maintenance	22
D.	Vacated Unit Turnovers	23
E.	Preventive Maintenance	24
F.	Major Maintenance & Replacements	26
VII.	FISCAL MANAGEMENT	
A.	Accounting Staffing and Practices	27
B.	Check Issuance and Approval for Expenses	27
C.	Accounts	28
D.	Budgets	28
E.	Reports	29
F.	Property Tax Exemptions	30
VIII.	RISK MANAGEMENT	
A.	Insurance	31
B.	Resident and Employee Safety	31
C.	Incidents Involving Harm, Damage, or Theft	31
IX.	EVICCTIONS	
A.	Policy	32
B.	Rent Payment Problems	32
C.	Rent Payment-Based Evictions	33
D.	Resident Behavior Problems	33
E.	Resident Behavior-Based Evictions	34
X.	ABANDONED UNITS AND PERSONAL PROPERTY	
A.	Abandoned Units	35
B.	Abandoned Personal Property	35
XI.	RESIDENT RELATIONS AND SOCIAL SERVICES	
A.	Complaints, Grievances and Resolution	36
B.	Liability	36
C.	Resident Privacy and Rights	36
D.	Resident Meetings and Events	37
E.	Crime Prevention Program	37
F.	Security	37

XII.

APPENDICES TO MANAGEMENT PLAN

- A. Property Manager Job Description (not included)
- B. Resident Eligibility Criteria (not included)
- C. Application to Rent (not included)
- D. House Rules (not included)
- E. Marketing Plan (not included)

Mercy El Dorado Haven

MANAGEMENT PLAN

I. INTRODUCTION

A. Development Description:

Mercy El Dorado Haven (El Dorado) (the Property) will provide attractive and affordable housing for some of El Dorado County's most vulnerable low-income residents. Located west of Diamond Springs at 6513 Pleasant Valley Road, El Dorado California, on a five-acre parcel, the community will consist of 65 newly constructed garden-style apartments in four two- and three-story buildings. The apartment mix will be 26 one-bedroom, 22 two-bedroom, and 16 three-bedroom apartments. Affordability qualifications will be distributed among apartment types at 20%, 30%, 40% and 50% of Area Median Income (AMI).

There will be a separate, 1,800 square foot community building that will include staff offices, community space (conference room, multipurpose room, and kitchen), laundry facilities, a computer area. Outdoor community spaces include a playground and picnic area. The community will be an open campus to stimulate interaction among residents and visitors.

El Dorado Haven will provide Permanent Supportive Housing for ten No Place Like Home (NPLH) qualified residents experiencing homelessness in a residential, integrative manner. 8 of these 10 units will be one-bedroom units reserved for NPLH qualified households. The other 2 NPLH units will be two-bedroom units. All ten units are spread throughout the development so as not to be distinguishable in any way and to better integrate these residents into the overall community.

Services for the ten NPLH permanent supportive households will be provided by El Dorado County HHS and their contracted Full-Service Partner (FSP). Resident services for all apartments and households will be coordinated by an onsite Mercy Housing Resident Services Coordinator.

El Dorado Haven will operate under the regulatory requirements of California TCAC L-Income Housing Tax Credit, Housing and Community Development No Place Like Home (NPLH) and Infill Infrastructure Grant programs, and El Dorado County.

**El Dorado Haven Apartments
Unit Mix**

Population	Disabled	PBV	Regulated AMI- NPLH	Regulated AMI-TCAC	1 bdrm	2 bdrm	3 bdrm	Total
NPLH Units								
NPLH Homeless	Yes	Yes	20%	20%	8	-	-	-
NPLH Homeless	Yes	Yes	30%	30%	-	2	-	-
Sub-Total					8	2	-	10
Non-NPLH Units								
	-	-	20%	20%	-	-	-	-
			30%	30%	-	-	1	1
	-	-	40%	40%	5	9	6	20
			50%	50%	13	11	9	33
Sub-Total					26	22	16	64
Manager's Unit								
	-	-	-	-	-	1	-	1
Grand Total					26	23	16	65

B. Housing First

Ten Supportive units will utilize a “Housing First” model of providing permanent supportive housing. The El Dorado development 10 supportive units will seek to move homeless individuals as quickly as possible into permanent supportive housing without any preconditions associated with participation in services. With the singular goal of housing stability for its residents, both Mercy Housing and its service provider will be aligned in its efforts to provide housing as the first essential services to ending homelessness for individuals and families. With the supportive services immediately available after move-in and the connections to the community-based support, residents will be engaged immediately with efforts to avoid a return to homelessness.

Below are the Housing First policy components that will be implemented at El Dorado:

a. Low barrier admission policies

Mercy Housing’s program for all current supportive housing projects begins with an immediate focus on helping individuals and families get housing without preconditions and barriers to entry. Minimum income, sobriety and/or participation in treatment or other services are not required as a condition for obtaining housing.

Outreach and intake policies are designed to “screen-in” rather than screen-out applicants with the greatest barriers to housing, such as having no or very low income, poor rental history and past evictions, or criminal histories. Property management will accept alternative documentation sources required to the extent that regulations allow. Due to the underlying disabilities and disadvantage associated with the homeless individuals, case managers and

management proactively identify possible issues that could impact the application approval. Each applicant is afforded the right to a reasonable accommodation as a last resort to disqualification as a disabled individual in the application process.

Mitigating circumstances for reasonable accommodations are identified early on to streamline the application process. Management offers applicants with disabilities additional consideration in the application of rules, practices, or services if it will enable an otherwise eligible applicant or tenant with a disability an equal opportunity to access and enjoy the housing program. In order to provide for reasonable accommodations/modifications during the application process, language is provided on the instruction page of the application as follows: "If you have a physical or mental disability, and as a result of this disability there are reasonable accommodation that should be considered in your application, please attach a note to your application describing the reasonable accommodation(s) you are requesting and why they should be considered in your application. You may be asked to fill out a Reasonable Accommodation Request form upon receipt of your application and further information that may be required to verify need for reasonable accommodations."

The process described above allows for the individual applicant's specific circumstances to be considered in processing the application.

b. Rapid and streamlined entry into housing

Property management works closely with the service provider to streamline the application and approval processes, to reduce wait times. The goal is to help people experiencing homelessness move into permanent housing as quickly as possible. Service partners assist applicants in obtaining all needed information/documents associated with the application process. In addition, case managers complete as much of the housing application paperwork as possible with the prospective tenant.

c. Supportive services are voluntary, but can and should be used to persistently engage tenants to ensure housing stability

In order for residents to be successful, Mercy partners with outside agencies to provide wrap-around services. Supportive services are proactively offered to help tenants achieve and maintain housing stability, but tenants are not required to participate in services as a condition of tenancy. Staff implements techniques such as harm reduction and motivational interviewing. Harm reduction techniques can confront and mitigate the harms of drug and alcohol use through non-judgmental communication while motivational interviewing may be useful in helping households acquire and utilize new skills and information.

d. Tenants have full rights, responsibilities, and legal protections

All tenants will have leases that confer the full rights, responsibilities, and legal protections under Federal, state, and local housing laws. The property manager educates the tenant about their lease terms at move in. Property management abides by legally defined roles and obligations. For instance, staff cannot enter tenants' apartments without tenants' knowledge and permission except under legally-defined emergency circumstances.

C. Development Ownership and Management:

The Property will be owned by a Mercy California limited partnership (the Partnership). The Partnership is responsible for compliance with requirements of the funding sources.

The Property is managed under contract with a fee management agent, Mercy Housing Management Group (MHM). The Partnership will enter into a management agreement with MHM. This management plan is part of that management agreement.

D. Management Objectives:

This management plan sets forth general policies and procedures to assure that the Property provides a high standard of housing for low-income and homeless/disabled households in El Dorado County. The Partnership, under its Managing General Partner, has the following objectives for management of the Property:

1. It will be well managed and properly maintained to provide decent, safe and sanitary living conditions for its residents.
2. It will be a financially stable enterprise that successfully operates within its budget-so that all expenses, debt service and reserve payments are covered by operating income.
3. It will be managed in accordance all applicable regulatory agreements, including the Federal Low-Income Housing Tax Credit Program, Housing and Community Development No Place Like Home (NPLH) Program and all local, state and federal laws.
4. It will remain a permanent affordable housing resource in the community.
5. It will continue to provide a pleasant and secure living environment for its residents and the surrounding neighborhood.
6. It will continue to be a catalyst for positive relationships among the residents, management staff and residents of the surrounding neighborhood, with open channels of communication.
7. It will continue to be a resource through which other human services agencies in El Dorado County, may make opportunities available for residents to improve their lives, through direct and indirect provision of social and support services including opportunities to find and retain employment.

E. Updates:

This Management Plan is to be reviewed periodically by the Partnership and MHM. It will be updated, as necessary, if there are significant changes in management policies and procedures, when there are significant changes in state landlord-resident law, or requirements from lenders and other funding sources. The aforementioned entities will review and approve all changes.

II.MANAGEMENT ORGANIZATION, ROLES AND RELATIONSHIPS

Mercy El Dorado Haven Management Plan 010320

A. Management Organization:

The management agent is responsible for day-to-day management and maintenance of the Property through a Property Manager supervised by Mercy Housing Management Group (MHM), based in Sacramento, California. The Regional Vice President of Property Operations of MHM and the Asset Manager of Mercy Housing California (MHC) will review the financial reports, to assure regulatory compliance, and to assure that the Property's various reporting responsibilities are being met. The Regional Facilities Coordinator will also participate in annual comprehensive development inspections, and will meet with the Property Manager and Area Director periodically to discuss any problems or issues regarding the Property.

B. Property Management:

The Property Manager is responsible for: handling the application process, applicant screening and interviewing; applicant verifications; resident selection; waiting list management; new resident leasing and orientations; working with the management agent's vendors and contractors; collecting, depositing and recording rents and other fees; enforcing the lease and rules; submitting reports to the management agent; overseeing the maintenance of the Property; effectively communicating with residents; and assisting with the provision of various resident amenities to build a sense of community. The property manager will have three or more years' experience serving persons who qualify as members of the Target Population.

The Property Manager reports to, and is trained and supervised by, the management agent. The Property Manager or designated staff member is required to reside on-site in an employee apartment. The Property Manager of the Property must manage and direct operations in accordance with the management plan. Job performance is reviewed for adequacy and conformance with established procedures by the management agent.

C. Maintenance Staffing:

Most routine, corrective, unit turnover and preventive maintenance tasks are performed by the Maintenance Worker. The Maintenance Worker is responsible for daily inspections of the property, landscaping maintenance and litter removal tasks, and for acting upon maintenance requests generated from the Maintenance Worker's own inspections, resident requests and requests from the Property Manager and/or MHM. Major landscape maintenance is performed by a contract landscape maintenance service which works on the site once weekly and as needed for emergencies.

Employees will comply with all requirements of employment as well as the policies established by MHM. All employees are paid by MHM, including state and federal payroll and unemployment taxes, FICA taxes, and all other costs of employment including workers compensation insurance, employee medical insurance, overtime pay, and any other compensation or related costs as applicable. Management agent will be reimbursed for all actual costs made to or on behalf of all employees including, but not limited to, the aforementioned list.

D. Financial Staffing:

The Property's financial records are maintained, bills paid and reports generated by the management agent at the Denver office. Resident documentation will remain at site office. MHM engages the services of an independent accountant to prepare an annual audit of the Property and complete/file the necessary partnership tax returns, based on the management agent's financial records.

E. Hiring of Site Management Staff:

Site management is hired by MHM. All hiring of staff by MHM is to be in strict conformance with equal employment opportunity and non-discrimination requirements. Site personnel will receive on-going internal training, as well as external training to maintain compliance with all regulatory requirements, and non-discrimination, fair housing practices and policies. MHM shall not discriminate against any applicant or employee because of race, color, religion, ancestry, national origin, age, sex, pregnancy, marital status, familial status, disability, sexual orientation or AIDS. It is the owner's goals to have the on-site staff reflect, to the extent possible, the composition of residents of the project.

F. Hiring of Residents

Residents are encouraged to apply for open positions for which they are qualified but may not be employed at the property at which they reside. Employees who meet residency eligibility requirements may apply for housing only at properties other than where they work. Employees living at the site at which they work as of July 1, 2004, are exempted from this rule. In the event that an employee is required to live on-site, this policy does not apply. An employee may live at the property at which he/she works when it is a requirement of the employee's job.

G. Resident-Management Relations:

1. Resident's Association

MHM will promote the establishment of a Residents' Association. The Residents' Association will be a body elected by the residents and its role will be to provide an interface between the MHM asset manager, management agent, County Officials and the residents. It is anticipated that subcommittees will be formed to address specific resident issues and needs (e.g., social committee, etc.).

2. Community Building

MHM aims to promote a healthy relationship with residents. The centrally located community building is an open area for residents to use and interact with property management, helping to establish a healthy resident-management relationship. The community building will provide a community room, property management and resident services offices, a computer lab, library, individual counseling rooms, reception area and restrooms.

III.MARKETING AND RESIDENT SELECTION

A.Marketing:

The management agent is responsible for the marketing of vacant units. The Manager, when leasing residential units, shall comply with the following obligations:

- (1) Rent all residential units (other than one (1) manager's unit) in compliance with the Regulatory Agreements between Owner and the California Tax Credit Allocation Committee, the California Housing and Community Development Department, (collectively, the "Regulatory Agreements").
- (2) Assure that tenant selection is carried out in accordance with nondiscrimination laws and the Regulatory Agreements.
- (3) Assure that tenant selection is carried out without favoritism or partiality.

The Property Manager is responsible for lease-up, marketing and administering the interest list. When vacancies occur, names are taken first from the interest list based on the unit size available, the date of application, or placement preference. If there are no applicants on a waiting list, new applicants will be screened and processed on a first-come, first-served basis.

The marketing of vacant units shall maximize the opportunity of all persons, regardless of race, age, gender, religion, national origin, familial status or disability.

When the interest list is open, applications will be accepted during an established period of time, or until further notice, received via U.S. Postal Service (or hand-delivered) to the required business address. They will be arranged alphabetically each day upon receipt and date-stamped. Units designed with features for disabled persons will be marketed through appropriate service providers. Mercy Housing Management will establish a system for a mailing list as needed for interested individuals.

The ten supportive/NPLH units will be placed by referral. El Dorado County HHS, in its role as the program and services provider for these units, will be responsible for referrals to management for filling vacant supportive/NPLH units through the County's established Coordinated Entry system.

B.Application, Screening and Decision Processes:

1. In screening and selecting applicants for units at the property, there shall be no discrimination based on race, religion, age, national origin, disability, familial status, gender, or any other arbitrary factor. All applicants are asked for the same information and treated in the same manner. The applicant screening and selection process is conducted in strict conformity with both the letter and spirit of all federal and state fair housing statutes. The Property Manager is to regularly receive in-service training and counseling regarding Fair Housing requirements. All site employees will receive annual Fair Housing training.
2. All units are leased to qualified applicants based on appropriate size in relation to the number of family members.

3. At the time of lease-up and subsequently, if the waiting list is depleted for a particular unit-size and income category, persons interested in living at the property who come to the site are given tours of vacant units and common areas by the Property Manager/Assistant Manager during office hours or by appointment. At this time, the Property Manager will provide basic information about rents, deposits, lease and rules provisions, and special income eligibility requirements. The Property Manager will also provide the prospective resident with a resident eligibility criteria sheet which outlines the application and approval processes.

If the interested persons want to apply for a unit, the Property Manager will give them a rental application and relevant income verification forms to complete. The application requests detailed information regarding the persons who will reside in the unit, household income, employment (if applicable), present and prior residences, references and other information needed for the management agent to perform necessary screening and prioritization of the application. The Property Manager will explain how to fill-out the application and will also answer any questions applicants might have. If necessary, the management agent will arrange for a translator to assist applicants and the Property Manager to communicate when they do not share a common language.

4. Applications are submitted to the management office. At the time of application submission the application must be carefully reviewed by the Property Manager to make sure that it is complete. If all requested information has not been provided, it should be returned to the applicant with a request to provide the missing information as soon as possible. Once the requested information needed to screen the application is provided, the date and time the application has been accepted is written on the front of the application and the application is appropriately categorized. If there is a waiting list, then the Property Manager should follow the procedures under section III.C. of this agreement.
5. At the time of application acceptance for an available unit, the Property Manager will advise the applicant/service provider that they will be contacted within ten days to set up a preliminary interview and clarify information on the application. The Property Manager will also determine whether the applicant needs to provide any other information or sign income/asset verifications that will assist the process of eligibility screening. Any gaps in the dates provided in the rental history section of the application must be explained at the preliminary interview. At the time of the preliminary interview, the Property Manager should ask to see and take copies of the applicant's identification (e.g., California driver's license or identification card, social security card or resident alien identification card) to confirm the applicant's correct identity. The Property Manager is also to make sure that the driver's license, identification and social security numbers match those stated on the application.
6. Prior to move-in, the Management Agent is responsible for obtaining third-party income and asset verifications to confirm that the applicant is eligible under the requirements of the applicable funding programs including the Low-Income Housing Tax Credits Program. Other types of income and resident status verifications, such as social security or public assistance will be requested by mail or in person on forms provided by the management agent and signed by the applicant. Gross Annual

Household Income shall be calculated in accordance with Federal Low-Income Housing Tax Credit Program regulations, which are specified in the HUD Handbook 4350.3 definitions of income and assets and include acceptable types of verification.

7. Incomes may not exceed, as applicable, current 50% of area median income guidelines, adjusted for household size, which are published annually by the California Tax Credit Allocation Committee (TCAC) for tax credit units, and which are posted in the office and updated annually. Once all verifications of all sources of incomes and assets have been received, the Property Manager will total income from all sources. Then the Property Manager will verify that these amounts are at or below the latest published maximum amounts (new figures are generally published by HUD and TCAC between February and May of each year). The information will be faxed to the Compliance Department for review and approval.
8. Once an applicant is actually being considered for an available vacant unit, the management agent must request a credit report to obtain information about the applicant's credit history and determine whether the applicant has had a prior eviction.
9. The management agent is responsible for acquiring written references from the applicant's present and former landlords (or property managers) to determine the applicant's suitability as a resident of the Property. All interviews and application screening information will be documented in writing by the Property Manager on a Tenant Screening Verification Form.
10. Once the income verifications have been obtained and references checked, and all verifications are no more than 90 days old, the Property Manager will schedule a convenient time for a final interview--with all members of the applicant household present. This interview is used to clarify and/or confirm any other information found during the reference checks. At the final interview, any conflicting information found during the verification process and reference checks will be clarified and resolved. Expectations of resident responsibilities and behavior, as embodied in the Property lease and rules are to be briefly discussed at this time.
11. The following set of standard criteria are to be used as a guide to select residents after all interview and reference check information has been taken into consideration and are applied consistently and fairly to all candidates, understanding also that Reasonable Accommodation requests are available to all residents:
 1. Applicant household must have a verified total gross income at or below established 50% of area median income guidelines, as applicable, adjusted for household size, which are published annually by the Tax Credit Allocation Committee.
 2. Applicant's ratio of rent-to-actual income for the requested apartment unit should not exceed 45%. However, if an applicant can demonstrate a verified history of successfully paying rent when there was a higher than 45% rent-to-actual income ratio, their record may be used as a mitigating circumstance

when evaluating this criteria. Supplemental support such as food stamps and meal services will also be considered. In no event shall an applicant be charged more rent than allowable under the federal Tax Credit Program

3. If the applicant is a full-time student who is unmarried and not eligible to file a joint federal income tax return, and who is not in a training program pursuant to Title IV of the Social Security Act, JTPA or similar federal, state or local approved education or training programs designed to help people end their use of public assistance programs, the applicant household is ineligible to live in a Tax Credit unit. "Full-time student" means someone who attends school at least five months a year for the number of hours or courses which is considered to be full-time attendance. Part-time students are eligible.
4. Applicant must be able to provide sufficient residential information for at least the past three years to enable the Property Manager to adequately evaluate rental history and/or place of residence. If three years of prior residential information proves insufficient for obtaining adequate references, additional residential history may be requested.
5. Negative rental history will be grounds for rejection, including:
 - a. Applicant owes delinquent rent or fees for damages to current landlord;
 - b. Applicant left owing rent or owing money for damaged property to former landlord(s);
 - c. Recurring applicant problems with late rent payment;
 - d. Recurring noise/disturbance problems during applicant residency;
 - e. Recurring problems where any member of household was inconsiderate, violent or abusive toward other residents or management personnel in current or past residences;
 - f. Applicant exhibited serious / poor housekeeping problems which represented health or safety hazards to others;
 - g. Applicant has had an exceptionally unstable rental history during the past two years;
 - h. Applicant was evicted for cause, within the past three years;
 - i. Unwillingness of landlord(s) to rent to applicant again for valid reasons.
6. Other grounds for rejection include:
 - a. Negative credit history, including credit accounts in arrears, unpaid judgments and/or applicant having declared bankruptcy.
 - b. Inability to demonstrate a history of paying rent at prior residences.
 - c. The unit the applicant is applying for would not be the applicant's sole residence.
 - d. Applicant's household size either exceeds or is below reasonable occupancy limits for the available unit or unit applied for: one-bedroom units 1-3 persons; two-bedroom units 2-5 persons; three-

bedroom units 3-7 persons; (Notes: an unborn child in the second trimester will be considered a household member to determine family size; live-in care provider's necessary to assist a disabled applicant or resident must have their own bedroom and will count for household size requirements).

- e. Applicant was unable to provide identification which verified their identity.
 - f. Applicant submitted an incomplete application and has not taken steps to remedy.
 - g. Applicant has provided false, inconsistent or inaccurate information on their application.
 - h. Applicant had two un-excused failures to attend an agreed-upon time for an application appointment or interview.
 - i. Applicant was abusive or uncooperative with management during the application process.
 - j. History of behavioral problems related to criminal activity that makes applicant a poor risk.
7. At least one person in the household must be of legal age to execute a lease (age 18). If the applicant is under legal age, proof of legal emancipation will be required in order to lease.
8. Any altered information and/or deliberate misinformation regarding income, current status or past history will disqualify an applicant.
12. After conducting the final interview, the Property Manager should consider all information gathered and in relation to the resident selection criteria. If additional consideration or information is needed, the applicant may be asked to call the Property Manager back within a few days to inquire if they are approved for residency.
13. If an application is approved, the Property Manager will inform the applicant by phone. A unit will be assigned. At that time, the Property Manager will also arrange a reasonable date for leasing, orientation and move-in which is convenient to the selected applicant. The applicant will also be informed of the amount of rent and the deposit payment which must be paid before they can move in. These amounts will be confirmed in the lease agreement.
14. If a decision is made to not approve an applicant, the Property Manager is to clearly document the reason for denial, and will be responsible for informing the applicant in writing (by mail) of the denial and the reasons. If the applicant was not approved solely on the basis of information gained from the credit check, and that information is disputed by the applicant, they will be provided with a copy of the report itself, the address of the credit reporting service agency, and will be given two weeks to provide the Property Manager with satisfactory evidence that the issue with the agency has been resolved. If credit service information proves to be erroneous, the applicant's application will be reconsidered.

C. Interest List Management :

The management agent maintains an Interest List based upon the pre-established aforementioned criteria.

The Property Manager is responsible for keeping the interest list up-to-date by sending a notice to persons on the interest list periodically by mail, and enclosing a form for them to send back to the management office indicating whether they are interested in tenancy at Mercy North Auburn. Households for whom no confirmation is received, or who indicate they no longer wish to be considered, will have their names removed from the list. The Property Manager/Assistant Manager will notify the interested households about the applicable unit-type, size and priority list. The Property Manager/Assistant Manager will verify current interest and availability of the household prior to starting the process of obtaining current income verifications and updating any information that may have changed regarding the size or composition of their households.

Applicants are contacted by the Property Manager/Assistant Manager when a vacant unit is available. If the applicant indicates that they are no longer interested in living at the property, they are removed from the interest list and notified in writing of this action. Applicants who have valid reason for being unable to live at the property, but request to remain on the list, are given two opportunities to refuse an offer to live at the property before being removed from the waiting list.

IV. OCCUPANCY POLICIES AND PROCEDURES

A. Construction Follow Up:

After construction is complete, the Developer, Architect, Contractor, Owner's Representative, and Property Management Team goes through a punch walk to ensure that all contracted work is installed correctly, i.e. cabinets, and completed to a certain standard. At the end of the punch walk, the Owner creates a list of items to be completed by the Contractor, or the Contractor signs a release of the unit to the Owner if the construction was completed at a satisfactory level.

The warranty walk will occur ten (10) months after the project was built with the listed representatives above. The inspection walk is an opportunity to ensure that the contracted work is operating as it should. If there is a deficiency or error relating to the Contractor's work, it will be there obligation to have it fixed.

B. Leasing, Inspection, Tour and Orientation:

Prior to move-in, the Property Manager will create a resident file containing: the application, lease agreement rules and addenda, unit move-in/move-out inspection form, and resident income and asset certification forms. Also prior to move-in, it is the new resident's responsibility to have the gas and electric service turned on for their unit and placed in their names. They must present evidence to the Property Manager to verify that the services have

been placed in their names. The Property Manager should schedule an appointment for leasing and orientation with the entire new resident household present prior to move-in.

The time of lease and rules signing and orientation provides a key opportunity for management to help assure that a new resident's tenancy at the Property will be a success and to minimize potential problems. Approximately 1½ to 2 hours should be allocated for this meeting. If the new residents do not speak English and do not share a common language with the Property Manager, the management agent will try to arrange for translation services. In this case, additional time should be scheduled.

1. Unit Move-in Inspection and Tour: The Property Manager will accompany the new residents to the unit for a joint inspection using the "Unit Inspection" form which has columns to note condition at the time of both move-in and move-out. The inspection form is to be signed by the Property Manager and new residents, with the residents being given a copy. Any damage to the unit should be documented on this form. Any correctable deficiencies must result in a work order request and be repaired or replaced within 24 hours by the Maintenance Worker or vendors.

During the unit inspection, the Property Manager must take the time to show the new residents how to use and care for: the stove, range hood vent and light, refrigerator, garbage disposer, and heater. The location of the electric service sub-panel box will be shown, as well as the method of switching off circuit breakers, if necessary.

Residents are advised that they must not tamper with or deactivate their smoke detectors. The Property Manager will also explain the resident's responsibilities for caring for and keeping clean the carpets, vinyl floors, mini-blinds/window coverings, interior windows and appliances.

Emergency procedures will also be discussed, including actions to take in the event of fires or earthquakes. The resident is given a sheet with phone numbers of the management office and the maintenance worker, in the event of a maintenance emergency. The Property Manager will explain to the new residents what kinds of problems constitute an emergency and what does not.

The orientation will include showing new residents the location of their mail boxes. Residents will also be taken to the laundry room where it is explained how to use the machines and how they are expected to clean-up after themselves after doing their laundry. The Property Manager will also explain procedures for disposal of waste and recyclables.

2. Document Explanation and Signing: Each adult household resident must be listed on, and sign, the lease agreement form and house rules prior to moving into the Property. Additionally, the Property Manager must pre-approve of and perform a new income certification for any change in the number of people living in a unit. The Property Manager shall be responsible for carefully explaining all terms at the time the lease and rules are signed. Particular attention should be given to rules which are most commonly violated in the development. Adequate time is to be spent during

the orientation to make sure residents understand their basic responsibilities as per the rules and regulations.

Leases have an initial term of 12 months, after which time they are automatically extended on a month-to-month term. At this time, the new resident will also fill out and sign a Tenant Income Certification form to certify that they have provided true and complete documentation of all amounts and sources of income and student status. A signed copy of all lease and documents is kept in the resident's file in the management office and a second copy of the lease, lease addenda, and rules and inspection documents, are given to each new resident.

At the time of document execution, the Property Manager should get information regarding emergency contact persons, plus the resident's home phone number, if applicable, which will be retained in the resident's file in the management office. The management agent should consider the information in the resident's file to be confidential. However, if necessary, information is to be provided for reports to funders and limited partners, and for entry into resident databases. MHM's Area Director, Regional Director of Property Operations, or Regional Vice President, or the MHC Asset Manager, representing the managing general partner, is also entitled to have access to resident files, when necessary.

3. Payment of Initial Rent and Security Deposit: Before receiving the keys to their units, residents must pay rent for the current month. Their rent is pro-rated for the month in which they move-in, if their move-in date is other than the 1st of the month. For subsequent months, they will pay their full rent. Only a money-order or cashier's check will be accepted for payment of the security deposit and first month's rent.

In addition, it is the policy of the management agent that all new residents must pay a security deposit not to exceed one month's rent. However, at the discretion of the management agent, residents may pay their security deposit in two monthly installments, with the first installment being no less than half of the security deposit amount.

4. Door Locks/Keys: Each resident is to receive four keys (as applicable) at the end of the orientation session: Two unit keys; one laundry room key; and one key to their mail box. Residents are to be informed that they are not to change any locks themselves. If a lock needs to be changed due to malfunction, they should make a maintenance request to the Property Manager, who will see that it happens. Under no circumstance is a resident to install their own locks. If a resident loses his/her key(s) they will be charged \$5 per lost key for replacement for replacement of standard keys and actual cost for any specialized keys.

The Property Manager will keep a duplicate set of keys for each unit in a locked case that is hidden from view. Individual unit keys will be coded so they do not have the exact unit shown on them for added security in the event they are stolen.

C. Annual Resident Income Re-certifications:

Residents' incomes are to be verified and certified annually to meet the requirements of the Low-Income Housing Tax Credit program. This process will start 120 days prior to a resident's annual certification date. The Property Manager will request income and asset information from residents regarding their assets and anticipated income for that calendar year. They will also sign income and asset verification forms for third-party written verifications. Once all verifications are received, residents are required to sign a certification form that they have provided true and complete information about all sources and all amounts of their incomes.

If a household is determined to be over-income upon completion of their annual recertification, it is the management agent's policy to notify the household of their ineligibility under the Tax Credit requirements. This notification may include a notice of Termination of Tenancy, giving the household six months to move. During those six months, the household's rent will be raised to the maximum allowable Tax Credit rent. If the household is unable to locate housing in the six months due to circumstances beyond the resident's control or a tight rental market, the management agent may extend the household's residency another six months. As soon as the household moves, the unit will be rented to an eligible applicant from the waiting list.

C. Tenant Occupancy Standards:

Changes in household size that result in a under or over-occupancy of the units per the occupancy standards will require the household to be placed on the Unit Transfer list, and to move at the first available vacancy to the appropriate size unit. Any households requiring Live-in Attendants will follow management's Request for Reasonable Accommodation protocol, and complete all necessary documents for verification of this need. All households are informed that by signature of their lease, they agree to hold their unit at the Property as their primary residence.

V. RENT COLLECTION

A. Rent Collection Procedures:

Rent is due and payable on the first day of each month. Rents are to be paid to the Property Manager either in person or by mail. Rent may be paid by personal check (except first month), cashier's check, or money order. If a personal check is returned for insufficient funds, the resident will be required to pay a \$15 fee for a returned check, in addition to a \$35 late rent fee; they must pay the rent due for that month by a money order or cashier's check. If a second check fails to clear the bank within the next twelve month period, the resident will lose their

privilege of paying by personal check and will be required to pay rent by money order or cashier's check.

B. Handling of Rents and Other Payments from Residents:

Each time a resident pays any rent, deposits or fees it is the Property Manager's responsibility to write a receipt using the required software. For security, the Property Manager should also immediately stamp the back of the checks with the development's bank account endorsement stamp and store it in a safe place. Deposits of rents are made upon receipt using a check scanner; security deposits, or fees received are made upon the day of receipt by the Property Manager. After making the deposit, the Property Manager will send to the management agent's accounting department a copy of the bank deposit slip and related reports from the required property management software.

If the resident is eligible for a security deposit refund, the Property Manager will advise him or her that the refund check will be issued by the corporate office within the time period outlined in the law. The resident would also be informed that the refund check is addressed jointly to all persons who signed the lease, regardless of who paid the original deposit.

C. Late Rent:

Rent will be considered late if not received by 5:00 p.m. on the fifth business day of the month and the resident will be responsible for paying a \$35 late fee. If a resident has not paid rent by the fourth business day of the month, the Property Manager will give the resident a "Reminder Notice" or call. If a resident has not paid their rent by close of business on the 5th business day of the month and the resident has not spoken to the Property Manager regarding making an accommodation in a hardship situation to permit paying the rent after the 5th, a "3-day Notice to Pay Rent or Quit" will be issued by the Property Manager on the 6th business day of the month. Normally partial rent payments will not be accepted, unless the resident can provide satisfactory evidence that they are unable to pay the full rent and that the balance will be received by a mutually agreed date.

Any extensions granted by the Property Manager's supervisor for payment of rent shall be documented, in writing. This shall be signed by both the resident and Property Manager, with a copy given to the resident. The Area Director will also have the authority to waive the late fee. If the agreement is not honored, a 3-day Notice to Pay Rent or Quit will be immediately issued and served on the resident by the Property Manager.

D. Rent Increases:

Residents' rents may be increased annually, as approved by the ultimate Mercy, L.P. through its approved budget. If rents are increased, they will either be increased on January 1st of each year, or will be increased during the anniversary month of the resident's tenancy if possible. The Property Manager will issue a "Lease Amendment" letter which informs the resident of

their new rent amount and the effective date. This letter must be sent or delivered to residents at least 30 days prior to the 1st of the month in which the rent increase will commence. The amount of rent increases will generally be determined by increases in operating costs and will not exceed the maximum levels allowed by the Federal Low-Income Housing Tax Credit Program.

VI. MAINTENANCE

The management agent shall maintain all interior and exterior improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments bureaus, and officials, and in accordance with the following maintenance conditions:

A. Custodial and Grounds Maintenance:

Custodial and grounds maintenance involve a planned program of routine daily, weekly and monthly activities to maintain the cleanliness, healthfulness and appearance of the property. Custodial maintenance is performed by the Property Manager and maintenance workers. Duties include: daily site inspections, cleaning of the laundry rooms and community rooms, pickup of litter on the grounds, and generation of written maintenance service requests based on the Property Manager's and Maintenance Worker's own inspections and observations, and based on legitimate written requests submitted by residents.

Graffiti removal shall be subject to any town or County codes. Management agent shall address graffiti removal within 24 hours of being aware of its existence barring no unusual circumstances which would require longer periods to remove.

The daily, weekly and monthly common area cleaning is the responsibility of the Property Manager, Maintenance Worker, or by outside contractors when applicable:

Daily (Weekdays):

- * Patrol site, pickup litter and remove shopping carts or other abandoned items.
- * Sweep clean litter/debris from laundry rooms/community room and empty all waste baskets. Mop/vacuum the laundry/community room, clean washers and dryers, and dust sills on Monday, Wednesday and Friday.
- * During the daily patrols of the entire site to pick up litter, also inspect for any damage or malfunctions; write a maintenance service request for any problems found.
- * Buildings and premises, including paint, siding, roofs, windows, fences, parking lots and landscaping shall be kept in good repair. Premises shall be kept free of junk, debris and abandoned vehicles.

Weekly:

- * Hose or sweep down sidewalks and trash dumpster area. (During months when there is a substantial amount of rain, hosing down sidewalks may occur less frequently.)
- * An evening lighting inspection to identify and replace any burned out light bulbs.
- * Landscaping maintenance including weeding, tree and shrubbery trimming and spraying, is performed by a contract gardener.
- * Monitor work performed by contract gardener; report problems to the Area Director.

The Property Manager's and Maintenance Worker's work is to be supervised, monitored and inspected by the management agent's Area Director on a monthly basis.

Bi-weekly:

- * Inspect landscape sprinkler system to identify any broken heads, lines or other malfunctions; do a work order and repair any problems found; reset timer, if needed.

Landscape Maintenance:

A proposal will go out to bid to landscape contractors which will include the following language:

- All hedges will be trimmed
- Cut Grass to be below 6" inches in height
- Prune trees and shrubs
- Remove weeds, dead or decayed trees, shrubs, and other vegetation from landscape areas.
- Keep irrigation system operative.

B. Emergency Maintenance:

An emergency involves damage, breakdown or malfunction of a system or building component which may pose an immediate threat to the health or safety of residents or the structure. Immediate response is needed to abate hazards which pose threats to persons or property.

To report emergencies, residents may come to Property Manager's residential unit/office either during or after normal office hours. After business hours, an answering service or direct number will refer emergencies to the appropriate on-call staff member. If the Property Manager and maintenance person are off duty, residents will have the phone number of the police and fire department. The Property Manager has a list of local area contractors to call for immediate response to an emergency situation.

The Property Manager, Maintenance Workers or Area Director are responsible for determining whether the problem is actually an emergency and, if so, for abating the problem or arranging for a contractor to come to the property to make the repair.

Residents should be informed of these procedures and be provided with the relevant phone numbers during their orientation and at resident meetings and activities.

During orientation, the Property Manager is to explain to residents what constitutes an emergency and what does not. For example, fires, floods, gas leaks, water or electric service interruption or sewer blockages, roof leaks, refrigerator failure, broken windows or doors on the ground floor that poses a security risk to residents and to the building would constitute an emergency.

A leaky faucet, broken second story window in the spring, summer or fall, a closet door off its track, or a stopped-up toilet where there is another functioning toilet in the unit would not constitute an emergency. While some of them might be "urgent," these types of problems normally could wait until the next workday to be fixed.

For fire emergencies, the Property Manager or residents should call 911 to reach the fire department. After calling the fire department, and if the fire is small and it can be put out safely by a resident, Property Manager or Maintenance Worker using one of the fire extinguishers mounted on the side of the buildings or provided in their unit, it may be done. If there is still a fire when the fire department arrives, it is the fire department's responsibility to put out the fire. The Property Manager should also call the Area Director to report the emergency and any damage that occurred. It is the Area Directors duty to provide notification to MHM of the emergency and any damage.

If residents lose their keys or are otherwise locked out of their units between 8 a.m. and 5 p.m., they may go to the Property Manager's office to be let into their unit or get a replacement key for \$5. The first time a resident is locked out, this assistance is free of charge. For subsequent times, the resident is charged \$5 for the service. For lock-out assistance after normal business hours residents are responsible for the actual costs of services provided to include a locksmith engaged by the resident.

C. Corrective Maintenance:

Corrective maintenance involves repairs or replacement of items which are not working or damaged--based on service requests from residents and problems found during inspections. Both should be documented on work orders.

Residents are to come to the Property Manager's office or call the Property Manager to make a maintenance service request. The Property Manager will then fill-out a maintenance work order form to give to the Maintenance Worker and establish the priority in which it should be handled. Based on their own inspections, the Property Manager and maintenance worker should also fill-out maintenance work order forms. Other than routine custodial and grounds maintenance, all maintenance work performed at the Property must be documented on maintenance service request forms. Upon completion, one copy is to remain in the property files, one copy is to be placed in the unit's maintenance file, and one copy should be given to the resident. Additionally, all maintenance requests should be dated at the time they are received and at the time the work has been completed.

A priority system is used for handling corrective maintenance items, based on the seriousness of the problem:

Emergency items, as noted above, must be abated immediately and should be repaired within 24 hours. Graffiti and shopping cart removal are to be considered an emergency item.

Urgent items are problems that involve a major inconvenience, discomfort or hardship to residents and/or could result in further deterioration to the property, if left unattended. Normally, these requests should be handled within 1 to 2 workdays.

Routine items are situations that warrant repair, but are not of an urgent or emergency nature. They also include cosmetic improvements requested by residents or the Property Manager. These should be handled within 3 to 5 workdays of the request, depending on the nature of the job.

When filling out a work order for a resident, where work must be done within the resident's unit, the Property Manager should request written consent by the resident for management to enter the resident's unit when they are not present. If the resident wants to be present when someone is working on the problem, the resident manager will attempt to schedule an appointment with the resident prior to scheduling the work.

If the nature of the work requires the skills of a licensed plumber or electrician, the Property Manager is responsible for calling the appropriately skilled contractor from an approved list. The Property Manager will also be responsible for scheduling an appointment with the resident, only if applicable, and the contractor.

In the event of emergency or urgent work that needs to be done, management may enter the unit without the resident being present. In these cases a notice is left for the resident indicating the time the unit was entered and the reason.

D. Vacated Unit Turnovers:

Turnover maintenance involves securing, cleaning and redecorating vacated units for occupancy by new residents. The type and amount of work performed is to be determined by the Property Manager and Maintenance Worker upon performing a move-out inspection after the former resident has vacated the unit on the move-in/move-out "Unit Inspection" form. The amount of work needed will depend both on the condition the former resident left the unit in and whether a preventive maintenance or replacement item, such as complete unit repainting or re-carpeting, is scheduled for the near future. Dead-bolts (including locks and drums) are replaced on unit exterior doors after a resident moves out. The keys will then need to be re-coded.

Cleaning and repair work on vacated units is performed by the Property Manager and Maintenance Worker, unless there is a problem or repair where a special trades worker is required. In this instance, the Property Manager or Maintenance Worker will call the trades' person and arrange to have them do the work. All unit turnover work should be documented

with work orders which note the time spent and cost of materials used. If there are cleaning, repairs or replacements necessary which are beyond "normal wear and tear", the appropriate costs are deducted from the former resident's security deposit and detailed on the report mailed to the former resident.

Unless major damage has been done to the unit or substantial replacements are necessary, the normal standard for preparing a unit for re-renting should be within 5 work days of the time it was vacated.

E.Preventive Maintenance:

Preventive Maintenance involves a program of planned inspections and servicing intended to reduce the frequency and severity of breakdowns of building systems and also helps to preserve and extend the useful life of building equipment and fixtures.

Management is primarily responsible for performing inspections and scheduling appropriate servicing of common area equipment and for units' space heaters and hot water heaters.

Residents also have an important role in the preventive maintenance program by properly using and cleaning certain appliances and fixtures in their units. Residents should be taught how to use and clean their stove and vent, refrigerator, disposal, and flooring at the time of their initial orientation and/or unit inspection. Their resident handbooks will also contain written information regarding the use and care of these things for their future reference.

The following summarizes the management's, owner's, contractor's and resident's responsibilities in the Property's stock control preventive maintenance program:

Daily:

Maintenance Worker/
Property Manager:

Inspect the site each week-day; document any abnormal or hazardous conditions, any damage, or any special maintenance needs on work orders; correct problems.

Residents:

Clean off any spillage on range/ovens and refrigerators. Porches to be maintained and kept free of debris; parking spaces to be kept free of oil and debris. Take all trash to dumpster. Wash dishes and cover or refrigerate all food to eliminate potential for vermin infestation.

Weekly:

Residents:

Mop vinyl floors. Vacuum carpets.

Bi-weekly:

Maintenance

Worker: Test lawn sprinkler systems to make sure they are functioning properly; repair any leaks, broken heads or malfunctions.

Monthly:

Pest Control Contractor: Spray exteriors of all buildings.

Quarterly:

Pest Control Contractor: Spray interiors of 1/4th of all units each quarter; this will result in all interiors of all buildings sprayed for insects at least once per year.

Residents: Wash/de-grease aluminum range hood filter. Wash surface of range hood. Clean inside surface of refrigerator.

Semi-Annual:

Property Manager/
Area Director: Conduct a semi-annual inspection of all units to check that all smoke detectors are attached and functioning; check for any malfunctions or damage within units including all water fixtures and appliances; check to assure that a reasonable standard of housekeeping is being maintained by residents. If housekeeping problems are found, residents will be notified verbally and in writing. The resident will be provided with a written Lease Violation and notified that more frequent unit inspections will be scheduled. Residents are to be given a written "Notice to Inspect Premises" at least 24 hours prior to the inspections.

Property Manager: Confirm maintenance records of fire extinguishers.

Property Manager,
Maintenance Worker,
Area Director,
Contractors: Inspect all unit HVAC systems during annual inspection and replace filters as needed.

Inspect all unit hot water heaters and related pipe connectors and valves for leaks during the annual inspection; test temperature-pressure-relief valve and replace, if necessary. Check gas vent duct and clean, if necessary. Drain water heater to remove sediment if necessary.

Inspect all unit refrigerator condenser coils and water pans during annual inspection.

Annual:

Property Manager,
Maintenance Worker,
Area Director,
Contractors:

Inspect driveway/parking lot paving; seal-up any alligator cracks found.

Inspect condition of concrete walkways; order steam cleaning, if necessary.

Inspect and clean out, if necessary, roof gutters and drains and wash the outside of all second-story windows.

Inspect laundry room; repaint as needed, but not less than every three years.

Evaluate condition of landscaping; order replacement planting, pruning, skinning and trim of trees, as needed and appropriate.

Residents: Clean mini-blinds/window coverings. Clean carpets, if needed.

F. Major Maintenance & Replacements at Periodic Intervals:

Property Manager,
Maintenance Worker,
Area Director,
Contractors:

Repaint unit interiors every 5 years or earlier if necessary upon unit turnover.

Repaint building exteriors between 10-15 years or sooner if needed. (replacement reserve item).

Refinish kitchen and bathroom cabinets every 20 years.

Replace carpeting every 7 to 10 years, or earlier, if necessary upon unit turnover (replacement reserve item, unless replaced and paid for with security deposits).

Replace tile floors at least every 20 years (replacement reserve item).

Replace ranges every 20 years; and refrigerators every 15 years, as needed (replacement reserve items).

Replace blinds after 7 years, or as needed at unit turnover.

Replace hot water heaters at least every 12 years, if needed (replacement reserve item).

Repair or replace tar and gravel on flat roof areas after 12 years; replace pitched roof tiles after 40 years (replacement reserve item).

Slurry coat and re-stripe parking area after 6 years (replacement reserve item).

Replace screens after 5 to 7 years as needed (normal maintenance item).

VII. FISCAL MANAGEMENT

A. Accounting Staffing and Practices:

Accounting for the Property's income and expenses is handled by the management agent's accounting department. Records are kept on a modified accrual basis and comply with generally accepted accounting practices.

In addition, a CPA firm does an annual audit for the Property's investors, as required by the limited partnership agreement. The CPA is also responsible for preparing the required IRS tax returns and documents to enable limited partners to receive their tax credit benefits. The source records for development income and expenses will come from the management agent's ledgers and journals.

E. Check Issuance and Approval for Expenses:

All purchases and payments for development expenses are made by check from the management agent's accounting department. Checks are issued only in receipt of an invoice and/or a check request approved by the Property Manager and Area Director, and completion of the required steps of the accounts payable process. All applicable invoices are sent directly to the management agent's office or spend management vendor after Property Manager approval. For special handling invoices, the Property Manager must approve them and make a check request to forward for approval and processing. The Property Manager will send the management agent any copies of signed invoices or packing slips to verify delivery of materials, fixtures or appliances that are received by the Property Manager or Maintenance Worker. El Dorado Haven has accounts which the Property Manager is authorized to use to purchase materials for the development. The Property Manager also has a \$300 petty cash fund which can be used for small expenditures for the development. The resident manager is to submit the receipts and vouchers explaining the use for purchases from the petty cash fund monthly to MHM's accounting department in order to get the fund replenished.

Property Manager must track all expenditures which are caused by a resident's breach of lease, neglect, or willful misconduct. Property Manager, on a monthly basis, will bill the resident according to standard billing procedures.

Except in emergency situations, MHM shall secure approval from owner for any expenditure or contract in excess of \$5,000. Owner approval subject to regulatory provisions of and restricted to those uses described in the mortgage documents is required for operating or replacement reserve expenditures.

F. Accounts:

The Property will have four separate bank accounts: general operating (checking), security deposits (interest-bearing savings), replacement reserves (interest-bearing savings), and operating reserves (interest bearing savings). Deposits to the reserves accounts are made monthly, at 1/12 of the required annual deposit amount, pursuant to the amounts specified in the approved operating budget as set forth in the Financing Plan. Statements for these accounts are to be reconciled monthly by the management agent's accounting staff. The management agent will transfer required funds monthly from the operating account into the operating and replacement reserve accounts, pursuant to all lender requirements. Laundry income is deposited to the operating account on a monthly basis. All accounts are to be managed in accordance with Agency Financing Plan requirements.

The management agent will transfer funds into and out of the "Security Deposit Account" as necessary. After a resident moves from the Property, there is a move-out inspection. A "Security Deposit Disposition Worksheet" or appropriate form and letter from the required software is prepared by the Property Manager and sent to the management agent within 3-days of the date of move-out. The inspection form and statement will identify costs which should be charged to the resident's security deposit. The management agent will then complete this form and send a copy of it to the departed resident. Depending on the amount of deductions, a full security deposit refund, a partial refund or no refund is sent to the departed resident. The worksheet will document actual costs, if any, which were deducted from the security deposit. A copy of the worksheet and a refund check, if there is one, must be sent to the departed resident within 21 days of the date of move out. It should be sent to the departed resident's forwarding address, if the departed resident has provided one to the Property Manager. If no forwarding address has been provided, it should be sent to the departed resident's last known address.

The procedures for withdrawing funds from the replacement reserves account are as follows:

1. The Management Agent notifies the Asset Manager of MHM that funds are needed, and provides information regarding: a) the amount of funds needed; b) the scope of the maintenance and repair work to be performed; c) an explanation for any work to be done which is unusual or is premature as determined by the maintenance benchmarks.
2. The Asset Manager will obtain the appropriate approval from its funders / lenders / applicable agencies.

3. The Asset Manager will transfer the funds to the operating account and will notify the management agent of the transfer.

The procedures for withdrawing funds from the operating reserves account are as follows:

1. The Management Agent notifies the Asset Manager of MHM that funds are needed, and provides information regarding: a) the amount of funds needed; b) an explanation regarding the inability of the general operating account to cover the expenditure; c) an explanation for any work to be done which is unusual or is premature as determined by the maintenance benchmarks, and cannot be paid out of replacement reserves.
2. The Asset Manager will obtain the appropriate approval from its funders / lenders / applicable agencies.
3. The Asset Manager will transfer the funds to the operating account and will notify the management agent of the transfer.

G. Budgets:

The Property's fiscal year begins on January 1st and ends on December 31st. Before November 1, prior to the beginning of each new fiscal year, the management agent is to develop a proposed annual operating budget which estimates the next fiscal year's operating income and expenses and any recommendations for rent or fee increases.

Owner shall accept or reject the proposed Annual Budget within thirty (30) days after its receipt. If Owner shall reject any proposed annual budget submitted by Management Agent as provided above, Management Agent shall submit to Owner for Owner's approval a revised proposed annual budget satisfying Owner's objections within ten (10) days after the date of Owner's rejection as aforesaid. If the proposed annual budget is not approved before the start of the new fiscal year, the Manager shall operate, to the extent possible, under the previous year's annual budget.

The Management Agent is to produce and send to MHC's Asset Manager monthly income-expense reports and budget variance reports based on adopted budgets. The Asset Manager should carefully review these monthly reports and address any problems indicated by significant variances (net cumulative change of 10% in operating income or expenses) from budgeted income or expenses at its monthly meetings with the management agent. If a mid-year budget amendment appears to be necessary, the Asset Manager should bring this before the MHM Area Director, Regional Director/Regional Vice President of Property Operations and Owner for their approval.

H. Reports:

The management agent's accounting department is responsible for preparing or causing to be prepared reports for the managing general partner. These include:

1. By the 25th of the following month an income and expense statement; cash flow report; monthly budget variance report; a report of rent delinquencies, vacancy losses and turnover

rates; a disbursements summary; a status report of all development accounts which should be reconciled monthly; bank statements; and a reserve tracking report for all required reserve accounts.

2. An annual Project Status Report must be submitted to the California Tax Credit Allocation Committee.
3. Quarterly development trial balance sheets which must be submitted to the Asset Manager of MHC within thirty days after end of each calendar quarter.
4. Periodic reports as required by El Dorado County will be submitted, in addition to reporting to comply with stipulations of any / all the Regulatory Agreements. The Annual Report will include information regarding each unit, the rental rate, and the income and family size of the occupants. The income information will be supplied by the tenant in a certified statement.

MHM will prepare or cause to be prepared the following reports:

1. Three quarterly financial reports will be submitted to the Limited Partner, on behalf of the limited partner investors, pursuant to requirements of the Low-Income Housing Tax Credit Program and regulatory agreement within thirty days after end of each calendar quarter.
2. One annual financial report and rent roll submitted to the Limited Partner within sixty days after end of each calendar year.

This report shall contain all of the information required in the quarterly reports, plus the "Managing Agent's Low-Income Leasing Certification".

3. An annual audit of financial statements performed by a CPA for the Agency and limited partners to be completed within 60 days after the end of each fiscal year.
4. Income tax documents and forms, prepared by the CPA who performed the audit, for the limited partners to be able to receive their tax credits.

I. Property Tax Exemptions:

Starting in January of each year, the management agent should have all residents sign forms from the Sacramento County Tax Assessors Office which certify their low income status. Management agent will then use these forms, along with all other necessary documentation, to file a request for a welfare property tax exemption for the Property by no later than February 15 of each year.

VIII. RISK MANAGEMENT

A. Insurance:

MHM is responsible for securing insurance coverage which will protect the Property and the Partnership, and ensure compliance with the Regulatory Agreements, Partnership documents and requirements, and loan agreements.

The management agent is to carry the following insurance:

1. General Liability policy (\$2 million - comprehensive Liability).
2. Employee Fidelity Bond Policy in an amount of not less than \$120,000.
3. Workers Compensation Insurance covering employees of the management agent.

B. Resident and Employee Safety:

The Property Manager and maintenance person must be continually vigilant regarding potential hazards to the residents and employees of the Property. Potentially hazardous or dangerous situations should be corrected immediately.

It is the management agent's responsibility to provide OSHA and safety training for both the Property Manager and Maintenance Worker to minimize the risk of harm or injury to them on the job. This includes safe practices for lifting, using ladders, or using any chemicals which could be potentially harmful. Employees must be required to read and follow the recommendations of Safety Data Sheets provided with any chemicals. All requisite certifications for use of chemicals must be obtained by the employee prior to dispensing or using them.

It is the management agent's responsibility to provide and post information to the Property's employees regarding their rights and benefits and responsibilities under the State Workers Compensation statutes. Information should be posted in the management office regarding a clinic employees may go to if they should sustain an on-the-job injury.

C. Incidents Involving Harm, Damage or Theft:

Whenever there is an incident involving a resident or employee or the physical property which results in any harm, damage or theft, an "Incident Report" should be filled out by the Property Manager. A copy of this report should be immediately transmitted to the Area Director, and the MHC Asset Manager. Any incident involving an actual or potential insurance claim or any incident involving an actual or potential filing of a lawsuit should also be communicated to the above persons immediately, and to the Mercy Housing Risk Management Department. The Management Agent is responsible for ensuring that any insurance claim is submitted to the insurance agent, and for following up on the claim, once submitted.

IX.EVICTIONS

A. Policy:

It is the Partnership's goal that the Management Agent minimize evictions through careful resident selection, clear communication with residents regarding their responsibilities and expected behavior, counseling and appropriate agreements. However, sometimes it is necessary to use the legal eviction process when a resident refuses to pay rent, or when a resident's behavior adversely affects the health and safety of others, damages the property or interferes with the management agent's ability to manage and operate the Property.

Housing Support Policy (HSP) – Mercy Housing and MHM have adopted and actively implement the HSP with Mercy Services and services partners as a method and procedures to support residents who are experiencing repeated or chronic lease violations that would put tenancy at risk. The objective of the HSP is resolve violations and maintain homes for our residents. The HSP consists of a collection of communication, action plan and reinforcing tools that are intended to engage and support our residents and avoid legal action or eviction.

B. Rent Payment Problems:

All rents are due and payable on the 1st day of the month, except if the 1st day of the month falls on a Sunday or legal holiday. Rent will not be considered late until close of business on the fifth business day of the month. A reminder notice or call is given to residents who have not paid rent on the 4th day of the month. The decision of whether to authorize a late rent payment extension or to serve a 3-Day Notice to Pay Rent or Quit must be made by the Property Manager on the morning of the sixth business day of the month, if rent has not been received by the close of business at the end of the fifth business day of the month.

Residents are unable to pay rent, when due, for a variety of reasons--some of which they are responsible for, others which they are not. It is MHM's policy to avoid evicting persons for late rent payment problems which are clearly beyond their control whenever possible. If a resident is making a good faith effort to pay the rent, they should be given an appropriate extension.

1. Problems Beyond a Resident's Control: Problems with paying rent on due dates are most commonly caused by delays in delivery of public benefit checks. Alternatively, a resident may have started a new job and the cycle for their first paycheck may be inconsistent with their rent due date.

It is the resident's responsibility to inform the Property Manager of the problem before the 6th business day of the month. If the Property Manager is convinced that the ability to pay rent when due is beyond a resident's control, they will call the Area Director to request a limited time extension for payment of rent on an agreed-upon date, but a "3-Day Notice to Pay Rent or Quit" will be served simultaneously. The Area Director also has the authority to waive the \$35 late fee in such cases.

Mercy El Dorado Haven Management Plan 010320

If the resident pays their rent on or before the extension date, the issue is resolved. If the rent has not been paid, and no further extension arrangements have been made between the resident and management agent, a "3-Day Notice to Pay Rent or Quit" will be submitted to the property's attorney.

2. Problems Not Beyond a Resident's Control or Habitual Late Rent: Sometimes a resident may not pay rent when it is due even though they have the resources to do so. In such instances, or when a resident is habitually late (5 late payments in 12 months), a "3-Day Notice to Pay Rent or Quit" should be served on the 6th business day of the month, if the rent has not been paid by close of business on the 5th of the month.

C. Rent Payment-Based Evictions:

A "3-Day Notice to Pay Rent or Quit" will be served naming each known adult resident of the household on the notice. The resident(s) will then have 3 full days following the date of service to pay the rent amount requested on the Notice. If the third day falls on a Saturday or Sunday, or on a legal holiday when the Property Manager's office is closed, the resident has until the close of business of the next full work day to pay their rent. If the Property Manager is unable to serve this notice to an adult resident of the unit personally, a copy of the notice should be taped to the front door and another copy should be mailed on the same day to the resident(s). If the Property Manager is able to serve the notice to an adult resident of the unit, the Property Manager should also mail a copy of the notice on the same day to the resident(s). After performing the service, the Property Manager should fill out and sign the "Proof of Service" form. The Proof of Service and copy of the Notice to the resident(s) should be placed in the resident's file.

If the full rent has not been paid by the deadline, an unlawful detainer action is to be initiated by a local eviction attorney either designated or approved by MHM. If an unlawful detainer action is begun, the management agent will inform MHC's Asset Manager and send or fax to them a copy of the relevant documentation. Once an unlawful detainer action has been filed, rent is not to be accepted from the resident by anyone, except upon the express instructions by the management agent.

D. Resident Behavior Problems:

Upon becoming residents of the Property residents sign a lease and set of rules and are given copies of them. The Property Manager must, at the time of signing, explain the key provisions of the rules and lease so that residents are clearly aware of behavior standards expected of them.

When there are violations of lease and/or rules provisions, they should be documented, in writing, and copies placed in the resident's file. Management Agent's response should be dictated by the nature and severity of the violation and whether it is a repetitive occurrence and/or one in a series of minor violations.

1. For initial or minor violations, the Property Manager should, at minimum, speak to the resident about the violation and record the conversation in writing--noting the

date, nature of the problem, and type of behavior expected to resolve it or prevent recurrence in a memo which is placed in the resident's file. The conversation should be low-key and more in the nature of counseling than a reprimand in order to prevent recurrence of the violation in the future.

2. For more serious or repeated violations, in addition to speaking with the resident, the Property Manager should issue a written Lease Violation to the resident describing the problem and warning the resident that eviction could result, if it is not corrected. A copy of this notice is to be placed in the resident's file.

E. Resident Behavior-Based Evictions:

Where, in the opinion of the management agent, very serious or repeated behavior problems and/or lease/rules violations are likely to warrant the issuance of an eviction notice to the resident, the management agent will discuss the problem and possibility of a future eviction with the Service Provider and MHC's Asset Manager before issuing an eviction notice.

If a resident is to be evicted for violation of rules and/or lease provisions, there must be sufficient written documentation regarding the dates and times of violations, warnings and/or copies of written Lease Violations or other documentation in the resident's file that supports an unlawful detainer action.

If, after several documented warnings and discussions with the Property Manager or Area Director, the resident continues to violate the terms of the lease or rules, the management agent will serve a "Notice of Termination". The cause must be stated on the Notice. The date of termination must be at least 30 days from the date of service, starting with the day after the date of service. The same service of notice and Proof of Service procedures noted above apply here.

If the resident has not moved by the end of 30 days, an unlawful detainer action is to be initiated by a local eviction attorney designated or approved by MHM.

If a resident has inflicted physical harm to other residents, the Property's employees or contractors, or created a serious nuisance or hazard to others, or has engaged in any other illegal behavior, they may be issued a "3-Day Notice to Quit", stating the reason for the eviction. This type of notice would be used, for example, if there has been a conviction for an offense committed at the Property such as drug use or sale or assault on another resident. Such cases must be carefully documented for evidence in court and witnesses should be willing to testify in court. The same service of notice and Proof of Service procedures noted above apply here.

If the resident has not left the premises by the end of the third day following the date on which a 3-Day Notice to Quit has been served, an unlawful detainer action will be initiated by local eviction attorney designated or approved by MHM.

If a resident has a behavior problem which is a rules/lease violation that is correctable, a Lease Violation warning will be issued. This type of notice is most often served when there are violations of pet rules, a refusal to provide income verification information, or additional

persons living in the unit other than those named on the lease and/or included in the resident's application. The nature of the lease agreement provision and/or rule provision violation and requested behavior change must be clearly stated on the notice. If the resident corrects the problem, the process will cease. If the resident does not correct the problem by the end of the notice period, an unlawful detainer action is to be initiated by a local eviction attorney designated or approved by MHM.

If an unlawful detainer action is begun, the management agent will inform MHC's Asset Manager and send or fax to MHM a copy of the relevant documentation. In any of the above situations, once an unlawful detainer action has been filed, rent is not to be accepted from the resident by anyone, except upon the express instructions by the management agent.

The management agent's Area Director will keep MHC's Asset Manager informed of the status of any eviction actions.

X. ABANDONED UNITS AND PERSONAL PROPERTY

A. Abandoned Units:

If rent is unpaid for at least 14 days by a resident household that has not been seen or heard from by the Property Manager since the beginning of the month, and the resident has not informed the Property Manager of an extended absence, the Property Manager may enter and inspect the resident's unit. If it is obvious that the resident has removed all personal items of value and moved-out, management may re-take possession of the unit. If, however, there are belongings of value and there are any indications that all residents have not moved out, the Property Manager is to post on the unit's front door and mail to the resident at the unit address a "Notice of Belief of Abandonment". If the resident does not respond to the notice within 18 days of the date of mailing and is still absent, the unit will be declared abandoned and management may take possession of the unit to prepare for re-renting.

B. Abandoned Personal Property:

If personal property of value remains in a unit from which a resident has moved voluntarily, been evicted from and locked out by a County Sheriff, or has abandoned, state law requires that landlords follow certain procedures before the personal property can be disposed of or sold.

The Property Manager must inventory the property that has been abandoned. Anything that is obviously trash may be disposed of. However, for other possessions left behind that may have use or value, management is responsible for the storage and safekeeping of the property for 18 days after sending a "Notice of Right to Reclaim Abandoned Property" to the former resident at their forwarding address or, if none has been given, to their unit address at the Property. The notice includes an inventory list of the items found in the unit by management. The notice informs the resident that they have 18 days to reclaim their possessions after paying a storage fee to reimburse the Property for the cost of storage. If the resident does not come to reclaim the property by the end of the 18th day after the date of mailing, the property may be disposed of, sold or given away, if its resale value to a secondhand store is determined by management agent to be under \$300. However, if the resale value is determined by management agent to be

over \$300, the property has to be continued to be stored until it can be sold at a public sale or auction, with proper legal notice of the sale published in a newspaper of general circulation. Sale proceeds will be used to cover costs of removal of aforementioned items.

XI. RESIDENT RELATIONS AND SOCIAL SERVICES

A. Complaints, Grievances and Resolution:

Complaints are accepted with an open mind to improve the operations of the Property by all levels of management. The Property Manager is the primary contact for all resident complaints and grievances. The Mercy Housing Grievance Procedure is maintained as a separate documented policy that is distributed with each completion of lease documents and posted for available review at each Mercy Property (attached separately).

Grievances or complaints against the Property, which are unresolved by the Property Manager shall be referred to the Service Providers and MHM Area Director and ultimately to the MHM Regional Director/Regional Vice President of Property Operations. Their decision is final. It should be remembered that residency at the Property is voluntary, and unresolved conflicts may lead to termination of the Lease Agreement.

B. Liability

Neither the Property, the Partnership, the management agent, nor any of its staff, officers, directors, or agents is, nor shall they be, liable or responsible either jointly or separately for any loss sustained by any resident or for any other legal claim which may arise from their residency at the Property, save only those occasioned by the intentional reckless acts of any of the aforesaid.

C. Resident Privacy and Rights:

A relationship of mutual trust and respect is essential for the resident-management relationship to be a positive one. Management will respect resident's rights to privacy and live their lives as they wish, as long as their actions do not pose a nuisance, risk or harm to others or the building and/or violate provisions of the lease and rules. Unless there is an emergency or a need for management to enter a resident's unit to make a repair, residents are given 24 hours written notice before management enters their unit without their direct consent. Management's personal information about residents is to be treated as confidential.

All site and supervisory management and maintenance staff are required to comply with the management agent's personnel policies and standards for appropriate behavior with residents. No staff person working at El Dorado Haven will show any favoritism to any resident or applicant. No staff person is permitted to have any financial dealings with a resident--including borrowing or lending money and buying or selling goods or services. All persons working at the Property are to be trained in appropriate resident relations policies and standards by the management agent.

D. Resident Meetings and Events:

Aside from the meetings of the Residents' Association, it is anticipated that various subcommittees comprising residents from the Property will meet periodically. Depending upon each subcommittee's focus, staff from MHM will attend these meetings if invited. Social events, such as pot luck dinners, barbecues, holiday parties, etc. organized by the residents are encouraged with management staff assistance as appropriate.

E. Crime Prevention Program:

Growing concern on the part of the management agent over the ever increasing national trend of crime, drugs, violence and gang-related activities has prompted the design and implementation of a plan which will hopefully minimize the effects of the aforementioned trends.

Crime prevention experts have determined that the best way to address and mitigate the increase in crime is by developing an awareness and resistance on the part of the residents, Board of Directors, visitors, vendors, Sheriff's Department, and all others that the residents and surrounding community will not tolerate crime.

In order to accomplish this, the management agent continues to host a series of joint meetings among residents, MHM representatives, MHC Residents Services representatives, representative from El Dorado County and the El Dorado County Sheriff Department, and crime prevention specialists. The residents are assisted in the formation of various groups where they have an open forum to discuss and make recommendations to the owner regarding safety, education, security, and other resident issues. Neighborhood Watch programs are implemented and the residents are involved in creating a cohesive community atmosphere in which toleration for criminal activity is not accepted.

An open-door policy is in effect and all residents are able to contact the management agent or Property Manager at any time to report any suspicious activities. It is not a requirement that the resident(s) identify themselves or call the police, although they are actively encouraged to do so. Residents are also involved in the on-going crime prevention program and notified that they can contact the management office in order to protect the property from vandalism. Management notification by residents aware of criminal activity serves as a strong deterrent.

F. Security:

While El Dorado Haven will be an open campus, Mercy Housing and MHM use a number of tools and technologies to enhance security that include camera systems, fencing and gates, and fobbed entries. Some features of El Dorado Haven include onsite staff during business hours and afterhours, registered parking for residents, and cultivated partnership relationships with the El Dorado County Sheriff.

El Dorado Haven

Mercy Housing California

Request for Proposal #20-918-076 for Project-Based Mainstream Voucher Program

Certifications D thru O



Attachment D

**EL DORADO COUNTY
HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HOUSING AUTHORITY**

CERTIFICATION OF EQUAL OPPORTUNITY

I certify that Mercy Housing California as the authorized owner for the project located at 6500 Pleasant Valley Rd, El Dorado, CA 95619 , shall comply with Title VI of the Civil Rights Act of 1966, Title VIII of the Civil Rights Act of 1968, E.O. 11063, E.O. 11246, Section 3 of the Housing and Urban Development Act of 1968 (Equal Opportunity requirements) and all applicable Federal requirements listed in 24 CFR 983.4 including, but not limited to, the payment of not less than the prevailing wages in the locality pursuant to the Davis-Bacon Act to all laborers and mechanics employed in the construction/rehabilitation of the project.

Signature

 09/11/2020

Date

 Stephan Daues

Print Name

 Vice President

Title

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure.)

Approved by OMB
0348-0046

1. Type of Federal Action: <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input checked="" type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Mercy Housing California 2512 River Plaza Dr, 200 Sacramento, CA 95833 Congressional District, if known: 4c	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency: HUD	7. Federal Program Name/Description: PBV CFDA Number, if applicable: _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ TBD	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): <p align="center">n/a</p>	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): <p align="center">n/a</p>	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: <u>Stephan Daues</u> Title: <u>VP</u> Telephone No.: <u>9164404440</u> Date: <u>9/14/20</u>	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)



**EL DORADO COUNTY
HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HOUSING AUTHORITY**

CERTIFICATION OF CENSUS TRACT

Please complete the items below. For assistance, go to <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx> for information regarding your project's census tract.

Project Address: 6500 Pleasant Valley Rd, El Dorado, CA 95619

Census Tract: 315.04

Poverty Rate: 17.5 % below poverty line

I certify that the information entered above is true, complete and accurate to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Stephan Daves".

Signature

Stephan Daves, Vice President
Print name and title

09/11/2020
Date

**Certification of Payments
to Influence Federal Transactions**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Applicant Name

Mercy Housing California

Program/Activity Receiving Federal Grant Funding

Project-Based Mainstream Voucher Program / El Dorado County Health and Human Services Agency - Public Housing Authority

The undersigned certifies, to the best of his or her knowledge and belief, that:

1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official
Stephan Daues

Title
Vice President

Signature


Date (mm/dd/yyyy)
09/11/2020

Previous edition is obsolete

Form HUD 50071 (01/14)
ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3

Certification Regarding Debarment and Suspension

U.S. Department of Housing
and Urban Development

Certification A: Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

1. The prospective primary participant certifies to the best of its knowledge and belief that its principals;
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal debarment or agency;
 - b. Have not within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Certification (A)

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded**, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of these regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines this eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph (6) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.


Certification B: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Certification (B)

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms **covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded**, as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of these regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph (5) of these instructions, if a participant in a lower covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies including suspension and/or debarment.

Applicant Mercy Housing California	Date 09/11/2020
Signature of Authorized Certifying Official  Stephan Daues	Title Vice President

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing
and Urban Development

OMB Approval No. 2506-0214 (exp. 2/28/2022)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information

Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): Mercy Housing California 2512 River Plaza Drive, Suite 200 Sacramento, CA 95833 916-414-4440		2. Amount of HUD Assistance Requested/Received See Question 1, of Part 1 Threshold
3. HUD Program Name Project-Based Mainstream Voucher Program / El Dorado County Health and Human Services Agency - Public Housing Authority		
5. State the name and location (street address, City and State) of the project or activity: 6500 Pleasant Valley Rd, El Dorado, CA 95619		

Part I Threshold Determinations

- | | |
|--|--|
| 1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3).
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
|--|--|

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

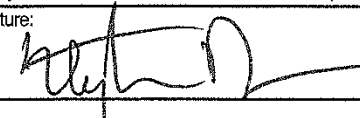
Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: x 	Date: (mm/dd/yyyy) 09/11/2020
Stephan Daves, Vice President	

funds typically include (but are not limited to) foundations and private contributors.

Part III. Interested Parties.

This Part is to be completed by both applicants and recipients filing update reports. Applicants must provide information on:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses. If the person is an entity, the listing must include the full name and address of the entity as well as the CEO. Please list all names alphabetically.
2. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
3. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

Note that if any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need

not repeat the information, but need only refer to the form and location to incorporate it into this report. (It is likely that some of the information required by this report has been provided on SF 424A, and on various budget forms accompanying the application.) If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional information required.

Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

Notes:

1. All citations are to 24 CFR Part 4, which was published in the Federal Register. [April 1, 1996, at 63 Fed. Reg. 14448.]
2. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage, that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Fed. Acquisition Regulation (FAR) (48 CFR Chapter 1).
3. See 24 CFR §4.9 for detailed guidance on how the threshold is calculated.
4. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.
5. For the purpose of this form and 24 CFR Part 4, "person" means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; State, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.



**EL DORADO COUNTY
HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HOUSING AUTHORITY**

**Disclosure of Information on Lead-Based Paint and/or
Lead-Based Paint Hazards**

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before Rehabilitating pre-1978 housing, owners must disclose the presence of known lead-based paint and/or lead-based paint hazards at the property or site.

Owner's Disclosure		
a.	Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):	
i.	<input type="checkbox"/>	Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
ii.	<input checked="" type="checkbox"/>	Owner has no knowledge of lead-based paint and/or lead-based paint hazards in the housing
b.	Records and reports available to the Owner (check (i) or (ii) below):	
i.	<input type="checkbox"/>	Owner has provided the PHA with available records and reports pertaining to lead-based paint and/or lead-based hazards in the housing (list documents below).
ii.	<input checked="" type="checkbox"/>	Owner has no reports or record pertaining to lead-based paint and/or lead-based paint hazard in the housing.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Mercy Housing California

Stephan Daues, Vice President

Owner (Print)

09/11/2020

Signature

Date



**EL DORADO COUNTY
HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HOUSING AUTHORITY**

UNIFORM RELOCATION ACT CERTIFICATION

This is to certify that Mercy Housing California in constructing
the housing located at (Owner)
El Dorado Haven / 6500 Pleasant Valley Rd will comply with the
(Project Name and/or Address)

requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and its implementing regulations at 49 CFR, Part 24.

A handwritten signature in black ink, appearing to read "Stephan Daues", written over a horizontal line.

Signature

Stephan Daues

Print Name

Vice President

Title

09/11/2020

Date



**EL DORADO COUNTY
HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HOUSING AUTHORITY**

CERTIFICATION OF PERMISSIVE ZONING

I certify that the proposed New Construction project is permitted by current zoning ordinances and/or regulations. I further certify that should re-zoning be necessary for this proposed New Construction project, it is highly likely to occur and will not result in any material delay of the project.

Applicant Name: Mercy Housing California

Project Name: El Dorado Haven

Location of Project: 6500 Pleasant Valley Rd

El Dorado, CA 95619

(Signature of Certifying Officer-Planning Dept)

Cynthia S. Freeland

(Print Name)

Administrative Analyst II

(Title)

530-621-5159

(Phone)

09/11/2020

(Date)



**EL DORADO COUNTY
HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HOUSING AUTHORITY**

**OWNER'S CERTIFICATION OF PARTICIPATION
IN THE
LOW INCOME HOUSING TAX CREDIT PROGRAM**

Project Name: El Dorado Haven

Project Address: 6500 Pleasant Valley Rd, El Dorado, CA 95619

I certify that:

 Neither I nor any other representative of the project identified above currently intends to participate in the Low Income Housing Tax Credit Program (LIHTC).

 X The project identified above intends to participate in the LIHTC Program and is subject to a Subsidy Layering Review by HUD prior to the execution of the Agreement.

If plans change regarding this project's decision to use the LIHTC Program as indicated above, I will notify the El Dorado County Public Housing Authority in writing immediately so long as it is prior to the execution of the Agreement to enter into Housing Assistance Payments Contract (AHAP).

WARNING: It is a crime to knowingly make false statements to a Federal agency. Penalties upon conviction can include fine and imprisonment. For details, see Title 18 U.S. Code, Sections 1001 and 1010.

Signature

09/11/2020

Date

Stephan Daues

Print Name

Vice President

Title

**Certification of Consistency
with the Consolidated Plan**

Attachment N
U.S. Department of Housing
and Urban Development

CIVIL RIGHTS DIVISION (E.O. 12892)

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's current, approved Consolidated Plan.
Please clearly print the following information:)

ApplicantName: Mercy Housing California

ProjectName: El Dorado Haven

Location of the Project: 6500 Pleasant Valley Rd
El Dorado, CA 95619

Name of the Federal Program to which the applicant is applying: Project-Based Mainstream Voucher Program / El Dorado County Health and Human Services Agency - Public Housing Authority

Name of Certifying Jurisdiction: El Dorado County

Certifying Official of the Jurisdiction Name: Cynthia J. Freeland

Title: Administrative Analyst II

Signature: 

Date: 09/11/2020



**EL DORADO COUNTY
HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HOUSING AUTHORITY**

DESIGN ARCHITECT'S CERTIFICATION

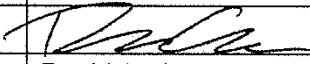
Owner:	Mercy Housing California
Project Name:	El Dorado Haven
Project Address:	6500 Pleasant Valley Rd, El Dorado, CA 95619

I, David Anders, as a Registered Architect, do hereby certify that I will have or have personally prepared, reviewed and/or supervised the preparation of the Working Drawings and Specifications for this project. I further certify that, to the best of my knowledge, the Working Drawings and Specifications shall comply or comply with the applicable building codes specified below and have been prepared in accordance with HUD regulations, Handbook requirements and guidelines as identified below.

A. The attached Working Drawings and Specifications are:

1	For the project identified above, which is described as follows: (Describe project by indicating number and types of units, etc.,)
	See attached
2	Identified as <u>El Dorado Haven Apartments</u> (Identify Working Drawings and Specifications by information normally found in the Title Block of drawings.)
3	In compliance with Local, State or Uniform Building Code: (Specify name and year.) 2019 CBC
4	In compliance with other Laws, Ordinances, Exceptions, Deletions, Waivers, Additions, etc., required or granted by the appropriate Local, State, and/or Federal authority (attached herewith).
5	In compliance with the (1) Uniform Federal Accessibility Standards and HUD's implementing regulations at 24 CFR Part 40; (2) and HUD's implementing regulations at 24 CFR Part 8; (3) Fair Housing Act of 1988 and HUD's implementing regulations at 24 CFR part 100 for covered multifamily dwellings designed and constructed for first occupancy after March 13, 1991; and (4) the Americans

	with Disabilities Act of 1990
5a	Specify the number of units in the project that will receive Project Based Assistance that fully meet the Uniform Federal Accessibility Standards and implementing regulations: 5
5b	The number of units identified in 5a above represents what percentage of units receiving Project Based Assistance in this project: 100%

Owner:	Mercy Housing California
Project Name:	El Dorado Haven
Signature:	
Print or Type Name:	David Anders
Name of Firm:	Anders & Falltrick Architects
Business Address:	1104 Corporate Way, Sacramento, CA 95831
Telephone Number:	(916) 395-4445
License Number:	C-29718

(Seal)

Warning: Title 18 U.S.C., Sections 1001 and 1010, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any matter in the jurisdiction of 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. A false statement shall constitute a violation of Sections 1001 and 1010 of Title 18 U.S.C.

ANDERS & FALLTRICK
 ARCHITECTS
 1500 CORPORATE WAY
 SUITE 2000
 COSTA MESA, CA 92626
 (714) 440-1100
 FAX (714) 440-1101
 www.andersfalltrick.com

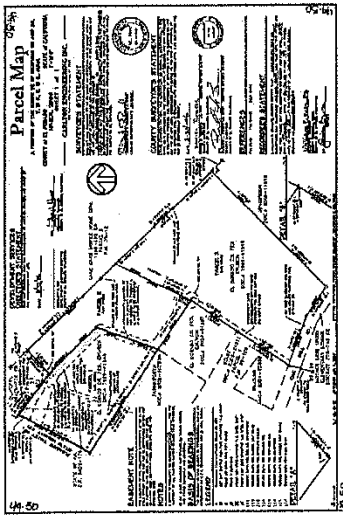
Professional Seal
 State of California
 No. 10000
 License No. 10000
 State of California
 No. 10000

Project:	EL DORADO HILLS APARTMENTS 6,000 SQ. FT. 10000 APR 311-30-171
Client:	PARCEL MAP
Project No.:	10000
Sheet No.:	10000
Scale:	AS SHOWN
Date:	04-10-20
Drawn by:	
Checked by:	
Project:	
Client:	
Project No.:	
Sheet No.:	
Scale:	
Date:	
Drawn by:	
Checked by:	

Sheet No. 10000
 of 10000
A1.0



1 AERIAL PHOTO



2 PARCEL MAP

5/18/21, Jerry D. Davis, A01488 Aug 11, 2020 - 7:51am



THIS PLAN AND ALL INFORMATION CONTAINED HEREIN ARE THE PROPERTY OF ANDERS & FALLTRICK ARCHITECTS. NO PART OF THIS PLAN OR INFORMATION CONTAINED HEREIN IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF ANDERS & FALLTRICK ARCHITECTS.

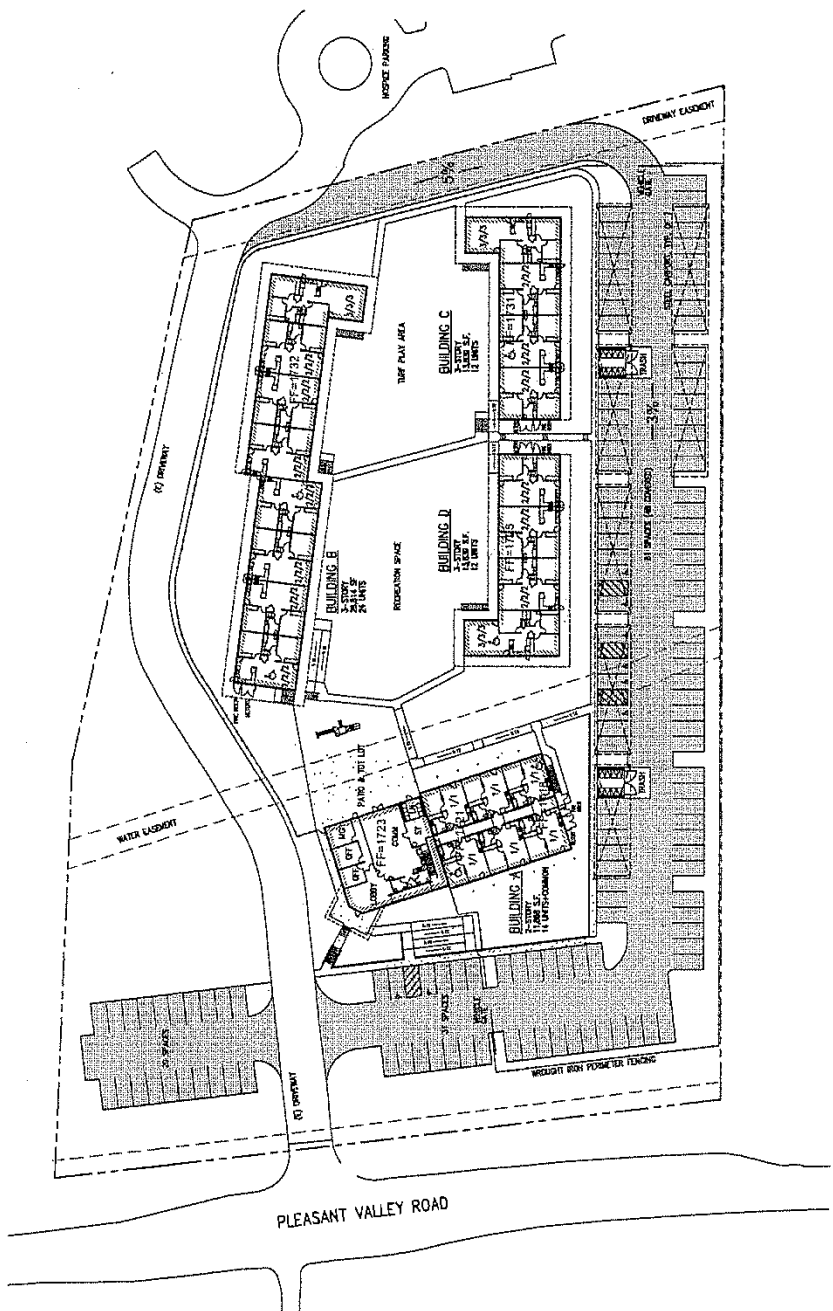
Project:	EL DORADO MANOR APARTMENTS
Location:	1000 CENTRAL AVENUE, FALLBROOK, CA 90630
Client:	APN: 331-351-171
Drawn by:	PROPOSED SITE PLAN
Checked by:	1/2007
Scale:	AS SHOWN
Sheet No.:	A1.1

PARCEL:
 4.8 ACRES
 13 DWELLING UNITS/ACRE
 ZONE: RES MULTI-FAMILY, HISTORIC

UNIT COUNT:
 62 UNITS TOTAL
 (14) 1-BED
 (28) 2-BED
 (9) 3-BED

PARKING COUNT:
 REQUIREMENTS:
 1 BED: 1.5/UNIT = 21
 2 & 3 BED: 2/UNIT (1 COVERED) = 56
 VISITOR: 1 PER 4 UNITS = 15
 TOTAL REQUIRED = 132

TOTAL SHOWN = 132



1"=30'-0"

1 SITE PLAN