



Response to:



City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

REQUEST FOR PROPOSALS
DEVELOPMENT, CONSTRUCTION, AND OPERATION OF
AN AFFORDABLE HOUSING PROJECT

Project Name:

Mercy Housing-Elk Grove
A Conceptual Project Proposal

Submitted by:

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

Submission Date:

Wednesday, May 19, 2021



May 19, 2021

Sarah Bontrager, Housing and Public Services Manager
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

*RE: Response to Request for Proposals
Mercy Housing-Elk Grove – A Conceptual Project Proposal
Development, Construction, and Operation of An Affordable Housing Project*

Dear Ms. Bontrager,

Mercy Housing California (MHC) is pleased to present our proposal and qualifications in response to the Development, Construction, and Operation of An Affordable Housing Project Request for Proposals.

Mercy Housing California is the proposed Developer and our offices are located at 2512 River Plaza Drive, Suite 200, Sacramento, CA 95833. I, Stephan Daues, am the authorized officer, as Vice President, of Mercy Housing California, the developer. My contact information is: sdaues@mercyhousing.org and by phone at (916) 414-4440.

Our proposed Conceptual Project, Mercy Housing -Elk Grove, presents an opportunity to execute in the near term on a site we have just recently secured in contract to purchase, but have just begun due diligence. Located at 8480 Elk Grove Florin Road, the 2.2 acre vacant is in process of up zoning from its current RD25 to RD30. The concept is highly transferrable and replicable to other opportunities throughout the city. In addition to the site in escrow, we are negotiating a similar separate contract for an adjacent 2.17-acre site. If we can combine the 2 adjacent parcels, it would allow much greater flexibility to comply with the development standards and achieve maximum density on both sites.

The proposed concept is the creation of a services-rich community that supports Extremely Low Income (ELI) and formerly homeless families for at least 25% of the total units, but no more than 50%. Our conceptual model proposes that rather than just be open to serving formerly homeless families, that a project ensure that it has the adequate resources to address the needs of those families and the entire community. There are 2 primary paths to generate the income necessary to sustainably provide such resources – Project-Based Vouchers or mixing in higher income rents in a larger project, or some combination of the 2. Our site offers the opportunity for a relatively small overall project at 60 units all 2 and 3 bedrooms with a heavy focus on the needs of larger families and children. We have also submitted this concept to SHRA under their recent Project Based Voucher RFP for 15 of the 60 units. Should we secure the adjacent site however, we could either pursue a separate phased project or combined them for maximum efficiency.

Mercy Housing California

2512 River Plaza Drive, Suite 200, Sacramento, California 95833 o | 916-414-4441 f | 916-414-4490

mercyhousing.org

Mercy Housing is sponsored by communities of Catholic Sisters

LIVE IN HOPE



In addition to the details on the concept and the opportunity sites, you will also find details on our extensive experience partnering with Cities and Counties across the state to be meet critical housing needs. In Mercy Housing California's Sacramento team, you will have as a partner an experienced team capable of innovation and execution during the real estate development and planning stage, combined with a highly professional resident-centered services, property and asset management team to steward the community in operations.

Mercy Housing California acknowledges the conditions stated in the RFP, no exceptions are contained in our response.

MHC appreciates the opportunity to submit this proposal and looks forward to working with the City of Elk Grove to provide safe, decent, affordable housing to its residents for years to come.

If you have any questions, please do not hesitate to contact me directly. I can be reached at (916) 414-4440 or at sdaues@mercyhousing.org.

Sincerely,

DocuSigned by:



Stephan Daves

Regional Director of Development

2. Table of Contents

3. Qualifications and Experience 2
 Resumes..... 10
 Project Profiles..... 20
4. Project Description 26
5. Site Control Description/Evidence and Valuation 30
6. Project Expected Timeline 31
7. Zoning and Entitlements..... 33
8. Sources and Uses of Funds 34
9. Operating Proforma..... 38
10. Low-Income Housing Tax Credits (LIHTC) 43
 9% Tiebreaker Calculation44
11. Conflict of Interest Statement 45
12. Insurance 46
13. Exceptions..... 56
14. Supportive Information 57

3. Qualifications and Experience

Founded by the Sisters of Mercy in 1981, Mercy Housing, Inc. (“MHI”) is a national nonprofit affordable housing development, management, and resident services organization headquartered in Denver, Colorado. The Mission of Mercy Housing, Inc. and all its subsidiaries, including Mercy Housing California, is to *create stable, vibrant and healthy communities by developing, financing and operating affordable, program-enriched housing for families, seniors and people with special needs who lack the economic resources to access quality, safe housing opportunities*. MHI is recognized as a national leader in maintaining and increasing the country’s affordable housing stock. MHI builds and acquires affordable housing through five Regional Development Corporations based in California, Georgia, Illinois, and Washington. MHI owns and provides property management (through Mercy Housing Management Group-MHMG) to more than 23,000 units of affordable housing and currently serves more than 50,000 people on any given day.

Mercy Housing California (“MHC”) was incorporated in 1988 as the California affiliate of MHI. The largest of the five Regional Development Corporations, MHC has grown substantially, both through its own affordable housing development, and through mergers with other nonprofit housing groups seeking affiliation with the Mercy Housing system, including: the housing development program of Catholic Charities of the Archdiocese of San Francisco (1993), the Santa Cruz Community Housing Corporation (1995), the Catholic Real Estate Development Organization, sponsored by the Catholic Diocese of Oakland (1997) and the Rural California Housing Corporation (“RCHC”)(2000).

In 2000, Mercy Housing California and RCHC merged and have maintained a Sacramento area office ever since. RCHC was founded in Woodland in 1967 to provide homeownership opportunities for low-income rural communities throughout the Sacramento Valley. The RCHC Board of Directors remains an active part of Mercy Housing’s Sacramento area activities, providing leadership and guidance on portfolio stewardship, community needs, and development priorities.

Housing Development Experience

Mercy Housing California’s long history of successfully developing and managing affordable housing and providing on-site resident services, coupled with our experience in community engagement during the predevelopment and design process, makes MHC uniquely qualified to complete a high-quality, sustainably managed housing development in partnership with the City of Elk Grove.



MHC is one of the largest affordable housing developers in the State of California in terms of staff, capacity, annual budget, and units constructed. MHC is also a leader in an integrated, mission-based approach that couple the delivery of customized resident and community service enrichments with quality development, management, and maintenance to create healthy communities. MHC’s communities generally can be categorized as serving Family, Senior, and/or Special Needs residents, the latter often meaning formerly

homeless and/or disabled individuals or families. More and more, developments are mixed income and mixed population, meaning that residents with a wide variety of income are often incorporated, and special needs residents are often integrated into more traditional family and senior developments to create holistic communities that serve the needs of **all** residents better than each could be served alone. Incorporating a special needs component within a larger multifamily development not only accomplishes MHC’s mission, but it widens the array of funding sources available for a given development, and generally increases competitiveness for funding sources.

MHC has successfully completed development of 10,168 affordable rental units. The breakdown by population is as follows:

- Family Rental: 75 developments (5,289 units)
- Senior Rental: 49 developments (3,355 units)
- Special Needs/Supportive Housing developments: 24 developments (1,525 units)

Of the rental housing developed, approximately 52% has been for families, 33% for seniors, and 15% supportive housing. In addition, MHC has nearly 6,000 units in the development pipeline from feasibility through construction with a team of 35 development staff members to support the process.

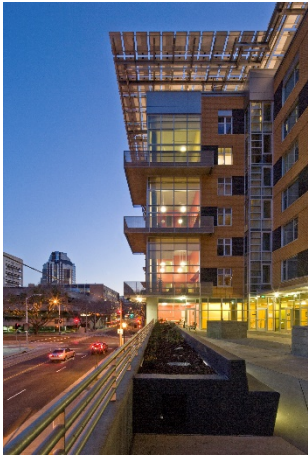


Mercy Housing has projects across California in urban, suburban, and rural locations Our experience in a variety of settings brings creativity and flexibility to the process.

MHC’s experience in the Sacramento region goes back to its founding and include close partnerships with cities, counties, housing authorities. Similar to the City of Elk Grove’s recent experience, much of our work continues through multiple developments based on lasting relationships and high quality results. While much of the experience focus is understandably on the front end real estate and finance work, MHC offers the distinct ability to bring forth the financial strength and sophistication of a national housing leader, but a very local presence.

Many of these properties were the result of strong affordable housing expertise, commitment & perseverance to combine unique financing sources to create innovative housing models as well as thoughtful community engagement strategies. Mercy’s most senior housing development staff have over 80 combined years of affordable housing development experience. The residents at MHC’s properties are supported by a highly qualified resident service department.

Design Awards



MHC has compiled an impressive list of design and leadership awards in its history. Over 80 awards and recognitions have been earned from a variety of state, local and national sources. Our work in the Capitol Region has been particularly recognized. In 2013 the 7th & H Apartments in Sacramento received the Project of the Year award from the Urban Land Institute. 7th & H also won the Sacramento Business Journal’s Best Real Estate Project and has received other design and green development awards. The Sacramento Housing Alliance awarded their Housing Innovation Award to two of our communities; Mather Veterans Village I in 2016 and Land Park Woods in 2017. The Lohse Apartments, in Roseville, won the Urban Land Institute Suburban Project of the Year in 2019. In 2020, The Courtyards at Orange received the Sacramento Business Journal’s Best Adaptive Reuse Project Award. Enterprise Community Partners recognized the project team for La Mancha, a Homekey project in Sacramento, as an honoree at their annual gala.

Resident Services

Providing and facilitating resident services is a fundamental part of Mercy Housing’s mission. The goal of Mercy Housing’s resident services programs is to provide a successful platform for housing stability. Resident Service Coordinators (“RSC’s”) are part of the onsite staffing at each property and manage, implement, or refer residents to programs with the goal of helping individuals improve their economic, health, and social well-being.

The RSC’s main function is building community by organizing programs and activities to enrich the lives of residents. Programs are offered in four main areas:



- Education – Focuses on developing the academic and life skills of both children and adults through parenting and life skill classes, connections to ESL, GED, college or technical school educational opportunities, access to computer technology and training, and after-school programs for children and youth.
- Health and wellness – Ensures the health and well-being of residents by connecting them to health resources in their communities.
- Community – Empowers residents to work for positive change in their apartment community, their neighborhood, and the larger community. The program includes voter registration and education, leadership coaching and volunteer and leadership opportunities for both youth and adult residents.
- Economic development – Helps residents take charge of their financial futures through financial education, realize the full extent of tax and benefit assistance for which they are eligible and, when possible, prepare for the responsibilities of homeownership.

Housing alone does not lift people out of poverty. By combining affordable housing with service enriched programs, Mercy Housing provides residents with the leverage and support they need to attain economic stability and pursue personal goals.

We believe that supportive programs improve the economic status of residents, transform neighborhoods, and stabilize lives, and we look forward to bringing this approach to bear in the proposed development.

Mercy Housing Management Group

Mercy Housing Management Group (“MHM”), Mercy Housing Inc.’s property management arm, currently manages over 330 affordable housing properties nationwide. As an organization, MHM has a 95% rent collection rate by the end of the month on nearly 23,500 units.

Since the time of its establishment in 1983, MHM has provided a type of service that has become a national model of effective management for resident-focused, affordable housing programs. MHM is an integral part of the Mercy Housing team, providing both professional property management and effective resident program services. MHM property management personnel ensure that the property itself is well managed and maintained – a place where residents can take pride in their homes and communities.





MHM strives to ensure that every property is:

- Well-managed and properly maintained to provide decent, safe and sanitary living conditions for its residents.
- A permanent, affordable housing resource in the community.
- A pleasant and secure living environment for its residents and the surrounding neighborhood.
- A catalyst for positive relationships among the residents, management staff and surrounding communities.
- A financially stable enterprise that successfully operates within its budget so that all expenses, debt service and reserves payments are covered by operating income.

The majority of the properties MHM manages have intricate regulatory agreements and restrictions. MHM is well versed in working with governmental agencies, cities, institutional investors, and other agencies and has the ability to customize reports to meet the needs of all agencies involved. MHM commits to produce audits and other financial and management documents for the City of Elk Grove’s review as required during the life of the project.

Staffing and Resumes

MHC has development offices in San Francisco, Sacramento, and Los Angeles. Between MHC’s three offices, Mercy Housing has developments in 36 counties ranging from San Diego to Shasta.

The following is a breakdown of the California staff solely devoted to real estate development:

- 1 Vice President of Real Estate
- 12 Housing Developers (Project Managers)
- 7 Assistant Project Managers
- 6 Regional and Associate Directors of Development
- 1 Vice President of Community Planning
- 1 Commercial Developer (commercial development expertise on mixed-use projects)

MHC devotes significant time from senior management to troubleshoot and provide support to Housing Developers. Both the Director of Development and the Vice President of Real Estate work closely with Housing Developers during all stages of development. Stephan Daves, Regional Director of Housing Development for the Sacramento region and Vice President ex-officio MHC corporate officer authorized to bind, will act as MHC’s primary principal for the proposed project and the daily point of contact.

Mercy Housing Bios

Stephan Daues, Regional Director of Housing Development (Principal in Charge), leads MHC’s project management efforts in the Sacramento region for all multifamily activities and single-family land entitlement and development. Starting with Mercy Housing/RCHC in 1998, Stephan has 22 years of experience in affordable housing development doing direct project management for affordable family, seniors, and special needs developments, as well as subdivision development. Stephan has extensive experience in all aspects of affordable housing development including successfully working with a wide array of financing mechanisms, such as 9% and 4% Low Income Housing Tax Credits; State and County HOME; the State of California MHP program; the HUD 202/811 program; state and federal homeless programs; other forms of federal financing that come through Cities and Counties including CDBG and HOPWA; and local forms of financing such as tax increment financing, housing trust funds and in lieu fees.

Rich Ciraulo, Associate Director of Housing Development, has worked in the development and construction of residential, commercial, industrial, and hospital projects since the beginning of his career, with a focus on affordable housing development for the last 25 years. He has extensive experience working with a variety of lenders, investors, and state agencies. He prides himself on the quality of the projects Mercy Housing delivers, the outstanding teamwork within Mercy and its external partners, and the amenity-rich communities that serve low-income families and individuals throughout Mercy’s service area.

Matt Kozina, Senior Project Manager, has worked in a variety of development, construction, and asset management fields for nearly twenty years. Matt has experience managing a wide range of projects, from large master plan developments to multifamily apartments. He has extensive experience in acquisition and entitlement of new projects. He joined Mercy Housing in 2020 and has been managing the occupied rehab of two existing Mercy Housing communities and the entitlement and funding application process for a new community in Roseville.

Maria León, Assistant Project Manager II, supports MHC’s development in the Sacramento Region. Maria previously worked for RCHC/Mercy Housing for nearly twenty years and returned to Mercy Housing in 2019, after spending time supporting single-family affordable development. Maria has recently worked on The Courtyards on Orange Grove, Capitol Park Hotel, La Mancha Apartments, and 1801 West Capitol Avenue. Maria has extensive experience working with wide array of financing sources and programs including State and County HOME; CDBG, AHP, Joe Serna Farmworker funds, USDA 502 and NSP.

Alvin Tuvilla, Regional Director of Resident Services, has been with Mercy Housing since 1998 when he when he started as a Resident Services Coordinator. He moved up to Resident Services Manager, Director of Family Services, and finally to his current position where he oversees services for all properties statewide, including services provided by 3rd parties. Alvin plays a key role in consulting with MHC senior management and real estate development staff during project development to ensure that effective and creative programs and services are integrated into the project design and budgets.

Michael Liebe, Regional Director of Property Operations, has nearly twenty years of experience in affordable housing operations. Michael began working with Mercy Housing in 2003 as a property supervisor, overseeing operations and property management for family and special needs communities in the Bay Area. Michael has been responsible for the Northern California Mercy Housing portfolio since 2008 and oversees all regional property operations for 40 communities.

Project Experience

Please see Appendix for full Mercy Housing California experience in the previous five years. The table below provides a summary of the properties MHC has selected to highlight where we have provided development, resident services, and property management services in the past five years. More detailed project profiles, including references and photographs to follow.

Project Name	City	Population	Public Agency	No. of Units	Year Completed
1801 West Capitol - PSH	West Sacramento, CA	PSH	Yolo County Housing	85	2021 (under construction)
North Auburn	Auburn, CA	Family	Placer County	79	2021 (under construction)
Mather Veterans Village III	Rancho Cordova, CA	Veterans	City of Rancho Cordova	50	2019
The Lohse Apartments	Roseville, CA	Family	City of Roseville	58	2018
West Beamer Street Apartments	Woodland, CA	Family, PSH	Yolo County Housing	80	2018
Esperanza Crossing II	Esparto, CA	Family	Yolo County Housing	40	2018

Financing Experience and Capacity

Affordable housing funding sources, including the well-known Low-Income Housing Tax Credit (“LIHTC”), are highly competitive. As one of the largest nonprofit developers of affordable housing in California, with an exceptionally strong national organizational and financial standing, MHC is consistently successful in competition for sources of affordable housing financing, including over 125 LIHTC awards, and also because of its record and relationships is able to leverage the most advantageous terms from lenders and investors. MHC has been consistently successful with the competitive 9% awards, especially in the Sacramento area. 1801 West Capitol-PSH received a 9% award in 2019 and Capitol Park Hotel received a 9% award in 2020. As the 4% tax credits have become competitive, MHC has been at the forefront of adapting to changes and maintaining competitiveness of our projects. Mercy is involved in policy and regulation changes, through membership in the CDLAC policy working group, which is working with the State Treasurer’s office to revise the 4% tax credit/bond regulations. MHC uses conventional debt for most of its developments and has strong relationships in the lending community. Construction and permanent lenders on MHC developments have included: Bank of America; JPMorgan Chase, Enterprise, Wells Fargo; Union Bank; US Bank; Citibank, Silicon Valley Bank; California Bank and Trust, and Bank of the West.

MHC is consistently successful in leveraging other funding sources, through state and local funding programs. MHC has received over 50 awards from state programs such as: No Place Like Home, Multifamily Housing Program, Infill Incentive Grants, Transit Oriented Development Program, and Affordable Housing and Sustainable Communities.

In terms of financial strength, MHC has a strong financial position and is backed by the full strength and credit of MHI, which was recognized by Affordable Housing Finance Magazine in 2019 as the 4th largest affordable housing owner in the country and the largest nonprofit owner. As of December 31, 2019, MHI had, on a consolidated basis, total assets in excess of \$3.5 billion, cash and cash equivalents of \$101 million, and unrestricted net assets-controlling of \$386 million.



STEPHAN V. DAUES

Regional Director of Housing Development

PROFESSIONAL EXPERIENCE

Mercy Housing California, West Sacramento, California

Regional Director of Housing Development, April 2006 to Present

Project Developer, July 2001 to April 2006

Responsible for overseeing the firm's multi-family rental housing portfolio, the development of new and rehabilitated rental housing, the development of land/subdivisions for new single family self-help housing, and the provision of development and planning services for private and public sector clients. Supervise professional housing development staff. Oversee the preparation and submission of applications to public and private financing sources. Perform project feasibility analyses and develop financial proforma for internal use, lenders and investors. Negotiate purchase options and consultant contracts. Supervise planning staff in data collection and the preparation of affordable housing studies for local jurisdictions.

Rural California Housing Corporation, West Sacramento, California

Executive Director, September 2011 to Present

Project Developer, February 1999 to July 2001

Assistant Project Manager, July 1998 to February 1999

Increasingly responsible for all aspects of affordable housing project development for regional private not-for-profit housing and social service organization. Manage all aspects of 1500+ unit development pipeline and 9-staff department. Development activity includes single-family subdivisions, multifamily new construction, multifamily acquisition and rehabilitation throughout urban and rural areas of Northern California. Develop and facilitate working relationships with state, federal and local funding agencies, private equity and debt providers, and the professional consultants necessary to build projects.

California Coalition for Rural Housing, Sacramento, California

Vista Volunteer, February 1997 to February 1998

Lead Organizer, February 1998 to June 1998

Provided education and training to resident associations in assisted housing developments. Organized individuals and groups to take action on local, state, and federal policy and regulations that affect the availability and quality of affordable housing.

International Institute for Energy Conservation, Washington, D.C.

International Financial Institutions Program Intern, June 1996 to January 1997

Provided research, writing, and editing for studies and briefs advocating sustainable energy policies among multilateral development banks providing financing and technical support to developing countries.

EDUCATION

American University, Washington D.C.

Master of Arts, 1996

Major: International Affairs, Comparative and Regional Studies, Latin America

Subfield: Development Finance

Willamette University, Salem, Oregon

Bachelor of Arts, 1994

Majors: International Studies and Spanish

RICHARD C. CIRAULO

PROFESSIONAL EXPERIENCE

Mercy Housing, Sacramento, CA (Feb 1998 – Sept 2011 and Nov 2012 – present)

Associate Director of Real Estate Development (Jan 2020 – present): Manage staff working on the funding and development of new construction and rehabilitation projects. Facilitate communication amongst team to ensure appropriate resource allocations and keeping workflow manageable. Also actively managing a historic adaptive reuse development.

Regional Director of Portfolio Syndication (Jan 2018 – Jan 2020): Managed a state-wide portfolio of aging affordable housing communities that required rehabilitation and financial repositioning. Identified sources of funding and created a pipeline of projects with a focus on distressed properties. Coordinated with architects, engineers, contractors, property management, and current residents to define the scope of work to be completed. Managed a team of four staff across two offices.

Senior Project Developer (Feb 1998 – Sept 2011 and Nov 2012 – Jan 2018): Managed the planning, financing, design, construction, and rehabilitation of affordable housing communities; secured financing; negotiated land acquisition contracts; developed financial proformas and operating budgets; oversaw design and construction teams; processed land use entitlements and design review requirements; organized tenant meetings; performed community outreach to local governments and community groups; reviewed appraisals, market studies, and environmental assessments; managed transition from construction to lease-up and transfer to property and asset management.

Sacramento | Yolo Mutual Housing Association, Sacramento, CA (Sept 2011 – Nov 2012)

Director of Asset Management: Ensured the ongoing success of the operational, financial, and physical performance of a diverse portfolio of 15 rental housing communities, consisting of 942 apartments in Sacramento and Yolo counties; prepared plans for major rehabilitations and financial restructuring; monitored ongoing regulatory compliance requirements; implemented tracking tools to establish strong financial performance of the portfolio and new owner-driven operational policies; identified problem areas and worked with property management to find solutions.

Rural California Housing Corporation, Sacramento, CA (Nov 1996 – Jan 1998)

AmeriCorps Volunteer In Service To America (VISTA): Facilitated community organizing among primarily Spanish-speaking families in a 102-unit mutual self-help housing subdivision; worked with volunteers to create a neighborhood association; completed a Spanish translation of the subdivision's Covenant, Conditions, and Restrictions; drafted a bilingual "New Homeowner's Manual."

Peterson Consulting L.L.C., San Francisco, CA (June 1996 – Aug 1996)

Staff Consultant: Performed construction claims analysis and dispute resolution support during mediation, arbitration, and trial proceedings; provided management consulting to owners, contractors and attorneys.

Rudolph & Sletten, Inc., Redwood City, CA (July 1994 - June 1996)

Project Engineer: Managed a diverse group of trade subcontractors on large commercial, hospital, university, and high-tech construction jobs; monitored cost and schedule impacts due to changes in the work; mediated between clients' needs and subcontractors' costs; recommended cost-effective solutions to clients; managed extensive quality program; organized and chaired Pre-Construction Coordination Meetings to review schedule, job specifications, scope of work, quality standards, and safety requirements; prepared and delivered technical presentations to colleagues.

EDUCATION

Stanford University, M.S. Construction Engineering and Management

Stanford University, B.S. Civil Engineering

CERTIFICATIONS

- *Diploma Superior de Español Como Lengua Extranjera* — International certification of advanced linguistic competence in Spanish
- Engineer-in-Training — State Board of Registration for Professional Engineers and Land Surveyors

VOLUNTEER AND LEADERSHIP ACTIVITIES

- **Mercy Housing Mentor** – Mentor to newer Mercy Housing real estate development staff, 2018
- **California Coalition for Rural Housing** – Advisory Committee Chair, Internship Program for Diversity in Nonprofit Housing and Community Development, 1998 – present
- **Camellia Waldorf School** – Treasurer and member of the Board of Trustees, 2011 – 2016
- **McKinley East Sacramento Neighborhood Association** – Board Member, 2005 – 2007
- **Sacramento Metro Chamber** – Graduate of Leadership Sacramento, 2003
- **City Planning Academy, City of Sacramento** – Graduate, 2003
- **Great Valley Center** – Graduate of the Institute for the Development of Emerging Area Leaders (IDEAL), 2002
- **City Management Academy, City of Sacramento** – Graduate, 2001

MATTHEW KOZINA

PROFESSIONAL EXPERIENCE

Mercy Housing Corporation, Sacramento, CA

PROJECT DEVELOPER II, May 2020 to Present

Review sites for potential development of new construction or complexes for potential acquisition. Prepare feasibility analysis responding to project criteria. Includes identifying needs, population served, financial feasibility, and community plan as needed. Provide ongoing coordination between architects, contractors, and other members of the project development team. Perform administrative tasks associated with the development.

Making Waves Foundation, Richmond, CA

VICE PRESIDENT & DIRECTOR OF DEVELOPMENT & CONSTRUCTION, November 2018-May 2020

Lead the creation, implementation and on-going administration of Making Waves real estate portfolio, including asset management, development/construction, and leasing. Responsible for development and project management of real estate activities including land/building acquisition/disposition, leasing and site location in support of the organization's goals.

Ground up development and full-scale rehabs, consisting of a total of 1M sq. ft. of Charter School campus', including athletic fields. Directed, lead developing specifications, reviewing and negotiating terms, contracting with vendors, ensuring project closeout (under construction phase), invoice payment as required by current and future real estate projects. Function as Owner Rep. on behalf of Making Waves Foundation and Making Waves Academy, by providing development and construction oversight on entitlements, design and site and vertical construction on new charter school facilities. Disposition of large portfolio throughout Contra Costa County totaling \$55M.

Pacific Investments, San Ramon, CA

DIRECTOR OF DEVELOPMENT AND OPERATIONS, July 2017 to November 2018

Assisted VP of Development in acquiring, designing and entitling large multi-phased, multi-year master planned development. TDC of \$900M over the life of project. Responsible for development and project management.

- Charged with oversight on acquisition (\$150M land acquisition), entitlement and long-term success of commercial master-planned multi phased development, which consisting of 3.6M sq. ft. consisting of commercial - mixed-use retail and office, hotel(s), winery, and 338 single family (detached and attached).
- Supervision and management of the entire development process from contract negotiations and management to discussions with city and regional agencies. In conjunction with contracted consultants - A&E, Biologist, Traffic Management, Counsel (land-use), marketing/branding/public relations firms and brokerage firms.

VHB of CA, Stockton, CA

DIRECTOR OF DEVELOPMENT AND LAND ACQUISITION, November 2016 to July 2017

Charged with oversight to the development and acquisitions team, bringing on a new team, development pipeline on stalled and new projects. Responsible for development and project management.

Acquisition and entitlement of five multifamily sites consisting of a total of 450 units; two rehab/renovation sites, three ground up developments and a completion of small planned single-family development (22 homes). Direct management of finance applications for three LIHTC projects, including Bond Financing (totaling \$90M). Development and Construction management, including oversight of all Architectural, Engineering and stakeholders for each project.

Haggerty Construction Inc., Stockton, CA
VICE PRESIDENT OF DEVELOPMENT, June 2014 to August 2016

Responsible for development and project management as well as oversight on pre-development construction, handling design-build and design - bid - build projects, estimating, project coordination, development, and accounting/pay-aps. Grew company from 7 team members to 45 team members.

- Coordinated the integration of design-build teams and shepherding pre-construction/planning to permit/construction hand-off. Grew revenue from \$600K per year to \$4M per year.
- Project management and oversight of various improvement projects, site development, and ground-up construction.
- Involved in all pre-construction and construction phases, including bidding, take-offs, project coordination, scheduling, team guidance, business development and accounting.
- Large tenant improvements consisting of both office, retail, medical and logistics as well as ground-up and site work.

NAI Benchmark., Stockton/Modesto, CA
DIRECTOR OF ASSET AND PROPERTY MANAGEMENT, April 2011 to June 2014

Development and management of a new asset and property management division, managing large mixed asset portfolio Central Valley market, including San Joaquin and Stanislaus Counties.

- Management of 4.0M sq. ft. of commercial space, including mixed-use, multifamily, industrial (light / flex), retail and office spaces, and 1 receivership.; Management of 5 direct team reports, annual budgets, investor reporting.
- Provided feedback and exercise sound real estate judgement to a wide variety of issues on both internal and external stakeholders.
- Supervised daily operations, including project management of capital improvements ranging from small T.I.'s to
- large pad development, ranging from \$100k to \$4M.
- Lead vendor, lender and management company negotiations, securing optimal pricing and service advantages.
- Direct operations linked to onboarding of new properties, developments, acquisitions.

VHB of CA - Stockton, CA
DIRECTOR OF ASSET MANAGEMENT, March 2008 to March 2011

Develop, implement, and oversee a new asset and property management division, managing a large affordable and market rate multifamily portfolio throughout the Central Valley - consisting of 3,000+ units and \$200M in assets.

- Management of 4 direct team reports and 62 indirect team reports - property and facilities management.
- Oversaw the lease-up of five new multi-family properties, achieving stabilized occupancy in less than one-year, while achieving overall vacancy of less than 2% across total portfolio.
- Negotiation and contract management of consulting and property agreements - controlling expenses.
- Budget development and management along with investor reporting. Oversight of LIHTC compliance.
- Project management for capital renovations totaling \$20M in improvements.
- Cooperation with relocation of existing tenants for large renovations of re-syndications.
- Institute and oversee quarterly metrics tracking meetings for all property types covering revenue, expense, and cost PSF comparisons. Also address residential cost per turnover and vacant unit downtime days.

Fidelity National Financial - Sacramento, CA

COMMERCIAL ACQUISITION COORDINATOR, *May 2004 to March 2007*

Commercial transaction coordinator for large commercial acquisitions, 1031 exchanges, right of way acquisitions for large municipalities and state agencies on public projects.

PROFESSIONAL EXPERIENCE**Mercy Housing Corporation, Sacramento, CA****ASSISTANT PROJECT MANAGER II, April 2019 to Present**

Assist Developers in coordinating with other departments to determine project feasibility, ensure regulatory compliance and to facilitate a successful transition from development to operations. Coordinate resident relocation plans as necessary. Perform tasks necessary to obtain local approvals and neighborhood acceptance of proposed housing projects, including submitting land use applications, attending hearings and neighborhood meetings, and fostering a team approach to obtaining neighborhood acceptance. Gather resident input and acceptance of rehabilitation projects. Coordinate the activity of architects, contractors, and other members of the Development team. Prepare and submit funding applications in accordance with all requirements of the funder. Perform administrative tasks associated with housing development. Provide support and training to other Project Assistants as requested. Provide written and oral progress reports.

NeighborWorks® HomeOwnership Center Sacramento Region, Sacramento, CA**REAL ESTATE PROJECT SPECIALIST, May 2, 2011 to March 2019**

Responsible for acquisition, rehabilitation and sale of single-family homes in the Real Estate Department. Identify REOs and foreclosed homes, develop project proformas, negotiate purchase contracts, perform feasibility analyses, secure financing, coordinate escrow closing and oversee projects through construction completion. Negotiate with real estate agents and serve as primary contact for transactions. Serve as primary contact and managed Neighborhood Stabilization Program (NSP) contract obligations with local jurisdictions. Coordinate and manage with general contractors, including construction inspectors and jurisdiction, etc. Generate contracts and manage payment draws.

Mercy Housing Corporation, West Sacramento, CA**PROJECT DEVELOPER, November 1999 to May 2011**

Responsible for acquisition and development of single-family developments. Identify sites, negotiate purchase contracts, perform feasibility analyses, obtain development financing, and oversee project through construction completion. Responsible for project coordination and management. Manage the entitlement process for new land development. Identify and negotiate contracts with the development team, including civil engineer, environmental consultants, general contractor, etc. Manage development budgets.

Rural California Housing Corporation, Sacramento, CA**GROUP DEVELOPMENT SPECIALIST, July 1995 – November 1999**

Certified loan packager for USDA 502 direct loans. Introduce the Mutual Self-Help form of home ownership to interested homeowners, determine eligibility of USDA 502 direct loans, secure applications, and compile clients' information required for their loan docket. Review and interpret consumer credit reports and analyze borrower income to determine loan eligibility. Maintain knowledge of the Mutual Self-Help Housing Program, including all USDA–Rural Development, HOME, CalHOME, AHP, Joe Serna Farm Worker Grant and CalHFA regulations.

Rural Community Assistance Corporation, Sacramento, CA**HOUSING TECHNICIAN, August 1992-July 1995**

Provided affordable housing development training and technical assistance to nonprofits, tribal, and government agencies. Worked with clients to develop scope of work and coordinate technical assistance. Planned, and prepared bi-lingual technical trainings at various conference institutes, client agencies, and the like. Developed and maintained project work plans and sub-agreements; maintained reports of progress; and monitored implementation and compliance.

EDUCATION

Sacramento City College

LANGUAGES

Bi-literate in Spanish and English



MICHAEL LIEBE

Regional Director Property Operations

PROFESSIONAL EXPERIENCE

Mercy Housing Management Group, San Francisco, CA

Regional Director Property Operations, February 2008 to Present

Responsible for portfolio of 40 family, senior and special needs affordable housing properties in Northern California - personnel, fiscal management and budget development, regulatory compliance and reporting, property maintenance and improvement, civic and stakeholder relations. Regional operations representation for interdepartmental statewide and national leadership committees. Regional operations direction for new development and leasing.

Regional Director Property Operations, May 2006 to February 2008

Responsible for portfolio of 28 family, senior and special needs affordable housing properties in San Francisco Bay Area, Santa Cruz and Northern California - same duties as above.

Property Supervisor - March 2005 to May 2006

Responsible for all aspects of operation for family and special needs affordable housing properties in East Bay and San Francisco - personnel selection and supervision, fiscal management and reporting to owners, regulatory compliance and reporting, property maintenance and improvement, tenant relations, budgets. Property operations project lead on development team for new properties in San Leandro and Pittsburg - budget development, design evaluation, operation liaison, operations team selection and development, start-up execution.

Oakland Community Housing, Oakland, CA

Property Supervisor - December 2003 to March 2005

Responsible for all aspects of operation for twelve affordable housing properties in Oakland and Berkeley: personnel selection and supervision, fiscal management and reporting to owners. Regulatory compliance and reporting, property maintenance and improvement, tenant relations, budgets.

Telera, Campbell, CA

Senior Product Manager, Senior Program Manager, 2000 to 2002

SBC Long Distance / Pacific Bell Communications, Pleasanton/San Francisco, CA - 1996-2000

Product Director

Product Manager

Segment Manager

Product Development Manager

Program Manager



MICHAEL LIEBE

Regional Director Property Operations

EDUCATIONAL BACKGROUND

Golden Gate University, San Francisco, CA


Master of Business Administration, Bachelor of Science in Business Management, *summa cum laude*

Data Communication Institute

Duke University Executive Program

Certified Professional of Occupancy certification AHMA

1801 West Capitol Avenue, West Sacramento, CA 95691

	<p>Project Description: Mercy Housing California (MHC) is constructing 85 one-bedroom apartments in one 4 story and two 2 and 3 story buildings. The 1.75-acre project site is composed of a vacant city owned lot and a privately-owned parcel with a small mixed-use building. The community will include onsite management offices, offices for services staff, two community rooms, patio and central green, and 24/7 desk staffing. The 4-story building along West Capitol Avenue is designed with zero setback and will feature a glass fronted entrance and lobby in line with the City’s general redevelopment plan for the West Capitol corridor. The units will be reserved for low-income residents who have experienced homelessness. Full-time case management and community services staff will be on site and available to support residents as needed.</p>
<p>Developer Role</p>	<p>Sponsor/General Partner</p>
<p>Current Project Status</p>	<p>Under Construction</p>
<p>Type of Project</p>	<p>Permanent Supportive Housing</p>
<p>Total Number of Residential Units and Unit Mix</p>	<p>85 - 1-bedrooms</p>
<p>Total Residential Square Footage</p>	<p>50,353</p>
<p>Population Served</p>	<p>Very low to low income families, up to 60% of AMI</p>
<p>Construction Start Date and Completion Date</p>	<p>May 2020-September 2021</p>
<p>Total Development Cost</p>	<p>\$32,013,401</p>
<p>Financing Sources Bank of America – Construction Loan - \$24,047,203 City of West Sacramento-Fee Waivers, CDBG, Partnership Health Grant Amount: \$4,699,983 HCD-No Place Like Home - Amount: \$5,285,843</p>	<p>FHLB Affordable Housing Program Amount: \$850,000 Bank of America-9% Tax Credit Equity Amount: \$26,355,758 Yolo County Housing Authority-Project Based Vouchers</p>
<p>Reference Raúl Huerta Senior Program Manager, City of West Sacramento (916) 617-4555 raulh@cityofwestsacramento.org</p>	

**Mercy North Auburn at Placer County Government Center
2960 1st Street, North Auburn, CA**

	<p>Project Description: Mercy Housing California (MHC) is constructing a new apartment/ townhome community, providing homes for qualified lower-income families. Placer County selected Mercy Housing California’s proposal in 2017 for an affordable, higher-density residential development in the area. Located at the corner of 1st Street and B Avenue in North Auburn, future residents will be a short walk or bus ride away from amenities, such as the Sutter Auburn Faith Hospital, a Veterans Administration clinic, schools, and shopping centers. Additionally, County Services will be available directly across the street.</p> <p>The development will include three 3-story apartment buildings, one 2-story townhouse building, and a single-story community building. Site amenities include ample parking, landscaping, recreation areas, child play areas, and onsite services and programming.</p>
Developer Role	Sponsor/General Partner
Current Project Status	Under Construction
Type of Project	Family/PSH
Total Number of Residential Units	79
Unit Mix	1-bedrooms: 21 2-bedrooms: 33 3-bedrooms: 25
Total Residential Square Footage	71,250
Population Served	Very low to low income families, up to 60% of AMI
Construction Start/Completion Dates	July 2020-Anticipated October 2021
Total Development Cost	\$36,957,356
<p>Financing Sources Wells Fargo-Permanent Mortgage Amount: \$1,858,900</p> <p>HCD-No Place Like Home Amount: \$2,751,317</p>	<p>Placer County-Ground Lease, Fee Waivers Amount: \$3,405,507</p> <p>Wells Fargo-9% Tax Credit Equity Amount: \$32,347,356</p> <p>Placer County Housing Authority-Project Based Vouchers</p>
References	Paul Breckenridge, Capital Improvements Manager Placer County (530)889-6892 pbrecken@placer.ca.gov


Mather Veterans Village III, 3615 Bleckely Street, Mather, CA 95655



Mather Veteran’s Village III is the third phase of affordable housing located on the former Mather Air Force Base in Rancho Cordova, California. Mather Veterans Village III provides 50 permanent supportive homes for formerly homeless and disabled veterans. The comprehensive onsite support services are provided by Veteran’s Resource Centers of America in partnership with the adjacent Northern California Veteran’s Administration Medical Center.

Developer Role	Sponsor/General Partner
Current Project Status	Complete
Type of Project	Permanent Supportive Housing/Veterans
Total Number of Residential Units	50
Unit Mix	1 Bedroom: 44 2 Bedroom: 6
Total Residential Square Footage	38,430 sq. ft.
Population Served	Veterans, 50% AMI or less
Building Type	Three story wood frame
Construction Start/Completion Date	March 2018-July 2019
Total Development Cost	\$19.4 Million
Financing Sources	
HCD- Veterans Housing and Homelessness Prevention Program Amount: \$6,010,651 Wells Fargo-9% Tax Credit Investor Amount: \$13,247,156	Sacramento Housing and Redevelopment Agency- VASH Vouchers and Project Based Vouchers
References	Stefan Heisler, Reinvestment Analyst City of Rancho Cordova (916) 851-8757 sheisler@cityofranhocordova.org

Lohse Apartments, 623 Vernon Street, Roseville, CA 95678

	<p>Project Description: The Frederic Lohse Apartments are a new mixed-use affordable family community located in Downtown Roseville. Amenities include: 2,900 sq. ft. of ground floor commercial space along Vernon Street and a spacious community lounge that connects to a sunny courtyard and a well-equipped after school activity room. The Frederic Lohse Apartments offers permanently affordable homes in an attractive and energy efficient building located in close proximity to Downtown Roseville’s exciting and essential amenities.</p> <p>The development is named in honor of long-term Rural California Housing Corporation / Mercy Housing California board member, steadfast affordable housing advocate, and lifelong Roseville resident, Frederic Lohse.</p>
Developer Role	Sponsor/General Partner
Current Project Status	Completed
Type of Project	Mixed-use affordable housing development
Total Number of Residential Units	58
Unit Mix	1-Bedroom: 12 2-Bedroom: 27 3-Bedroom: 19
Total Residential Square Footage	72,363 sq. ft.
Population Served	Very low to low income families, up to 60% of AMI
Construction Start/Completion Date	December 2016-March 2018
Total Development Cost	\$27,390,886
<p>Financing Sources California Community Reinvestment Corporation- Permanent Mortgage Amount: \$654,000</p> <p>HCD-Infill Infrastructure Grant Amount: \$2,164,800</p> <p>City of Roseville – Taxable Housing Bond Amount: \$5,760,000</p>	<p>FHLB Affordable Housing Program Amount: \$570,000</p> <p>Wells Fargo-9% Tax Credit Equity Amount: \$16,380,904</p> <p>Land Donation Amount: \$1,725,500</p>
References	Trisha Isom Housing Manager, City of Roseville (916) 746-1239 tisom@roseville.ca.us


West Beamer Place, 10 North Cottonwood, Woodland, CA 95695



Developed in partnership between Mercy Housing and Yolo County Housing’s New Hope Community Development Corporation, West Beamer Place Apartments provides new affordable homes in the City of Woodland’s northwest neighborhood. The large family-friendly community is built on an infill site of the old County Hospital and consists of garden-style apartments and townhomes in 15 two-story buildings located walking distance to many neighborhood amenities. In addition to providing the site, the County of Yolo will also provide support services to residents.

Developer Role	Sponsor/General Partner
Current Project Status	Completed
Type of Project	Family, Special Needs
Total Number of Residential Units	80
Unit Mix	1-Bedroom: 26 2-Bedroom: 30 3-Bedroom: 24
Total Residential Square Footage	83,039
Population Served	Very low and extremely low-income households, up to 50% of AMI
Construction Start/Completion Dates	March 2017 – May 2018
Total Development Cost	\$30.49 Million
Financing Sources	
CalHFA Mental Health Services Act Amount: \$3,245,994	Yolo County Donated Land Value Amount: \$3,250,000
HCD-Multifamily Housing Program (Supportive Housing) Amount: \$2,598,9250	US Bank-9% Tax Credit Investor Amount: \$20,967,703
FHLB Affordable Housing Program Amount: \$790,000	Yolo County Housing Authority-Project Based Vouchers
References	Janis Holt General Director of Yolo County Housing Phone: 530-662-5428 jholt@ych.ca.gov

Esperanza Crossing II, 16797 County Road 87, Esparto, CA, 95627

	<p>As Mercy Housing’s second project in Esparto, Esperanza Crossing II addresses a compelling need for new and energy-efficient affordable living for rural families, elderly and disabled individuals with fixed incomes, and the growing gaming, tourist, and agricultural workforce in surrounding and unincorporated areas of Yolo County. Esperanza Crossing provides residents earning between 30-50 percent of the area median income the opportunity for convenient, quality homes. The property features a large onsite community center, Resident Services, a communal space with a kitchen, and a computer center.</p>
Developer Role	Sponsor/General Partner
Current Project Status	Complete
Type of Project	Low-income families
Total Number of Residential Units	40
Unit Mix	1 Bedroom: 8 2 Bedroom: 20 3 Bedroom: 12
Total Residential Square Footage	83,039
Population Served	Very low and extremely low-income households
Building Type	Wood frame
Total Development Cost	\$18.33 Million
Construction Start/Completion Date	December 2016-January 2018
<p>Financing Sources</p> <p>CA State HOME Funds Amount: \$4,500,000</p> <p>FHLB Affordable Housing Program Amount: \$390,000</p>	<p>Yolo County Housing Trust Funds Amount: \$300,000</p> <p>9% Tax Credit Investor Amount: \$4,700,000</p>
References	<p>Janis Holt General Director of Yolo County Housing Phone: 530-662-5428 jholt@ych.ca.gov</p>

4. Project Description

Mercy Housing California is pleased to present the conceptual “Mercy Housing-Elk Grove,” an ideal flexible affordable development concept for low-income, very low, extremely low, and formerly homeless families. This proposal is an opportunity to provide needed affordable housing for families with access to a rich assortment of neighborhood amenities and on-site supportive services designed to empower, strengthen and lift up families. Our ideal community is scalable and financeable but requires careful consideration of each potential site for unique design and finance opportunities. Appropriate staffing is key to operating success and requires the careful balance of scale and financial structure. There are many available sites throughout the City with walkable access to existing good neighborhood services. Mercy Housing California was recently able to secure a contract to purchase an exemplary 2.2-acre site just south of the intersection of Calvine and Elk Grove-Florin and is in final negotiations for a similar contract to purchase the adjacent 2.17-acre parcel. While significant due diligence is still necessary to determine feasibility, the adjacent sites offer a very real opportunity to present two versions of our proposed concept: one as 60- units on just one parcel and another combined of 111 units.

The 60-unit conceptual development includes two- and three-bedroom apartments and townhomes that will accommodate families with incomes ranging from 30% to 60% of Area Median Income. The proposed unit mix is shown in the table below. A total of 15 units are intended to serve those experiencing or at risk of homelessness in Sacramento County and would be supported by 15 Project Based Vouchers. A response to an SHRA RFP for 15 vouchers is currently pending for this site. The 60-unit size balances funding affordability and operational efficiencies. This size optimizes the 9% tax credit, the City gap funding, while ensuring that the property will be operationally self-sufficient.

	30% AMI	40% AMI	50% AMI	60% AMI	Manager Unit	Total
2-bedrooms	6	2	5	6	1	20
3-bedrooms	12	3	13	12		40
Total	18	5	18	18	1	59

The units will be spread out over the site in five two- and three-story buildings each with 12 units each, including flats and 2nd floor townhomes. Initial discussions with City planning staff indicate that minor deviations from the standards might be necessary to accommodate the unit sizes and parking needs. The site would be gated, with the community building with offices and open play area greeting visitors and residents.

As a particularly long and narrow site, fire and trash vehicle turnaround needs, respecting the City’s 25-foot side yard setbacks, and the required 100-foot three-story buffer to single family homes still need to be addressed in the site plan included here. We intend to continue to work on these issues as this RFP process continues. The buildings would be oriented in courtyards as a C-shape facing south.

On the north side of each building is tucked under parking with 2-story town home units above. The attached site plan is able to achieve 1.5 parking spaces per unit. This parking configuration, along with side setbacks and other standards will require further study and consultation with City Planning staff prior to submittal.

The 60-unit concept is widely applicable to a number similar, roughly 2-acre sites or portions of sites throughout the City. One such example is immediately to the south of the proposed site. In addition to being available to be done as a second phase or separately by itself should the primary northern parcel become infeasible for some reason, combining the sites into a single 4.37 acre site offers the most interesting opportunity for a single-phase development accomplishing many of the same goals. Combining the parcels allows for greater site configuration possibilities with few exceptions to the City development standards.

Under the competitive system in place today for the 9% tax credit, 111+ units would require significant local funding and/or many more vouchers in order to be competitive under the system that highly prioritizes local leveraging. This equation is further challenged with a project required to pay federal or state prevailing wages. The inclusion of the project-based vouchers requires federal prevailing wages. This scoring system however is expected to undergo significant changes in late 2021 for the 2022 year.

The more likely fit for the combined 111+ site would be a 4% bond finance structure that also includes City and State HCD Multifamily Housing Program (MHP) gap funding. In order to be competitive for MHP funding, a project needs full entitlement approval. The upcoming MHP NOFA is going to be released in July 2021 with applications due in September 2021, and we do not anticipate entitlement approvals before the due date. However, there is expected to be another round in early 2022.

Assuming no unusual on or offsite site conditions, total, all-in construction costs are estimated at just under \$300,000 per unit and \$205 per square foot just for building vertical construction. This would apply to both scenarios with prevailing wages and considering today's highly volatile materials market and is also taking into consideration the model includes only 2- and 3-bedroom unit sizes. Mercy Housing California would select a general contractor through an RFP early in the design process to ensure cost efficiency and proper budgeting. We would then require that GC to bid out all trades once all funding was secured.

Total development cost varies significantly between the 4% (roughly \$525,000 per unit) and 9% (\$490,000) finance models. The 4% model includes approximately \$25,000 more in developer fee that is used solely to generate more tax credit equity as a source to the project. The higher developer fee is then contributed back to the project to meet restrictions on net paid developer fee. The HCD MHP program also triggers higher reserve requirements that are typically capitalized in the development budget.

Other important components of our conceptual models:

- 30% of total units restricted affordability to Extremely Low Income (30% AMI) or below;
- 60% of total units restricted to Very Low Income (50% AMI) or below;
- Mercy Housing California commits to performing annual income recertifications and adjusting unit affordability accordingly. In effect, this means that a household initially living in a 30% AMI unit and whose household income rises to 50% AMI would have their rent adjusted to the 50% AMI level, and the next available unit would be made available to a household earning 30% AMI.
- Mercy Housing California commits to placing tenant-based Housing Choice Voucher (HCV or Section 8) holders into units with the highest income level, when such units are available, and, when such units are not available, adjusting unit affordability as soon as possible.
- Mercy Housing California commits to working with the City to address homelessness, including by pursuing a policy moving Elk Grove households experiencing homelessness to the top of the waitlist for any vacant unit for which they are qualified.
- Mercy Housing California could apply approximately \$4,000,000 City funding to a 4% Bond and HCD MHP finance structure with 114 units or more to be under \$35,000 per unit in City gap funding.
- Mercy Housing California commits to structure a service enriched community that would support extremely low income and formerly homeless households thrive. Permanent Supportive Housing could be a component of this and by many measures the 15 units included in our model could be defined as PSH. It is of utmost important to Mercy Housing and to the communities we serve to learn from our extensive experience in Sacramento County to pursue a finance structure with as few restrictions as possible. Our experience has taught us that the conflicting homeless definitions and priorities between various funding programs makes it very difficult to work with a smaller community such as Elk Grove to ensure that its unique needs are going to be prioritized. Our proposed model is an innovative, achievable model for a partnership between the City and Mercy Housing on homelessness.

This commitment to creating a sustainable, successful model for addressing the deepest need starts with a partner like Mercy Housing with deep experience and continual refinement of service models.

An important component to determining the population to be served is the ability to adequately staff the development with both professional property management and resident supportive services staff. Mercy Housing would pursue a property budget that includes a full time Resident Services Coordinator (“RSC”) for the community, the cost of which would be supported by property operations. The RSC salary is included in the attached pro forma operating expenses. Mercy Housing pursues resident services far beyond that by TCAC or HCD, especially when including units set aside for special needs households. For the formerly homeless households at this development, case management would likely be subcontracted to an experienced services agency, such as Sacrament Self Help Housing, Hope Cooperative, Wellspace Health, or Volunteers of America, among a few others that Mercy Housing has worked with in the region. Case management will offer a higher level of support for the formerly homeless households and will be complementary to the services provided by the RSC to the whole community.

Volumes\CADD COMMON\JOBS\221025 ArchiCAD - 8450 Florin Rd\221025 PLN\221025 - 8450 Florin Rd.pln - Printed: Monday, May 17, 2021, 8:57 AM



■ SITE PLAN - SCALE 1" = 50'

■ UNIT MIX

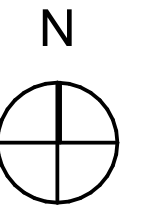
20 · 2 BR FLATS

40 · 3 BR TOWNHOUSES

60 · TOTAL

7 · 2 BR UNITS IN COMMUNITY BLDG. (OPTIONAL)

± 1.5 PARKING RATIO



5. Site Control Description/Evidence and Valuation

Because Mercy Housing California only recently obtained site control on 8480 Elk Grove-Florin Road and is still pursuing site control for the adjacent 8490 Elk Grove site, our application is still technically a Conceptual Response to the RFP. However, attached is the Purchase and Sale Agreement for 8480 Elk Grove-Florin Road. The agreed upon terms include a purchase price of \$1,399,000 for the 2.2-acre parcel. At \$15 per square foot and \$23,317 per unit, we feel strongly that an appraisal will support this valuation under our proposed 60-unit concept. However, for the adjacent 2.17-acre site at 8490, with its entire southern perimeter abutting single family homes and requiring a 100-foot buffer to any 3 story buildings, the valuation will be somewhat lower. We are confident that we will be able to agree on price shortly and begin the process of determining a proper method of appraisal considering the two scenarios we are proposing.

The executed Purchase and Sale Agreement for 8480 Elk Grove-Florin Road and the Preliminary Title Report are included in Section 14.

6. Project Expected Timeline

9% LIHTC		
60-unit concept at 8480 Elk Grove-Florin Road		
Milestone	Date	Key Prerequisite Milestone/Contingency
Obtain Site Control	April/May 2021	
Submit Application for Planning Entitlements/Approvals	July/Aug 2021	Submittal Requirements TBD
Submit Loan Application to Lender	Sept 2021	Amount available from City
Environmental Review/Phase I Study	May/June 2021	Phase I only
Complete Planning Entitlement Process	Jan/Feb 2022	
Select Tax Credit Investor	March 2022	With 9% app submittal same month
Select Contractor	July/Aug 2021	City support of conceptual design
Prepare Detailed Cost Estimate	Aug/Sept 2021	
Submit Plans and Applications for Plan Check and Building Permit	July 2022	9% tax credit award
Public Body Approval and TEFRA to Apply for Bond Allocation	N/A	
Submit Application for Bond Application	N/A	
Submit Application for Tax Credit Allocation	March 2022	
Obtain Bond Allocation	N/A	
Obtain Tax Credit Allocation	June 2022	
Obtain Approval of Construction Plans	Oct/Nov 2022	
Obtain Construction and Permanent Loan Commitment	Feb 2022	
Final Construction Contract	Oct 2022	
Closing of all Financing	Nov 2022	
Pay Impact Fees and Obtain Construction Permits	Nov 2022	
Begin Construction	Nov 2022	
Complete Construction	Nov 2023	
Full Lease-up	Feb 2024	

4% Bond MHP		
111-unit concept at 8480-8490 Elk Grove-Florin Road		
Milestone	Date	Key Prerequisite Milestone/Contingency
Obtain Site Control	April/May 2021	
Submit Application for Planning Entitlements/Approvals	July/Aug 2021	
Submit Loan Application to Lender	Sept 2021	City funding request first
Environmental Review/Phase I Study	May/June 2021	Phase 1 only
Complete Planning Entitlement Process	Jan/Feb 2022	
Select Tax Credit Investor	Sept 2022	
Select Contractor	Aug/Sept 2021	
Prepare Detailed Cost Estimate	Sept 2021	
Submit Plans and Applications for Plan Check and Building Permit	Nov 2022	Upon tax credit/bond award
Public Body Approval and TEFRA to Apply for Bond Allocation	Aug 2022	HCD MHP other similar gap award
Submit Application for Bond Application	Sept 2022	HCD MHP other similar gap award
Submit Application for Tax Credit Allocation	Sept 2022	HCD MHP other similar gap award
Obtain Bond Allocation	Nov 2022	
Obtain Tax Credit Allocation	Nov 2022	
Obtain Approval of Construction Plans	March 2023	
Obtain Construction and Permanent Loan Commitment	Aug 2022	
Final Construction Contract	April 2023	
Closing of all Financing	April 2023	
Pay Impact Fees and Obtain Construction Permits	April 2023	
Begin Construction	April 2023	
Complete Construction	June 2024	
Full Lease-up	Oct 2024	

7. Zoning and Entitlements

Mercy Housing has worked through a variety of entitlement and partnership processes, often with multiple stakeholder agencies. Mercy Housing California has completed entitlements on all new construction projects statewide, ranging from CEQA-exempt projects through full Environmental Impact Reports; and from conditional use permits to general plan amendments and zone changes. Full Environmental Impact Reports have been required for the 50-acre Sunnydale redevelopment, Vera Haile Senior Community; and Bill Sorro Community in San Francisco; and Kent Gardens in San Lorenzo, as well as West Beamer Place in Woodland and Placer County Government Center site in North Auburn. MHC's product portfolio ranges from five units per acre single family homes to 800 units per acre high-rises.

Our recent experience in the Sacramento region has shown an increasing willingness and ability to increase density, achieve development standard variances and pursue other exceptions approved at a ministerial level. While this new found ability is welcomed, we often find that Planning Commissions and Councils/Supervisors welcome the opportunity to champion a project. This higher level of approval can also help mitigate the threat of any challenges, as any residents with concerns are given an outlet. While the ministerial approval route is always preferred, Mercy Housing California is very familiar with navigating a more complex approval process if necessary.

The City of Elk Grove has identified a number of multifamily opportunity sites, including the 8480 and 8490 Elk Grove-Florin Road sites we have under consideration. While up zoning these from 25 units to 30 units per acre is underway, we look forward to continuing our discussions with City Planning staff about the development standards, including minimum density, parking, setbacks and height limitations. We are confident that we can agree upon the appropriate site plan options to achieve full City support.

8. Sources and Uses of Funds

DEVELOPMENT COSTS

PROJECT NAME: Elk Grove Mercy Housing
FINANCE TYPE: 9%, 25% vouchers, City
ADDRESS: 8480 Elk Grove - Florin
HOUSING TYPE: Family /
COUNTY: Sacramento
SPONSOR: Mercy Housing California

	unit cost	Total Project Cost	COST APPORTIONMENT	
			100.0% Residential	0.0% Non-Residential
<i>ACQUISITION</i>				
Total Land Cost or Value	\$15	1,399,000	1,399,000	-
Total Building Cost or Value		-	-	-
TOTAL ACQUISITION		1,399,000	1,399,000	-
<i>CONSTRUCTION / REHABILITATION</i>				
Off-Site Improvements		250,000	250,000	-
Demolition	\$0.0	-	-	-
Site Work/Landscape/Surface parking	\$18	1,724,976	1,724,976	-
Structures, Residential	\$205	13,945,125	13,945,125	-
Structures, Commercial	\$0	-	-	-
Garages/Structured Parking	\$0	-	-	-
General Requirements	6.0%	940,206	940,206	-
Contractor Overhead	3.0%	470,103	470,103	-
Contractor Profit	3.0%	470,103	470,103	-
TOTAL NEW CONSTRUCTION		17,800,513	17,800,513	-
ARCHITECTURAL FEES	4.0%	712,021	712,021	-
TOTAL SURVEY and ENGINEERING		125,000	125,000	-
ENVIRONMENTAL STUDIES		10,000	10,000	-
<i>CONST. INTEREST & FEES</i>				
Const. Loan Interest		656,694	656,694	-
Bond Issuance		-	-	-
Origination Fee	0.75%	155,533	155,533	-
Taxes During Construction	1.25%	20,402	20,402	-
Performance Bond Premium	1.00%	178,005	178,005	-
Lender Inspections		15,000	15,000	-
Title and Recording		30,000	30,000	-
Builders Risk Insurance	0.50%	95,912	95,912	-
Contractor Insurance	1.00%	178,005	178,005	-
TOTAL CONST. INTEREST & FEES		1,329,551	1,329,551	-
<i>PERMANENT FINANCING</i>				
Loan Origination Fee	1.00%	14,604	14,604	-
Title and Recording		20,000	20,000	-
Other		25,000	25,000	-
TOTAL PERMANENT FINANCING		59,604	59,604	-
<i>OTHER FINANCING RELATED</i>				
TCAC App/Alloc/Monitor Fees	4%	111,737	111,737	-
TOTAL OTHER FINANCING		111,737	111,737	-
<i>LEGAL FEES</i>				
Constr. Related (includes lender legal)		75,000	75,000	-
Perm. Related (includes lender legal)		45,000	45,000	-
TOTAL LEGAL FEES		120,000	120,000	-
<i>RESERVES</i>				
Capitalized Operating	3 months	200,353	200,353	-

DEVELOPMENT COSTS

Capitalized Lease Up Reserve			-	
Capitalized Section 8 Transition Reserve		257,580	257,580	
Capitalized Commercial Commission/Lease Up Reserve				-
Capitalized Replacement			-	
TOTAL RESERVES		457,933	457,933	-
 <i>CONTINGENCIES</i>				
Construction Contingency	8%	1,424,041	1,424,041	-
Soft Cost Contingency	5%	284,080	284,080	-
TOTAL CONTINGENCIES		1,708,121	1,708,121	-
 <i>PERMITS & GOV. FEES</i>				
school impact fee	3.54	207,179	207,179	
other impact fees	\$35,000	2,100,000	2,100,000	-
building permit, plan check, other fees	\$6,000	360,000	360,000	-
Capital Fees (utility fees & hook-up charges)	\$2,500	150,000	150,000	-
TOTAL PERMITS & FEES		2,817,179	2,817,179	-
 <i>THIRD PARTY REPORTS</i>				
Environmental Reports		10,000	10,000	-
Appraisal		5,000	5,000	-
Market Study		6,500	6,500	
Title/Escrow/Closing		10,000	10,000	-
TOTAL THIRD PARTY REPORTS		31,500	31,500	-
 <i>OTHER OWNER COSTS</i>				
Financial Consultant		30,000	30,000	-
Cost Cert/Accounting		25,000	25,000	-
Construction Mang./Oversight/Testing		145,000	145,000	-
TOTAL OTHER OWNER COSTS		200,000	200,000	-
 <i>MANAGEMENT COSTS</i>				
Marketing/Leasing	\$1,500	90,000	90,000	-
Relocation Expenses				
Site and Interior Furnishings (Mgmt Start -Up)		75,000	75,000	-
TOTAL MANAGEMENT COSTS		165,000	165,000	-
 SUBTOTAL		 27,047,159	 27,047,159	-
 <i>DEVELOPER COSTS</i>				
Developer Fee		2,200,000	2,200,000	-
TOTAL DEVELOPER COSTS		2,200,000	2,200,000	-
 TOTAL SYNDICATION COSTS		 100,000	 100,000	-
 TOTAL PROJECT COST		 29,347,159	 29,347,159	-
 GRAND TOTAL DEVELOPMENT COSTS		 \$29,347,159		

9. Operating Proforma

CASH FLOW

PROJECT NAME: Elk Grove Mercy Housing
FINANCE TYPE: 9%, 25% vouchers, City
ADDRESS: 8480 Elk Grove - Florin
HOUSING TYPE: Family /
COUNTY: Sacramento
SPONSOR: Mercy Housing California

	Inflation Factor	Initial Year		1	2	3	4	5	6	7	8
		Per Month	Per Unit								
POTENTIAL GROSS INCOME											
Resident Rent	2.5%	55,311	11,062	663,732	680,325	697,333	714,767	732,636	750,952	769,726	788,969
Rent Subsidy	2.5%	21,465	4,293	257,580	264,020	270,620	277,385	284,320	291,428	298,714	306,182
LOSP Tenant Assistance Payments				-	-	-	-	-	-	-	-
Commercial	0.0%	-	-	-	-	-	-	-	-	-	-
Other Income	2.5%	600	120	7,200	7,380	7,565	7,754	7,947	8,146	8,350	8,559
POTENTIAL GROSS INCOME		77,376	15,475	928,512	951,725	975,518	999,906	1,024,904	1,050,526	1,076,789	1,103,709
<i>See detailed income sheet attached</i>											
VACANCY LOSS											
Resident	5.0%	(2,766)	(553)	(33,187)	(34,016)	(34,867)	(35,738)	(36,632)	(37,548)	(38,486)	(39,448)
Rent Subsidy	5.0%	(1,073)	(215)	(12,879)	(13,201)	(13,531)	(13,869)	(14,216)	(14,571)	(14,936)	(15,309)
Commercial	0.0%	-	-	-	-	-	-	-	-	-	-
Total Vacancy Loss		(3,839)	(768)	(46,066)	(47,217)	(48,398)	(49,608)	(50,848)	(52,119)	(53,422)	(54,758)
EFFECTIVE GROSS INCOME		73,537	14,707	882,446	904,508	927,120	950,298	974,056	998,407	1,023,367	1,048,951
OPERATING EXPENSES											
	3.5%	(54,238)	(10,848)	(650,860)	(673,640)	(697,218)	(721,620)	(746,877)	(773,018)	(800,073)	(828,076)
<i>See detailed Operating expenses attached</i>											
NET OPERATING INCOME		19,299	3,860	231,586	230,867	229,903	228,678	227,179	225,390	223,294	220,876
RESERVES											
Replacement Reserve		(2,500)	(500)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Total Reserve Deposits		(2,500)	(500)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
INCOME BEFORE DEBT SERVICE		16,799	3,360	201,586	200,867	199,903	198,678	197,179	195,390	193,294	190,876
DEBT SERVICE											
				1.67	1.67	1.66	1.65	1.64	1.62	1.60	1.58
First Mortgage		(10,046)	(2,009)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)
Total Debt Service		(10,046)	(2,009)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)
NET CASH FLOW		6,753	1,351	81,033	80,314	79,349	78,125	76,626	74,836	72,741	70,322
USES OF AVAILABLE CASH											
Deferred Developer Fee Balance, beginning of year	3.0%	-	-	-	-	-	-	-	-	-	-
Deferr. Dev. Fee Payments				-	-	-	-	-	-	-	-
Residual Cash Flow			1,351	81,033	80,314	79,349	78,125	76,626	74,836	72,741	70,322
Investor Asset Mgmt Fee	3.5%	(417)	(83)	(5,000)	(5,175)	(5,356)	(5,544)	(5,738)	(5,938)	(6,146)	(6,361)
Partnership Mgmt Fee	3.5%	(1,667)	(333)	(20,000)	(20,700)	(21,425)	(22,174)	(22,950)	(23,754)	(24,585)	(25,446)
Cash Available for Disbursements			934	56,033	54,439	52,569	50,407	47,937	45,144	42,009	38,515
Soft Lenders' Share of Cash Disbursements	50.0%	2,335	467	28,017	27,220	26,284	25,203	23,969	22,572	21,005	19,258
GP/LP Share of Cash Disbursements	50.0%	2,335	467	28,017	27,220	26,284	25,203	23,969	22,572	21,005	19,258

CASH FLOW

9	10	11	12	13	14	15	16	17	18	19	20
808,693	828,910	849,633	870,874	892,646	914,962	937,836	961,282	985,314	1,009,947	1,035,195	1,061,075
313,836	321,682	329,724	337,967	346,416	355,077	363,954	373,053	382,379	391,938	401,737	411,780
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
8,773	8,992	9,217	9,447	9,683	9,925	10,173	10,428	10,688	10,956	11,230	11,510
1,131,302	1,159,584	1,188,574	1,218,288	1,248,745	1,279,964	1,311,963	1,344,762	1,378,381	1,412,841	1,448,162	1,484,366
(40,435)	(41,446)	(42,482)	(43,544)	(44,632)	(45,748)	(46,892)	(48,064)	(49,266)	(50,497)	(51,760)	(53,054)
(15,692)	(16,084)	(16,486)	(16,898)	(17,321)	(17,754)	(18,198)	(18,653)	(19,119)	(19,597)	(20,087)	(20,589)
-	-	-	-	-	-	-	-	-	-	-	-
(56,126)	(57,530)	(58,968)	(60,442)	(61,953)	(63,502)	(65,089)	(66,717)	(68,385)	(70,094)	(71,847)	(73,643)
1,075,175	1,102,055	1,129,606	1,157,846	1,186,792	1,216,462	1,246,874	1,278,046	1,309,997	1,342,747	1,376,315	1,410,723
(857,058)	(887,055)	(918,102)	(950,236)	(983,494)	(1,017,916)	(1,053,544)	(1,090,418)	(1,128,582)	(1,168,083)	(1,208,965)	(1,251,279)
218,117	214,999	211,504	207,610	203,298	198,546	193,330	187,628	181,414	174,664	167,350	159,444
(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
188,117	184,999	181,504	177,610	173,298	168,546	163,330	157,628	151,414	144,664	137,350	129,444
1.56	1.53	1.51	1.47	1.44	1.40	1.35	1.31	1.26	1.20	1.14	1.07
(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)
(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)	(120,553)
67,564	64,446	60,950	57,057	52,745	47,992	42,777	37,075	30,861	24,111	16,796	8,891
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
67,564	64,446	60,950	57,057	52,745	47,992	42,777	37,075	30,861	24,111	16,796	8,891
(6,584)	(6,814)	(7,053)	(7,300)	(7,555)	(7,820)	(8,093)	-	-	-	-	-
(26,336)	(27,258)	(28,212)	(29,199)	(30,221)	(31,279)	(32,374)	(33,507)	(34,680)	(35,894)	(37,150)	(38,450)
34,643	30,373	25,685	20,558	14,968	8,893	2,309	3,568	-	-	-	-
17,322	15,187	12,843	10,279	7,484	4,447	1,155	1,784	-	-	-	-
17,322	15,187	12,843	10,279	7,484	4,447	1,155	1,784	-	-	-	-

UNIT MIX

PROJECT NAME: Elk Grove Mercy Housing
FINANCE TYPE: 9%, 25% vouchers, City
ADDRESS: 8480 Elk Grove - Florin
HOUSING TYPE: Family /
COUNTY: Sacramento
SPONSOR: Mercy Housing California

MAX RENT (Gross per month, assume 1.5 persons/bdrm)

LIHTC Income Level	UNITS AT <81% AMI (LIHTC UNITS)					UNITS AT >81% AMI				Market Rents
	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	110% AMI	120% AMI	130% AMI		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Studio/Efficiency	475	634	793	951	1,268	1,744	1,903	2,061		
1 Bdrm	510	680	850	1,020	1,360	1,870	2,040	2,210		
2 Bdrm	612	816	1,020	1,224	1,632	2,244	2,448	2,652		
3 Bdrm	706	942	1,178	1,413	1,884	2,591	2,827	3,062		
4 Bdrm	787	1,050	1,313	1,575	2,100	2,888	3,151	3,413		

APARTMENT MIX	# of Apts	Sq. Ft. Per Apt	UNITS AT <81% AMI (LIHTC UNITS)					UNITS AT >81% AMI				Market Rate	Unit Type Distribution	Apportionment (hide)	target units (hide)
			30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	110% AMI	120% AMI	130% AMI					
SRO/Efficiency	0	500	0	0	0	0	0	0	0	0	0	0	0.0%	0%	0
1 Bdrm	0	625	0	0	0	0	0	0	0	0	0	0	0.0%	0%	0
2 Bdrm	19	825	6	2	5	6	0	0	0	0	0	0	31.7%	34%	19
3 Bdrm (C1)	40	1050	12	3	13	12	0	0	0	0	0	0	66.7%	66%	40
3 Bdrm (C2)		1110	0	0	0	0	0	0	0	0	0	0	0.0%	0%	0
Manager Unit	1	850											1.7%	0%	1
TOTAL	60		18	5	18	18	0	0	0	0	0	0	100.0%		60
% of units			30.5%	8.5%	30.5%	30.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Avg LIHTC Affordability=46% N/A		
Target Apportionment (hide)			30%	10%	30%	30%	0%	0%	0%	0%	0%	0%	Passes Affordability Test		
target units (hide)			18	6	17	18	0	0	0	0	0	0	100%		

RENT SCHEDULE										SPECIAL NEEDS UNITS / RENT SUBSIDY				
Income Restriction	Unit Type	# of Apts	Sq. Ft. Per Apt	Sq. Ft. Total	Gross Rent	Util Allow	Effective Rent	Total Ann'l Rent	Percent of Units	FMR /Contract Rent	Utility Allowance	Effective Contract Rent	Subsidy PUPM	Total Annual Subsidy
30% of AMI	SRO/Efficiency	-	500	-	475	-	475	-	-	1,177	-	1,177	-	-
	1 Bdrm	-	625	-	510	-	510	-	-	1,330	-	1,330	-	-
	2 Bdrm	6	825	4,950	612	95	517	37,224	6	1,668	95	1,573	1,056	76,032
	3 Bdrm (C1)	12	1,050	12,600	706	105	601	86,544	9	2,387	105	2,282	1,681	181,548
	3 Bdrm (C2)	-	1,110	-	787	-	787	-	-	2,504	-	2,504	-	-
40% of AMI	SRO/Efficiency	-	500	-	634	-	634	-	-	1,177	-	1,177	-	-
	1 Bdrm	-	625	-	680	-	680	-	-	1,330	-	1,330	-	-
	2 Bdrm	2	825	1,650	816	95	721	17,304	-	1,668	95	1,573	-	-
	3 Bdrm (C1)	3	1,050	3,150	942	105	837	30,132	-	2,387	105	2,282	-	-
	3 Bdrm (C2)	-	1,110	-	1,050	-	1,050	-	-	2,504	-	2,504	-	-
50% of AMI	SRO/Efficiency	-	500	-	793	-	793	-	-	1,177	-	1,177	-	-
	1 Bdrm	-	625	-	850	-	850	-	-	1,330	-	1,330	-	-
	2 Bdrm	5	825	4,125	1,020	95	925	55,500	-	1,668	95	1,573	-	-
	3 Bdrm (C1)	13	1,050	13,650	1,178	105	1,073	167,388	-	2,387	105	2,282	-	-
	3 Bdrm (C2)	-	1,110	-	1,313	-	1,313	-	-	2,504	-	2,504	-	-
60% of AMI	SRO/Efficiency	-	500	-	951	-	951	-	-	1,177	-	1,177	-	-
	1 Bdrm	-	625	-	1,020	-	1,020	-	-	1,330	-	1,330	-	-
	2 Bdrm	6	825	4,950	1,224	95	1,129	81,288	-	1,668	95	1,573	-	-
	3 Bdrm (C1)	12	1,050	12,600	1,413	105	1,308	188,352	-	2,387	105	2,282	-	-
	3 Bdrm (C2)	-	1,110	-	1,575	-	1,575	-	-	2,504	-	2,504	-	-
80% of AMI	SRO/Efficiency	-	500	-	1,268	-	1,268	-	-	1,177	-	1,177	-	-
	1 Bdrm	-	625	-	1,360	-	1,360	-	-	1,330	-	1,330	-	-
	2 Bdrm	-	825	-	1,632	95	1,537	-	-	1,668	95	1,573	-	-
	3 Bdrm (C1)	-	1,050	-	1,884	105	1,779	-	-	2,387	105	2,282	-	-
	3 Bdrm (C2)	-	1,110	-	2,100	-	2,100	-	-	2,504	-	2,504	-	-
110% of AMI	SRO/Efficiency	-	500	-	1,744	-	1,744	-	-	1,177	-	1,177	-	-
	1 Bdrm	-	625	-	1,870	-	1,870	-	-	1,330	-	1,330	-	-
	2 Bdrm	-	825	-	2,244	95	2,149	-	-	1,668	95	1,573	-	-
	3 Bdrm (C1)	-	1,050	-	2,591	105	2,486	-	-	2,387	105	2,282	-	-
	3 Bdrm (C2)	-	1,110	-	2,888	-	2,888	-	-	2,504	-	2,504	-	-
120% of AMI	SRO/Efficiency	-	500	-	1,903	-	1,903	-	-	1,177	-	1,177	-	-
	1 Bdrm	-	625	-	2,040	-	2,040	-	-	1,330	-	1,330	-	-
	2 Bdrm	-	825	-	2,448	95	2,353	-	-	1,668	95	1,573	-	-
	3 Bdrm (C1)	-	1,050	-	2,827	105	2,722	-	-	2,387	105	2,282	-	-
	3 Bdrm (C2)	-	1,110	-	3,151	-	3,151	-	-	2,504	-	2,504	-	-
130% of AMI	SRO/Efficiency	-	500	-	2,061	-	2,061	-	-	1,177	-	1,177	-	-
	1 Bdrm	-	625	-	2,210	-	2,210	-	-	1,330	-	1,330	-	-
	2 Bdrm	-	825	-	2,652	95	2,557	-	-	1,668	95	1,573	-	-
	3 Bdrm (C1)	-	1,050	-	3,062	105	2,957	-	-	2,387	105	2,282	-	-
	3 Bdrm (C2)	-	1,110	-	3,413	-	3,413	-	-	2,504	-	2,504	-	-
Market Rate	SRO/Efficiency	-	500	-	-	NA	-	-	-	1,177	NA	1,177	-	-
	1 Bdrm	-	625	-	-	NA	-	-	-	1,330	NA	1,330	-	-
	2 Bdrm	-	825	-	-	NA	-	-	-	1,668	NA	1,668	-	-
	3 Bdrm (C1)	-	1,050	-	-	NA	-	-	-	2,387	NA	2,387	-	-
	3 Bdrm (C2)	-	1,110	-	-	NA	-	-	-	2,504	NA	2,504	-	-
Manager Unit		1	850		850									
TOTAL		60			58,525	\$61,316	\$6,005	\$55,311	\$663,732	15	81,594			257,580
Common/Utility Areas			14%	9,500										
TOTAL RES. AREA				68,025										

Other Income			
Laundry/Vending Income	60 Units	\$10.00/ Month	7,200
Other Income (Enter Here)			-
Total Other Income			7,200

POTENTIAL GROSS INCOME

928,512

OPERATING BUDGET

PROJECT NAME: Elk Grove Mercy Housing
FINANCE TYPE: 9%, 25% vouchers, City
HOUSING TYPE: Family /
ADDRESS: 8480 Elk Grove - Florin
COUNTY: Sacramento
SPONSOR: Mercy Housing California

Units	60		
Estimated from Pleasant Grove / W. Beamer Comps			
ADMINISTRATIVE EXPENSE	Yearly Expense	PUPA	Notes
Office Supplies and postage	2,800	47	Budgeted at \$18 PUPA for Office Supplies and \$8 PUP
Copier/Copying	3,200	53	Budgeted at \$270 per month for base lease contract pl
Office Equip/Maint/Service	150	3	
Computer Support/Software	3,100	52	
Credit Reports	1,000	17	
Legal	4,000	67	Budget 4 legal actions at \$1K - stipulated agreements c
Telecommunications	12,000	200	Includes telephone services, entry, office internet, cor
Advertising	2,500	42	\$10 PUPA for colateral and internet presence - standa
Audit Fees	24,500	408	Based on \$12.50 PUPM bookkeeping and accounting f
Misc. Admin	6,500	108	Budgeted at \$47 PUPA for compliance allocation (no 1
Bookkeeping and Accounting Fee	-	-	
TOTAL ADMINISTRATIVE EXPENSE	59,750	996	
MANAGEMENT FEE	46,800	780	
UTILITIES EXPENSES			
Electricity	27,000	450	
Water	18,000	300	
Gas	-	-	
Sewer	18,000	300	
Other	-	-	
TOTAL UTILITIES EXPENSES	63,000	1,050	
PAYROLL/PAYROLL TAXES			
Admin Payroll	63,000	1,050	1.0 FTE Property Mgr. @ \$63,000 using Sac Geo Factor
Operations and Maintenance Payroll	56,160	936	1.0 FTE Maintenance Manager @ \$27.00/hr using Sac C
Security	-	-	Contract desk coverage
Taxes and Benefits	35,748	596	30%
TOTAL PAYROLL EXPENSES	154,908	2,582	
INSURANCE	70,000	1,167	Property & Liability
OPERATING AND MAINTENANCE			
Grounds	18,000	300	
Garbage Removal	15,000	250	
Other Contract Labor	4,000	67	Contracted maintenance and repairs - entry systems, c
Painting Supplies	850	14	Based on 9 turns/yr using 5 gal @ \$14/gal plus supplies
Vehicles-Equipment-Tools Pur	200	3	Replacement of maintenance of tools.
HVAC Repairs/Contract	4,000	67	
Oper-Supplies/Grounds	800	13	\$200 quarterly for beautifying seasonal plants
Oper-Supplies/Maintenance/Preventative	4,500	75	\$80 PUPA including Ops Tech admin fees
Exterminating Supplies	400	7	\$100 per quarter in supplemental supplies
Oper-Supplies/Fire Protection	600	10	Fire extinguisher servicing, replacement
Unit Replacement Costs (5%-7% per yr)	5,000	83	
Storm Water Maintenance Fee	1,000	17	\$250 per quarter if applicable; need to review
Solar Maintenance	-	-	\$250 per quarter if solar facilities
Security Supplies/Repair	1,500	25	Keys, locks, replacement cameras, etc.
Janitor Supplies	3,600	60	Budgeted at \$300 per month.
Janitor/Cleaning Contract	3,000	50	Professional carpet/other cleaning @ \$500; (assumes ot
Fire Protection Contract	8,500	142	\$950 per quarter for inspections; \$1,800 annual pro-rat
Exterminating Contract	5,452	91	\$6 per unit per quarter; 12 supplemental bed bug treat
Elevator Service Contract	-	-	N/A
Maintenance Supplies	-	-	
Maintenance Equip. & Tools	-	-	
Other	-	-	
TOTAL OPERATING EXPENSES	76,402	1,273	
RESIDENT SERVICES	180,000	3,000	1 fte RSC and 1 subcontracted case manager
REAL ESTATE TAXES	-	-	
TOTAL OPERATING BUDGET	650,860	10,848	

10. Low-Income Housing Tax Credits (LIHTC)

In 2021, TCAC made a slight change to their tiebreaker calculation for the 9% LIHTC program. Therefore, tiebreaker scores for the first round of 9% applications in 2021 are not directly comparable to previous round tiebreaker scores. Our analysis of Mercy Housing-Elk Grove included both the previous and current tiebreaker calculations to provide a full sense of the competitiveness of the project.

Mercy Housing-Elk Grove will compete in the Capital Geographic region for the 9% tax credits. This region typically funds one project per round. In the most recent 9% round, there were two projects applying for credits in this region with a maximum tiebreaker of 21.46%. In 2020, the winning tiebreaker was 42.32% in Round 2. In 2019 the winning tiebreaker in Round 1 was 58.62% and in Round 2 it was 63.85%. 2019 Round 2, as in other years, also saw a Capitol Region funded off the waiting list with a much lower score. In other years, some higher score projects have been skipped due to Housing Type goals. There is also renewed concern that the Large Family High/Highest Opportunity cap could be reached now that developers have had a few years to build up pipelines with that incentive in place. The proposed project has a current tiebreaker of 41.7% and an old tiebreaker of 38.82%. This would make Mercy Housing – Elk Grove respectively competitive in the recent 9% Capital region, but worthy of adjusts to try to improve the score. See the attached scoring sheet from the 9% application for details on how this score is currently calculated.

	Mercy Housing-Elk Grove
Current Tiebreaker	41.7%
Previous Tiebreaker	38.82%

In the 111+ unit scenario pursuing HCD MHP, Bonds and 4% and State tax credits, the competition for MHP is expected to dramatically change for 2022. Being in a High Resource census tract and included deeply affordable or special needs unit types is expected to continue to weigh heavily in the scoring criteria. This is true of the current Bond scoring system and is expected to largely stay the same for 2022. Mercy Housing actively participates in working groups and other advocacy efforts to guide the programs toward the highest public benefit outcomes and support for the communities in which we are actively working.

11. Conflict of Interest

Mercy Housing California certifies there are no conflicts of interest for MHC or the City of Elk Grove.

DocuSigned by:

Stephan Daues

Stephan Daues
Vice President

12. Insurance



May 19, 2021

Sarah Bontrager, Housing and Public Services Manager
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

RE: *Insurance*
Mercy Housing-Elk Grove – A Conceptual Project Proposal
Development, Construction, and Operation of An Affordable Housing Project

Dear Ms. Bontrager,

Mercy Housing California (MHC) can and will meet the RFP’s insurance requirements detailed below. No exceptions are necessary.

TYPE	SINGLE LIMIT / OCCURRENCE	AGGREGATE	ENDORSEMENTS*
General Liability (1F)	\$2,000,000	\$2,000,000	Additional Insured Waiver of Subrogation Primary Non Contrib.
Auto Liability (2E)	\$1,000,000 Any Auto		Additional Insured
Work Comp (3A) Employer’s Liability	Statutory \$1,000,000 each		Waiver of Subrogation
Builder’s Risk (5A)	Total value of loan	During construction until occupancy	Loss Payee Waiver of Subrogation
Hazard Insurance (7A)	Replacement value of affordable housing	At occupancy until loan maturity date	Loss Payee
Umbrella Coverage (8B)	\$5,000,000	\$5,000,000	Additional Insured Waiver of Subrogation Primary Non Contrib.

*Must be actual endorsements. Typed statements on Certificates of Liability are unacceptable. This is a summary only. Please refer to Exhibit B for specific requirements.

If you have any questions, please do not hesitate to contact me directly. I can be reached at (303) 601.2865 or at rjackson@mercyhousing.org.

Sincerely,

Ron Jackson
Vice President
Legal & Risk Management

Mercy Housing California

512 River Plaza Drive, Suite 200, Sacramento, California 95833 o | 916-414-4441 f | 916-414-4490

mercyhousing.org

Mercy Housing is sponsored by communities of Catholic Sisters



LIVE IN HOPE

EXHIBIT A

Certificate of Compliance With Labor Code § 3700, Release and Indemnification

The undersigned, on behalf of and as the duly certified representative of Borrower, certifies as follows:

1. Borrower is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Borrower has complied or will comply with such provisions before commencing the performance of the work of this contract. (Cal. Labor Code §§1860, 1861.)
2. Should Borrower fail to secure Workers' Compensation coverage as required by the State of California, Borrower shall release, hold harmless, defend and indemnify City of Elk Grove from and against any damage, liability, claim, cause of action and any other loss, including without limitation, court costs, reasonable attorney's fees and costs resulting from any failure to take and/or maintain Workers' Compensation insurance as required by law. The provisions of this Exhibit shall survive termination, suspension and/or completion of this Contract. It is further understood and agreed that this release and assumption of risk is to be binding on Borrower's successors, heirs and assigns.

BORROWER

DocuSigned by:
By: Stephan Daues
CC3EF73AC2FC4DE...

Date: 5/19/21

Name: Stephan Daues

Title: Vice President



EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)
07/02/2020

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

PRODUCER NAME, CONTACT PERSON AND ADDRESS NREP Certs Edgewood Partners Insurance Center (EPIC) [Greenwood Village - Branch ID 15327] 8101 E. Prentice Ave., Suite 410 Greenwood Village, CO 80111		PHONE (A/C, No, Ext): 1-303-481-7821	COMPANY NAME AND ADDRESS VARIOUS - See Attached	NAIC NO:
FAX (A/C, No):	E-MAIL ADDRESS: NREPCerts@epicbrokers.com		IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH	
CODE:	SUB CODE:	POLICY TYPE		
AGENCY CUSTOMER ID #:	PROPERTY			
NAMED INSURED AND ADDRESS Mercy Housing, Inc. 1600 Broadway, Suite 2000 Denver, CO 80202		LOAN NUMBER	POLICY NUMBER VARIOUS	
ADDITIONAL NAMED INSURED(S) Mercy Housing California		EFFECTIVE DATE 07/01/20	EXPIRATION DATE 07/01/21	CONTINUED UNTIL TERMINATED IF CHECKED <input type="checkbox"/>
		THIS REPLACES PRIOR EVIDENCE DATED:		

PROPERTY INFORMATION (Use REMARKS on page 2, if more space is required) BUILDING OR BUSINESS PERSONAL PROPERTY

LOCATION / DESCRIPTION
RE: Mercy Housing California - 2512 River Plaza Drive, Suite 200, Sacramento, CA 95833
Evidence of Coverage

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

COVERAGE INFORMATION

COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE:	\$ 300,000,000	PERILS INSURED	BASIC	BROAD	<input checked="" type="checkbox"/>	SPECIAL		DED: \$10,000
		YES	NO	N/A				
<input checked="" type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> RENTAL VALUE		<input checked="" type="checkbox"/>						If YES, LIMIT: INCLUDED <input checked="" type="checkbox"/> Actual Loss Sustained; # of months:
BLANKET COVERAGE		<input checked="" type="checkbox"/>						If YES, indicate value(s) reported on property identified above: \$ 300,000,000
TERRORISM COVERAGE		<input checked="" type="checkbox"/>						Attach Disclosure Notice / DEC
IS THERE A TERRORISM-SPECIFIC EXCLUSION?			<input checked="" type="checkbox"/>					
IS DOMESTIC TERRORISM EXCLUDED?			<input checked="" type="checkbox"/>					
LIMITED FUNGUS COVERAGE		<input checked="" type="checkbox"/>						If YES, LIMIT: \$500,000 DED: \$10,000
FUNGUS EXCLUSION (If "YES", specify organization's form used)		<input checked="" type="checkbox"/>						
REPLACEMENT COST		<input checked="" type="checkbox"/>						
AGREED VALUE		<input checked="" type="checkbox"/>						
COINSURANCE			<input checked="" type="checkbox"/>					If YES, %
EQUIPMENT BREAKDOWN (If Applicable)		<input checked="" type="checkbox"/>						If YES, LIMIT: \$65,000,000 DED: \$10,000
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg		<input checked="" type="checkbox"/>						If YES, LIMIT: INCLUDED DED: \$10,000
- Demolition Costs		<input checked="" type="checkbox"/>						If YES, LIMIT: \$25,000,000 DED: \$10,000
- Incr. Cost of Construction		<input checked="" type="checkbox"/>						If YES, LIMIT: Incl. Above DED:
EARTH MOVEMENT (If Applicable)		<input checked="" type="checkbox"/>						If YES, LIMIT: SEE ATTACHED DED: SEE ATTACHED
FLOOD (If Applicable)		<input checked="" type="checkbox"/>						If YES, LIMIT: SEE ATTACHED DED: SEE ATTACHED
WIND / HAIL INCL <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:		<input checked="" type="checkbox"/>						If YES, LIMIT: 300,000,000 DED: SEE ATTACHED
NAMED STORM INCL <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:		<input checked="" type="checkbox"/>						If YES, LIMIT: 300,000,000 DED: SEE ATTACHED
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS		<input checked="" type="checkbox"/>						

CANCELLATION

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

ADDITIONAL INTEREST

MORTGAGEE	CONTRACT OF SALE	LENDER SERVICING AGENT NAME AND ADDRESS
LENDERS LOSS PAYABLE		
NAME AND ADDRESS MHCA-Sac Mercy Housing, Inc. Attn: Insurance Department 1600 Broadway, Suite 2000 Denver, CO 80202		AUTHORIZED REPRESENTATIVE
USA		

EVIDENCE OF COMMERCIAL PROPERTY INSURANCE REMARKS - Including Special Conditions (Use only if more space is required)

RE: Mercy Housing California - 2512 River Plaza Drive, Suite 200, Sacramento, CA 95833.

Evidence of coverage.

SCHEDULE OF PARTICIPATING COMPANIES

Insurer: Ategrity Specialty Insurance Company
Policy No: 01-B-BP-P00007266-0
Participation: \$500,000 part of \$10,000,000 Primary

Insurer: Lloyd's of London
Policy No: B128413537W20
Participation: \$1,850,000 part of \$10,000,000 Primary

Insurer: Lloyd's of London
Policy No: B128420380W20
Participation: \$750,000 part of \$10,000,000 Primary

Insurer: Starr Surplus Lines Insurance Company
Policy No: SLSTPTY11337020
Participation: \$2,000,000 part of \$10,000,000 Primary

Insurer: Lloyd's of London
Policy No: B128416329W20
Participation: \$3,000,000 part of \$10,000,000 Primary

Insurer: Ironshore Specialty Insurance Company
Policy No: 1000413018-01
Participation: \$1,000,000 part of \$10,000,000 Primary

Insurer: Lloyd's of London
Policy No: B128420381W20
Participation: \$900,000 part of \$10,000,000 Primary

Insurer: General Star Indemnity Company
Policy No: IPG967399B
Participation: \$5,000,000 part of \$15,000,000 xs \$10,000,000 Primary

Insurer: Everest Indemnity Insurance Company
Policy No: CA3X00659-201
Participation: \$5,000,000 part of \$15,000,000 xs \$10,000,000 Primary

Insurer: Lloyd's of London - Hiscox
Policy No: LMPRP209702005
Participation: \$5,000,000 part of \$15,000,000 xs \$10,000,000 Primary

Insurer: Homeland Insurance Company of NY
Policy No: 795012916
Participation: \$100,000,000 part of \$100,000,000 xs \$25,000,000

Insurer: Mitsui Sumitomo Insurance Company of America
Policy No: EXP7000301
Participation: \$175,000,000 xs \$125,000,000

Total Limit: \$300,000,000 Per Occurrence

Earthquake Limit: \$25,000,000 Policy Aggregate (Excluding CA EQ)

SCHEDULE OF PARTICIPATING COMPANIES CONTINUED

Flood Limit: \$35,000,000 Policy Aggregate (Includes Zones A & V)

Excess Flood:

Insurer: Colony Insurance Company

Policy No: DCX190195-1

Limit: \$5,000,000 part of \$10,000,000 xs \$25,000,000

Insurer: Arch Specialty Insurance Company

Policy No: ESP1000709-01

Limit: \$5,000,000 part of \$10,000,000 xs \$25,000,000

Terrorism

Insurer: Lloyd's Syndicate 4000

Policy No: WTLS200134

Limit: \$100,000,000

Deductible: \$25,000

Boiler & Machinery Policy:

Insurer: Hartford Steam Boiler Inspection & Insurance Co.

Policy No: FBP2312675

Limit: \$65,000,000

Deductible: \$10,000

DEDUCTIBLES:

AOP: \$10,000

Earthquake: \$100,000 per occurrence (CA Earthquake Excluded) except 2% of the value, per unit of insurance for New Madrid and Pacific NW, subject to \$100,000 minimum per occurrence.

Flood: \$100,000 per occurrence except \$250,000 Per Building, \$50,000 Contents Per Building, and Seven (7) Day Waiting Period as respects Time Element for Flood Zones A & V.

Named Storm: 5% of the value, per unit of insurance, for Florida and 3% of the value, per unit of insurance, for Tier 1 counties subject to \$100,000 minimum per occurrence for Tier 1 counties.

SPECIAL CONDITIONS

- \$300,000,000 Blanket Limit Per Occurrence.
- Coverage – All Risks, Special Form.
- Valuation - Replacement Cost, Agreed Amount, No Coinsurance Applies.
- Extended Period of Indemnity for Business Income – 365 Days.
- Business Income includes Extra Expense – Actual Loss Sustained.
- Business Interruption including Loss of Rents Limit – Included in the Policy Limit
- Ordinance or Law Coverage A, included in the Blanket Limit.
- Ordinance or Law includes Business Income.

SCHEDULE OF PARTICIPATING COMPANIES

Insurer: Ategrity Specialty Insurance Company
Policy No: 01-B-BP-P00007266-0
Participation: \$500,000 part of \$10,000,000 Primary

Insurer: Lloyd's of London
Policy No: B128413537W20
Participation: \$1,850,000 part of \$10,000,000 Primary

Insurer: Lloyd's of London
Policy No: B128420380W20
Participation: \$750,000 part of \$10,000,000 Primary

Insurer: Starr Surplus Lines Insurance Company
Policy No: SLSTPTY11337020
Participation: \$2,000,000 part of \$10,000,000 Primary

Insurer: Lloyd's of London
Policy No: B128416329W20
Participation: \$3,000,000 part of \$10,000,000 Primary

Insurer: Ironshore Specialty Insurance Company
Policy No: 1000413018-01
Participation: \$1,000,000 part of \$10,000,000 Primary

Insurer: Lloyd's of London
Policy No: B128420381W20
Participation: \$900,000 part of \$10,000,000 Primary

Insurer: General Star Indemnity Company
Policy No: IPG967399B
Participation: \$5,000,000 part of \$15,000,000 xs \$10,000,000 Primary

Insurer: Everest Indemnity Insurance Company
Policy No: CA3X00659-201
Participation: \$5,000,000 part of \$15,000,000 xs \$10,000,000 Primary

Insurer: Lloyd's of London - Hiscox
Policy No: LMPRP209702005
Participation: \$5,000,000 part of \$15,000,000 xs \$10,000,000 Primary

Insurer: Homeland Insurance Company of NY
Policy No: 795012916
Participation: \$100,000,000 part of \$100,000,000 xs \$25,000,000

Insurer: Mitsui Sumitomo Insurance Company of America
Policy No: EXP7000301
Participation: \$175,000,000 xs \$125,000,000

Total Limit: \$300,000,000 Per Occurrence

Earthquake Limit: \$25,000,000 Policy Aggregate (Excluding CA EQ)

SCHEDULE OF PARTICIPATING COMPANIES CONTINUED

Flood Limit: \$35,000,000 Policy Aggregate (Includes Zones A & V)

Excess Flood:

Insurer: Colony Insurance Company

Policy No: DCX190195-1

Limit: \$5,000,000 part of \$10,000,000 xs \$25,000,000

Insurer: Arch Specialty Insurance Company

Policy No: ESP1000709-01

Limit: \$5,000,000 part of \$10,000,000 xs \$25,000,000

Terrorism

Insurer: Lloyd's Syndicate 4000

Policy No: WTLS200134

Limit: \$100,000,000

Deductible: \$25,000

Boiler & Machinery Policy:

Insurer: Hartford Steam Boiler Inspection & Insurance Co.

Policy No: FBP2312675

Limit: \$65,000,000

Deductible: \$10,000

DEDUCTIBLES:

AOP: \$10,000

Earthquake: \$100,000 per occurrence (CA Earthquake Excluded) except 2% of the value, per unit of insurance for New Madrid and Pacific NW, subject to \$100,000 minimum per occurrence.

Flood: \$100,000 per occurrence except \$250,000 Per Building, \$50,000 Contents Per Building, and Seven (7) Day Waiting Period as respects Time Element for Flood Zones A & V.

Named Storm: 5% of the value, per unit of insurance, for Florida and 3% of the value, per unit of insurance, for Tier 1 counties subject to \$100,000 minimum per occurrence for Tier 1 counties.

SPECIAL CONDITIONS

- \$300,000,000 Blanket Limit Per Occurrence.
- Coverage – All Risks, Special Form.
- Valuation - Replacement Cost, Agreed Amount, No Coinsurance Applies.
- Extended Period of Indemnity for Business Income – 365 Days.
- Business Income includes Extra Expense – Actual Loss Sustained.
- Business Interruption including Loss of Rents Limit – Included in the Policy Limit
- Ordinance or Law Coverage A, included in the Blanket Limit.
- Ordinance or Law includes Business Income.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/02/2020

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

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

PRODUCER Edgewood Partners Insurance Center (EPIC) [Greenwood Village - Branch ID 15327] 8101 E. Prentice Ave., Suite 410 Greenwood Village, CO 80111	1-303-481-7821	CONTACT NAME: NREPCerts PHONE (A/C, No. Ext): (303) 481-7821 E-MAIL ADDRESS: NREPCerts@epicbrokers.com	FAX (A/C, No): (855) 228-1425
INSURED Mercy Housing, Inc. 1600 Broadway, Suite 2000 Denver, CO 80202		INSURER(S) AFFORDING COVERAGE	
		INSURER A: LEXINGTON INS CO	NAIC # 19437
		INSURER B: TRAVELERS IND CO	25658
		INSURER C: NAVIGATORS SPECIALTY INS CO	36056
		INSURER D: TRAVELERS PROP CAS CO OF AMER	25674
		INSURER E: XL INS AMER INC	24554
		INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 59735092

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$10,000 SIR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			08077850	07/01/20	07/01/21	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			TCAP9F33779620	07/01/20	07/01/21	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ 0			SE20EXC758051IC	07/01/20	07/01/21	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	UB1N1751862051R UB1N3971392051K	07/01/20 07/01/20	07/01/21 07/01/21	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
E	EXCESS LIABILITY			US00075915LI20A	07/01/20	07/01/21	EACH OCC/AGG 3,000,000 AGGREGATE 3,000,000

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

Mercy Housing, Inc. and Mercy Housing California - 2512 River Plaza Drive, Suite 200, Sacramento, CA 95833.
Evidence of Coverage.

CERTIFICATE HOLDER

MHCA-SAC
Mercy Housing, Inc.
Attn: Insurance Department
1600 Broadway, Suite 2000
Denver,, CO 80202
USA

CANCELLATION

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

AUTHORIZED REPRESENTATIVE
Lisa A. Rudduck

© 1988-2015 ACORD CORPORATION. All rights reserved.

ACORD 25 (2016/03)

The ACORD name and logo are registered marks of ACORD

LRudduck
59735092

SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE
07/02/2020

NAME OF INSURED: Mercy Housing, Inc.

This page left intentionally blank.

13. Exceptions

No exceptions are requested to the RFP requirements.

14. Supportive Information

Purchase and Sale Agreement for 8480 Elk Grove
Preliminary Title Report for 8480 Elk Grove

PURCHASE AND SALE AGREEMENT
(8480 Elk Grove Florin Road, Elk Grove, California)

THIS PURCHASE AND SALE AGREEMENT (the “Agreement”) is made as of the last date indicated by the signatures of Buyer and Seller below (the “Effective Date”), by and between VEGA FAMILY TRUST (“Seller”), and Mercy Housing California, a California nonprofit public benefit corporation (“Buyer”).

WHEREAS, Seller is the fee owner of that certain real property consisting of one 2.20-acre parcel of land located at 8480 Elk Grove Florin Road, Elk Grove, California (Assessor’s Parcel No. 115-0180-012) (the “Land”), together with any and all improvements located thereon (the “Improvements”). The Land and Improvements are defined herein collectively as the “Property”; and

WHEREAS, Buyer desires to buy, and Seller desires to sell, the Property on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer mutually agree as follows:

1. **PURCHASE AND SALE.** Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller all of Seller’s right, title and interest in and to the Property, subject to the terms of this Agreement. In addition to the Land and the Improvements included within the term “Property,” as described above, the “Property” to be transferred hereunder shall also include all of Seller’s right title and interest in and to, if any, (i) all rights, privileges and easements appurtenant to the Property, including, without limitation, all minerals, oil, gas and other hydrocarbon substances on and under the Land (if owned by Seller), as well as all development rights and approvals (subject to any limitations in Section 4), air rights, water, water rights and water stock relating to the Property and any other easements, rights of way or appurtenances used in connection with the beneficial use and enjoyment of the Land (collectively, the “Appurtenances”), and (ii) all governmental permits and approvals, environmental reports, surveys, other reports, studies and all other plans, specifications, books, records and files, any and all licenses, permits, and other governmental approvals, any and all warranties, guaranties, claims, demands and indemnities, and any and all other intangible rights relating to the ownership, use and operation of all or any part of the Property (collectively, the “Intangible Property”).

2. **THE PURCHASE PRICE.** The purchase price of the Property shall be One Million Three Hundred Ninety-Nine Thousand Dollars (\$1,399,000) (the “Purchase Price”). The Purchase Price shall be payable as follows:

(a) Within three (3) business days following the Effective Date, Buyer and Seller shall open an escrow with Fidelity National Title Company, 8525 Madison Ave, Ste 110, Fair Oaks, CA 958628, Attn: Sara Rewinkle, Phone: 916-646-6098, Email: sara.rewinkle@fnf.com (the “Title Company”), shall deposit a fully signed copy of this Agreement into escrow with the Title Company, and shall execute such instructions as the Title

Company may require which are not inconsistent with the provisions of this Agreement.

(b) Within three (3) business days following the Effective Date, Buyer shall deposit with the Title Company via check or wire transfer an earnest money deposit in the amount of Sixty Thousand Dollars (\$60,000.00) (the "Deposit"). The Deposit shall remain fully refundable to Buyer until the expiration of the Financing Contingency Period, except to the extent that any portion of the Deposit is released to Seller pursuant to Section 3 below. Any portion of the Deposit released to Seller pursuant to Section 3 shall be applicable to the Purchase Price.

(c) The balance of the Purchase Price shall be deposited with the Title Company by Buyer in accordance with Section 9 below.

3. FEASIBILITY REVIEW; FINANCING CONTINGENCY; ENTITLEMENTS CONTINGENCY.

(a) The "Feasibility Review Period" shall be the period beginning on the Effective Date and ending at 5:00 p.m. (Pacific Time) on the date which is one hundred twenty (120) days following the Effective Date.

(b) Within twenty (20) days after the Effective Date, Seller shall provide to Buyer, to the extent that such items exist and are in the Seller's possession or control, Seller shall provide to Buyer true, correct and complete copies of the following due diligence items concerning the Property (the "Due Diligence Documents") no later than fifteen (15) business days following the Effective Date:

(i) Any plans relating to grading, erosion control, water, sewer, storm drain, street improvement, landscape and parks or other infrastructure or improvements affecting the Land;

(ii) Any relevant correspondence with government entities, including but not limited to the California Department of Transportation;

(iii) All physical inspection reports;

(iv) The most current real property tax bills;

(v) Information on any applicable community facilities district assessments;

(vi) All reports and studies regarding the physical condition of the Property, including but not limited to environmental, biological, archaeological, soils and engineering reports and studies;

(vii) Surveys and topographic maps;

(viii) Covenants, conditions and restrictions rights of use or access,

whether or not recorded against the Property;

- (ix) Notifications by any municipality regarding the Land or any portion thereof;
- (x) Copies of all agreements, service contracts or other documents affecting the Property, including any assignable warranties;
- (xi) Any land use or occupancy restriction affecting the Land;
- (xii) Copies of any financing documents affecting the Property;
- (xiii) Copies of any non-confidential documents relating to disputes, litigation, or settlement of any claims from or against adjacent property owners that could affect Buyer's proposed development of the Property; and
- (xiv) Any other information regarding the physical, legal or financial condition of the Property.

(c) From and after the Effective Date, Seller shall provide Buyer, its agents and representatives access to the Property, and Buyer, its agents and representatives shall be entitled to enter onto the Property to perform inspections, surveys, tests and appraisals of the Property, including invasive testing, and make any other investigations necessary or appropriate (including discussions with governmental agencies) to determine if the Property is suitable, in Buyer's sole discretion, for Buyer's intended use, subject to each of the following conditions:

- (i) Buyer shall provide written notice to Seller prior to any desired access.
- (ii) After making such tests and inspections, Buyer agrees to promptly restore the Property to its condition prior to such tests and inspections.
- (iv) Buyer shall indemnify and hold harmless Seller from all loss, cost and expense (including reasonable attorneys' fees) incurred, suffered by, or claimed against the Seller and caused by Buyer's exercising its rights under this Section 3(c), which indemnity obligation shall survive the expiration or termination of this Agreement.
- (v) Buyer shall name, and shall cause its representatives, employees, agents and independent contractors to name, Seller as additionally insured party under Buyer's or its representatives, employees, agents and independent contractors' commercial general liability insurance on an "occurrence basis" against claims for "personal injury", including without limitation, bodily injury or death, or "property damage", for not less than \$1,000,000 per occurrence.

(d) On or before the expiration of the Feasibility Review Period, Buyer shall provide Seller with (i) written notice (the "Approval Notice") of its approval of those matters described in Sections 3(b) and 3(c) and any other matters related to the condition of the Property

(the “Due Diligence Matters”), as determined by Buyer in its sole and absolute discretion. If Buyer does not provide the Approval Notice prior to the expiration of the Feasibility Review Period, then this Agreement shall automatically terminate as of the expiration of the Feasibility Review Period. If prior to the expiration of the Feasibility Review Period, Buyer delivers notice that any Due Diligence Matter is disapproved (“Disapproval Notice”), then Seller will have ten (10) days after delivery of Buyer’s Disapproval Notice to deliver written notice to Buyer (“Seller’s Cure Notice”), (i) with respect to any disapproved Due Diligence Matter arising or resulting from any act or omission of Seller, specifying the manner in which it will remove or cure such disapproved item, and (ii) with respect to any other disapproved item, specifying either (1) the manner in which Seller will remove or cure such disapproved item, or (2) that Seller will not remove or cure such disapproved item. If Seller fails to timely deliver its Seller’s Cure Notice, Seller will be deemed to have not agreed to cure all items of the type described in this Section 3(d)(ii) as set forth in the Disapproval Notice. Following any election or deemed election by Seller not to cure any such disapproved item contained in the Disapproval Notice, Buyer will have ten (10) days after delivery of Seller’s Cure Notice to deliver to Seller Buyer’s notice of its election to either (i) proceed with the purchase of the Property subject to any disapproved items Seller does not elect to cure, or (ii) terminate this Agreement. Buyer’s failure to deliver such notice will be deemed its election to terminate this Agreement. Upon a termination of this Agreement under this Section 3(d), the Title Company is instructed to return the Deposit to Buyer. If Seller is obligated or elects to cure or remove a disapproved item and fails to do so at least five (5) business days prior to the Closing Date (defined in Section 11(b)), Seller shall be in material default under this Agreement and Buyer shall be entitled to all rights and remedies hereunder. If this Agreement has not been terminated or deemed terminated by the end of the Feasibility Review Period, then Twenty Thousand Dollars (\$20,000) of the Deposit shall become nonrefundable to Buyer and applicable towards the Purchase Price and, within five (5) business days after the expiration of the Feasibility Review Period, the Title Company shall release such amount to Seller.

(e) Notwithstanding anything to the contrary in this Agreement, on or before the Closing, Seller shall be obligated to remove all monetary liens and encumbrances securing the payment of money from title to the Property. Buyer shall have until the expiration of the Feasibility Review Period to deliver written notice of any objections to the exceptions shown on the Title Report (“Title Objections”). Seller will have ten (10) days after delivery of Buyer’s Title Objection notice to deliver written notice to Buyer (“Seller’s Title Notice”), (i) with respect to any Title Objections that are monetary liens or encumbrances securing the payment of money and that arise or result from any act or omission of Seller, specifying the manner in which it will remove or cure such objection, and (ii) with respect to any other Title Objections, specifying either (1) the manner in which Seller will remove or cure such Title Objection, or (2) that Seller will not remove or cure such Title Objection. If Seller fails to timely deliver its Seller’s Title Notice, Seller will be deemed to not have agreed to cure all Title Objections of the type described in this Section 3(e)(ii). Following any election or deemed election by Seller not to cure any such Title Objection, Buyer will have ten (10) days after delivery of Seller’s Title Notice to deliver to Seller Buyer’s notice of its election to either (i) proceed with the purchase of the Property, or (ii) terminate this Agreement. Buyer’s failure to deliver such notice, will be deemed its election to terminate this Agreement. Upon a termination of this Agreement under this Section 3(e), the Title Company is instructed to return the Deposit to Buyer. If Seller is

obligated or elects to cure or remove a Title Objection and fails to do so at least five (5) business days prior to the Closing Date, Seller shall be in material default under this Agreement and Buyer shall be entitled to all rights and remedies hereunder.

(f) Buyer shall have until 5:00 p.m. (Pacific Time) on the date which is two hundred ten (210) days following the Effective Date (the "Entitlements Contingency Period") to obtain commitments for all entitlements and government approvals necessary, in Buyer's sole and absolute discretion, to acquire and improve the Property (the "Entitlements"). Seller shall cooperate with Buyer in obtaining the Entitlements, including, but not limited to, signing any and all applications for Entitlements if required by the City of Elk Grove. If Buyer is unable to obtain the Entitlements during the Entitlements Contingency Period, then Buyer shall have the right to terminate this Agreement by giving a written notice of such termination (the "Entitlements Contingency Termination Notice") to Seller prior to the expiration of the Entitlements Contingency Period. Buyer's failure to deliver the Entitlements Contingency Termination Notice prior to the expiration of the Entitlements Contingency Period will be deemed its election to terminate this Agreement. Upon a termination or deemed termination of this Agreement under this Section 3(f), the Title Company is instructed to return to Buyer the amount of the Deposit not previously released to Seller. If this Agreement has not been terminated or deemed terminated by the end of the Entitlements Contingency Period, then Twenty Thousand Dollars (\$20,000) of the Deposit shall become nonrefundable to Buyer and applicable towards the Purchase Price and, within five (5) business days after the expiration of the Entitlements Contingency Period, the Title Company shall release such amount to Seller.

(g) Buyer shall have until 5:00 p.m. (Pacific Time) on the date which is one two hundred seventy (270) days following the Effective Date (the "Financing Contingency Period") to obtain commitments for all loans necessary, in Buyer's sole and absolute discretion, to acquire and improve the Property (the "Financing"). If Buyer is unable to obtain the Financing during the Financing Contingency Period, then Buyer shall have the right to terminate this Agreement by giving a written notice of such termination (the "Financing Contingency Termination Notice") to Seller prior to the expiration of the Financing Contingency Period. Buyer's failure to deliver the Financing Contingency Termination Notice prior to the expiration of the Financing Contingency Period will be deemed its election to terminate this Agreement. Upon a termination or deemed termination of this Agreement under this Section 3(g), the Title Company is instructed to return to Buyer the amount of the Deposit not previously released to Seller. If this Agreement has not been terminated or deemed terminated by the end of the Financing Contingency Period, then the remaining balance of the Deposit become nonrefundable to Buyer and applicable towards the Purchase Price and, within five (5) business days after the expiration of the Financing Contingency Period, the Title Company shall release such amount to Seller.

4. **REPRESENTATIONS AND WARRANTIES OF SELLER.** The effect of the representations and warranties made in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents. Seller represents and warrants to Buyer that the following matters are true and correct as of the execution of this Agreement and, will be true and correct as of the Closing:

(a) Seller is a FAMILY TRUST, duly formed, in good standing and validly

operating under the laws of the State of California.

(b) Seller has the right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder and no further consents or approvals are required as a condition to any of the foregoing.

(c) This Agreement and all of the documents to be delivered by Seller to Buyer at the Closing will be duly authorized, executed and delivered by Seller, and will be legal and binding obligations of Seller enforceable in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally).

(d) To the best of Seller's knowledge, there are no (a) condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would detrimentally affect the value or use of the Property, and (b) assessments affecting the Property other than as set forth in the Title Report.

(e) To the best of Seller's knowledge, there are no pending actions, suits, proceedings, judgments, orders, decrees, defaults, delinquencies or deficiencies or other actions affecting the Property or Seller's interest therein, nor are there any attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings pending against Seller, nor are any such proceedings contemplated by Seller. Seller has received no notice of any of the foregoing actions or proceedings and, to the best of Seller's knowledge, none of the same have been threatened against Seller, the Property or any interest therein.

(f) Except as disclosed in the Due Diligence Materials, there are no individuals or entities with any lease or other agreement which grants any rights to use and/or occupy any portion of the Property.

(g) Except to the extent disclosed in the Due Diligence Materials, Seller has no actual knowledge of (i) the existence or prior existence on the Property of any hazardous materials or toxic substances (collectively, "Hazardous Materials" as defined below), (ii) of any violations at the Property of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene or to the environmental conditions on, under, or about the Property, including but not limited to soil and groundwater conditions, (iii) of any environmental, health, or safety hazards on, under, or about the Property, including but not limited to soil and groundwater conditions. Moreover, Seller has not and hereby covenants that it will not through the Closing, use, treat, store or dispose of any Hazardous Materials at the Property in violation of any federal, state, or local law, regulation or ordinance, and to the best of Seller's knowledge there are no Hazardous Materials located on or about the Property.

As used herein, the term "Hazardous Material(s)" shall mean (1) any oil or any fraction thereof or petroleum products or "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14) or Section 25281(h) or 25316 of the California Health

and Safety Code at such time; any “hazardous waste,” “infectious waste” or “hazardous material” as defined in Section 25117, 25117.5 or 25501 (j) of the California Health and Safety Code at such time; any other waste, substance or material designated or regulated in any way as “toxic” or “hazardous” in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300 (f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq. Section 39000 et seq.), or California Water Code (Section 13000 et seq.) at such time, or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing criminal or civil liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect; (2) any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws (whether common law, statute, rule, regulation, or otherwise) relating to the Property or for the protection of human health, the environment or natural resources; and (3) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court. Hazardous Materials do not include substances of a type and quantity normally used in the operation and maintenance of improved real property, provided such materials are used in accordance with all applicable laws.

(h) The Due Diligence Materials to be delivered to Buyer are true, correct and complete, and to the best of Seller’s knowledge, there are no defaults, notices of default or other material circumstances regarding the matters investigated by Buyer pursuant to Section 3 of this Agreement which have not been disclosed to Buyer.

(i) To the best of Seller’s knowledge, neither the Property nor its operation violates in any way any applicable laws, ordinances, rules, regulations, judgments, orders, or covenants, conditions and restrictions, whether federal, state, local, foreign, or private. The Improvements are not in violation of any applicable building or zoning codes, building moratorium or environmental protection codes, laws, regulations, or ordinances.

5. **RESERVED.**

6. **REPRESENTATIONS AND WARRANTIES OF BUYER.** Buyer represents and warrants to Seller that the following matters are true and correct as of the execution of this Agreement and will be true and correct as of the Closing:

(a) Buyer is a California nonprofit public benefit corporation, duly formed, in good standing and validly operating under the laws of the State of California.

(b) This Agreement and all of the documents to be delivered by Buyer to Seller at the Closing will be duly authorized, executed and delivered by Buyer, and will be legal and binding obligations of Buyer enforceable in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency,

moratorium and other principles relating to or limiting the rights of contracting parties generally).

7. COVENANTS AND CLOSING CONDITIONS

(a) Seller hereby covenants with Buyer as follows:

(i) Seller agrees that as of the Closing, no part of the Property, or any interest therein, will be liened, encumbered or have been otherwise transferred in any manner, including but not limited to the granting of any leasehold rights of occupancy or rights of use without Buyer's prior written consent, which may given or withheld by Buyer in its sole and absolute discretion. Seller shall not enter into any new leases for the Property without the prior consent of Buyer, which consent may be withheld in Buyer's sole and absolute discretion.

(ii) Seller shall maintain the Property substantially in its condition existing as of the Effective Date, reasonable wear and tear excepted, and Seller will make no alterations to the Property without Buyer's prior written consent, which may given or withheld by Buyer in its sole and absolute discretion.

(iii) Seller shall (x) timely make all payments of property taxes and other assessments that become due and payable respecting the Property prior to the Closing, (y) shall obtain and maintain in effect through the Closing and shall timely pay all premiums for commercially reasonable amounts of comprehensive general liability, casualty (full replacement cost) and other appropriate insurance on the Property, and (y) shall timely make all principal and interest payments required under any mortgages encumbering the Property (which mortgages shall be removed from title prior to the Closing as required pursuant to Section 3(e) of this Agreement).

(iv) Seller shall promptly notify Buyer of any change in any condition with respect to the Property or of any event or circumstance which makes any representation or warranty of Seller to Buyer under this Agreement materially untrue or misleading, or any covenant of Seller under this Agreement incapable of being performed.

(b) The obligations of Buyer hereunder are subject to the fulfillment of each of the following conditions as of the Closing ("Buyer's Closing Conditions"), which Buyer's Closing Conditions are solely for Buyer's benefit and may be waived in writing by Buyer in its sole discretion:

(i) Seller shall be in a position to convey, transfer or assign, as applicable, the Property and the Title Company shall be irrevocably and unconditionally committed to issue the Owner's Policy (defined in Section 8), each in accordance with the terms of and as described in Section 8, on the Closing Date;

(ii) No material adverse change in the title to, condition of, or otherwise respecting the Property or Seller's interest therein shall have occurred and all of Seller's representations and warranties contained in this Agreement shall be true, complete and

correct as of the Closing Date;

(iii) All Seller's Closing Documents (defined in Section 8) shall have been timely deposited into escrow with the Title Company by Seller and Seller must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

8. **SELLER'S CLOSING DOCUMENTS.** At least one business day prior to the Closing, Seller shall have deposited into escrow with the Title Company the following documents (the "Seller's Closing Documents"): (a) a grant deed showing title vested in Buyer or its assignee in a form mutually acceptable to the parties (the "Deed"), executed by Seller, in recordable form, conveying good and marketable fee title to the Property to Buyer free and clear of all claims, liens and encumbrances of every kind and description except those approved by Buyer in accordance with Section 3, which will be evidenced at Closing by an ALTA owner's standard policy of title insurance in the amount of the Purchase Price (the "Owner's Policy"); (b) an affidavit certifying that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code; (c) reasonable proof of Seller's power and authority to enter into and perform under this Agreement (including the authority of Seller's signatories); and (d) any other documents, instruments or agreements reasonably necessary to close the transaction as contemplated by this Agreement.

9. **BUYER'S CLOSING DOCUMENTS.** At least one business day prior to the Closing, Buyer shall deliver to Seller or Title Company: (a) the Purchase Price, less the Deposit and any other amounts to be credited to Buyer pursuant to this Agreement, by wire transfer; (b) reasonable proof of the authority of Buyer's signatories; and (c) any other documents, instruments or agreements reasonably necessary to close the transaction as contemplated by this Agreement.

10. **PRORATIONS AND ADJUSTMENTS.** The following shall be prorated and adjusted between Seller and Buyer as of the day of the Closing: (a) accrued general real estate and ad valorem taxes and assessments for the current tax year; and (b) such other items that are customarily prorated in transactions of this nature. For purposes of calculating prorations, Buyer shall be deemed to be in title to the Property for the entire day upon which the Closing occurs. All such prorations shall be made on the basis of the actual number of days of the month which shall have elapsed as of the day of the Closing and based upon a thirty (30) day month and a three hundred sixty (360) day year. The amount of such prorations shall be adjusted in cash after the Closing as necessary, as and when complete and accurate information becomes available.

11. **CLOSING.**

(a) Closing. Subject to the terms and conditions (including all conditions to Buyer's obligations to perform under this Agreement) set forth in this Agreement and unless otherwise mutually agreed by Buyer and Seller in writing, or unless this Agreement has been terminated in accordance with its terms, the parties shall consummate the purchase of the Property (the "Closing") on the Closing Date.

(b) Closing Date. The “Closing Date” means the date which is one (1) year after the Effective Date, or such other date as Seller and Buyer may mutually agree to in writing.

(c) Deposit of Documents and Funds. Upon the dates required pursuant to Section 8 and Section 9:

(i) Seller shall deposit into escrow the Seller’s Closing Documents.

(ii) Buyer shall deposit into escrow those funds and documents described in Section 9.

(d) Closing Conditions. Title Company shall close escrow on the Property when (i) all of Buyer’s Closing Conditions have been satisfied or waived, (ii) all Seller’s Closing Documents have been deposited or delivered as required, and (iii) all documents and funds described in Section 9 have been deposited into escrow by Buyer.

(e) Closing. The Title Company shall close escrow by:

(i) Dating all undated closing documents as of the Closing Date;

(ii) Recording the Deed (which grant deed shall provide for delivery thereof to Buyer after recordation);

(iii) Issuing or irrevocably and unconditionally committing to issue the required Owner’s Policy to Buyer; and

(iv) Paying the Purchase Price to Seller, less any credits to Buyer pursuant to this Agreement, and subject to any amounts required to be paid for closing costs as set forth in Section 12.

12. CLOSING COSTS.

(a) Seller. Seller shall pay (i) the County documentary transfer taxes; (ii) the premium for the Owner’s Policy; (iii) all costs associated with removing any claims, liens or encumbrances from the Property, including, without limitation, any deferred taxes, assessments or improvement district liens or other liens for completed improvements, (iv) any sales taxes; (v) one-half of the Title Company escrow fee; and (vi) its own document drafting charges.

(b) Buyer. Buyer shall pay (i) if Buyer desires an ALTA extended coverage owner’s policy of title insurance, the additional premium over the premium for the Owner’s Policy; (ii) one-half of the Title Company escrow fee; (iii) one-half of the County documentary transfer taxes; and (iv) its own document drafting charges.

(c) All other closing costs, transfer taxes, recording fees, and any other costs related to this escrow shall be payable by Seller and Buyer according to the customary practices for the transfer of real property in Sacramento County.

13. **DAMAGE, CONDEMNATION.** If, prior to Closing, any material portion of the Property is damaged or taken by eminent domain (or is the subject of a pending taking which has not been consummated), Seller shall immediately notify Buyer of such a fact, and Buyer shall have the option to terminate this Agreement upon notice given to the Seller no later than thirty (30) days after the date of Seller's notice. If this Agreement is terminated pursuant to this provision, the Title Company shall return the amount of the Deposit not already released to Seller pursuant to this Agreement to Buyer, the Title Company shall return any documents in escrow to the party depositing such documents, and Buyer and Seller shall each pay one-half (1/2) the cost of any cancellation fees or costs of Title Company. Thereafter neither Buyer nor Seller shall have any further rights or obligations hereunder, each to the other, except as otherwise set forth in this Agreement. If this Agreement is not terminated, Seller shall assign and turn over at the Closing, and Buyer shall be entitled to receive and keep, all insurance proceeds for damage or awards for the taking by eminent domain relating to the Property, and Buyer and Seller shall proceed to the Closing pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price.

14. **BROKERS.** Buyer is represented in the purchase of the Property by Malcolm Rickards of Brown Stevens Elmore & Sparre (the "Buyer Broker"). Seller is represented in the sale of the Property by KW Realty (the "Seller Broker"). Seller shall be solely responsible for payment of any and all commissions and other fees payable to the Buyer Broker and the Seller Broker in connection with the purchase and sale of the Property. Seller and Buyer each represent and warrant to the other that they have dealt with no other real estate brokers, finders or agents with respect to the transaction contemplated by this Agreement other than the Buyer Broker and Seller Broker. Seller and Buyer each agree to indemnify, defend and hold the other harmless from and against any claim or liability, as well as court costs and legal fees, arising out of claims contrary to the foregoing representations and warranties by a party claiming to have dealt with the indemnifying party. Notwithstanding anything to the contrary contained herein, the mutual indemnities contained in this Section 14 shall survive Closing or any termination of this Agreement and shall not be subject to the limitations on remedies of Seller or Buyer set forth herein.

15. **DEFAULT.**

(a) **Buyer Default.** **IN THE EVENT THE CLOSING DOES NOT OCCUR DUE TO A MATERIAL DEFAULT BY BUYER OF ITS OBLIGATIONS UNDER THIS AGREEMENT, THE AMOUNT OF THE DEPOSITS RELEASED TO SELLER PURSUANT TO THIS AGREEMENT AT THE TIME OF THE MATERIAL DEFAULT SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES. THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A MATERIAL DEFAULT BY BUYER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN AND THAT THE AMOUNT DESCRIBED IN THIS SECTION 15 REPRESENTS THE PARTIES' REASONABLE ESTIMATE OF SUCH DAMAGES. SELLER SHALL HAVE NO RIGHT TO ADDITIONAL DAMAGES OR ANY OTHER REMEDIES UNDER THIS AGREEMENT, AND SELLER WAIVES ALL RIGHT TO AN ACTION FOR SPECIFIC**

PERFORMANCE OF THIS AGREEMENT.

SELLER'S INITIALS: ^{DS} MV ^{DS} SV BUYER'S INITIALS: _____

(b) Seller Default. In the event the purchase and sale of the Property does not occur due to a default by Seller of its obligations under this Agreement (including without limitation a breach of any representation or warranty made by Seller), then Buyer shall be entitled to the return of the amount of the Deposits not released to Seller pursuant to this Agreement and shall further have, as its sole and exclusive remedies in such event, the right to bring an action for specific performance, and to pursue an action for damages against Seller relative to such default.

16. “AS-IS” SALE. Except as otherwise specifically provided in this Agreement, Seller makes no representation or warranty regarding any aspect of the condition of the Property, its past use, or its suitability for Buyer’s intended use. Without limiting the generality of the foregoing provision, but subject to any representations, warranties and covenants expressly set forth in this Agreement which shall survive the Closing, Buyer hereby acknowledges and agrees that, except as expressly provided herein, it is purchasing the Property in its “AS IS, WHERE IS, WITH ALL FAULTS,” condition as of the Closing, and neither Seller nor any employee or agent of Seller has made or will make, either expressly or implicitly (except as set forth in this Agreement), and Buyer has not relied upon (except as set forth in this Agreement), any representations, guaranties, promises, statements, assurances or warranties of any kind concerning the Property.

17. MISCELLANEOUS.

(a) Each individual and entity executing this Agreement hereby represents and warrants that he, she or it has the capacity set forth on the signature pages hereof with full power and authority to bind the party on whose behalf he, she or it is executing this Agreement to the terms hereof.

(b) This Agreement is the entire Agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements between the parties with respect to the matters contained in this Agreement. Any waiver, modification or consent with respect to any provision of this Agreement must be set forth in writing and duly executed by the parties. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

(c) Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement. Each party agrees to act diligently and in good faith in performing its obligations under this Agreement.

(d) 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, or electronic mail, shall be deemed received upon (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii)

if mailed, three (3) business days after the date of posting by the United States post office, (iii) if delivered by overnight delivery, one (1) business day after mailing , and (iv) if given by electronic mail, when sent. Any notice, request, demand, direction or other communication sent by electronic mail must be confirmed by letter mailed or delivered within two (2) business days of such electronic mail notice in accordance with Section 17(d) (i), (ii) or (iii).

Seller: Vega Family Trust
36632 Covington Circle
Murrieta, CA 92563
Attn: Michael Vega
Email: mikeshirleyv@verizon.net

Buyer: Mercy Housing California
1500 S. Grand Avenue, Suite 100
Los Angeles, CA 90015
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
Email: egross@gubbandbarshay.com

Any party may change its address for notice by written notice given to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served, if by personal service, or on the date shown on the return receipt or other evidence of delivery, if mailed.

(e) The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

(f) The making, execution and delivery of this Agreement by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

(g) Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this Agreement shall be invalid or prohibited thereunder, such invalidity or prohibition shall be construed as if such invalid or prohibited provision had not been inserted herein and shall not affect the remainder of such provision or the remaining provisions of this Agreement.

(h) Section and paragraph headings of this Agreement are solely for

convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement.

(i) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(j) In the event of any dispute between the parties regarding this Agreement, prior to exercising any remedies hereunder the parties shall first attempt in good faith to resolve the dispute through non-binding mediation before a neutral mediator at JAMS, or any other mutually agreeable neutral mediator. The parties shall meet with the mediator as requested by the mediator within a thirty (30) day period in an attempt to resolve the dispute. Each party shall pay for one-half of the cost of the mediator and for its own costs. If the dispute cannot be resolved through mediation, then the parties may proceed to exercise the remedies available to them under this Agreement.

(k) If any action is brought by either party against the other party, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, copying and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney.

(l) Subject to Section 17(m), this Agreement shall be binding upon and inure to the benefit of each of the parties hereto and to their respective transferees, successors, and assigns.

(m) Neither this Agreement nor any of the rights or obligations of Seller hereunder shall be transferred or assigned by Seller without the prior written consent of Buyer, which may be given or withheld in Buyer's reasonable discretion. Buyer may assign this Agreement and Buyer's rights and obligations hereunder without the Seller's written consent to (i) a nonprofit public benefit corporation affiliated with Buyer, or (ii) a limited partnership in which Buyer or an affiliated nonprofit public benefit corporation or limited liability company is the general partner or the managing general partner. Buyer shall deliver a copy of the fully executed written assignment and assumption agreement to the Title Company prior to the Closing. No other assignment may be made without the prior written consent of the Seller, which may be given or withheld in Seller's sole and absolute discretion.

(n) Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Buyer with respect to the Property to be conveyed as contemplated hereby.

(o) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Executed counterparts of this Agreement may be delivered by email and such delivery will

have the same effect as delivery of an original executed counterpart of this Agreement.

(p) If requested to do so by Seller, Buyer shall cooperate in a simultaneous or tax deferred exchange by permitting Seller to assign this Agreement to a third party (also "Exchange Facilitator") and by accepting a conveyance of the Property from the Exchange Facilitator. The assignment may take effect only simultaneously with the Closing, and in no event shall Seller be relieved of any liability under this Agreement by reason of the assignment and in no event shall the Exchange Facilitator have any right to enforce this Agreement that Seller would not have if there had been no assignment. Buyer shall not be required to bear any escrow, title, or other expenses in excess of those Buyer would bear if there were no exchange, nor shall Buyer be required to expend any sums of money in connection with the exchange. Buyer shall not be required to execute any document creating personal liability or assume or be exposed to any liability in connection with an exchange. In no event shall Buyer be required to take title to any property other than the Property, and in no event shall Buyer be responsible for any tax consequences to Seller or any other party in connection with an exchange. Seller agrees and covenants to defend, indemnify, protect, and save harmless Buyer from any liability, damages, loss, cost and expense (including reasonable attorneys' fees) of whatsoever kind and nature arising out of any exchange.

(q) Except as required in order to obtain the Financing or the Entitlements, the parties hereto shall maintain strict confidentiality regarding all aspects of the transactions contemplated by this Agreement, including, but not limited to, price, terms, condition, proposed use and the contents of all related agreements and documents provided by Seller to Buyer for Buyer's inspection; provided, however, the parties may disclose information about the transaction to their respective attorneys, professional advisers and consultants in connection with the transaction.

[remainder of page left intentionally blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

SELLER:

VEGA FAMILY TRUST

DocuSigned by: Michael Vega 4/20/2021 | 6:26 PM EDT
By: Michael Vega
Name: Michael Vega
Title: Trustee

DocuSigned by: Shirley Vega
By: Shirley Vega
Name: Shirley Vega
Title: Trustee

Date: 4/20/2021 | 6:25 PM EDT

BUYER:

MERCY HOUSING CALIFORNIA, a California nonprofit public benefit corporation

DocuSigned by: Stephan Daues
By: Stephan Daues
Name: Stephan Daues
Title: Vice President

Date: 4/19/2020

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: 1200 Concord Ave., 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

Title Officer: Mark Clayton
Email: Mark.Clayton@titlegroup.fntg.com
Title No.: FSSE-0102100109-MC

Escrow Officer: Sara Rewinkle
Email: Sara.Rewinkle@fnf.com
Escrow No.: FSSE-0102100109 -SR

TO: Brown Stevens Elmore & Sparre
3600 American River Drive,, Suite 120
Sacramento, CA 95864
Attn: Malcolm Rickards
Your Ref No.:

PROPERTY ADDRESS(ES): 8480 Elk Grove Florin Rd., Elk Grove, CA

EFFECTIVE DATE: April 12, 2021 at 12:00 AM

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

CLTA Standard Coverage Policy 1990 (04-08-14)
ALTA Loan Policy 2006

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:
A Fee
2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:
Michael Angel Vega and Shirley Jean Vega, as Trustees of the Vega Family Trust dated August 15, 2003
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): [115-0180-012-0000](#)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ELK GROVE, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ELK GROVE, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF THE NORTHEAST 1/4 OF SECTION 24 TOWNSHIP 7 NORTH, RANGE 5 EAST, MOUNT DIABLO BASE AND MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE SECTION CORNER COMMON TO SECTIONS 13, 18, 19 AND 24, TOWNSHIP 7 NORTH, RANGE 5 EAST, MOUNT DIABLO BASE AND MERIDIAN AS SHOWN ON RECORD OF SURVEY ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA IN [BOOK 10 OF SURVEYS, SURVEY NO. 2](#), FILED JULY 28, 1953; THENCE SOUTHERLY ALONG THE CENTER LINE OF ELK GROVE-FLORIN ROAD AND THE SECTION LINE COMMON TO SECTIONS 19 AND 24, SOUTH 12° 30" WEST A DISTANCE OF 860.65 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING THE SAME BEARING SOUTH 12° 30" WEST, 138.00 FEET; THENCE NORTH 89° 03' WEST 695.50 FEET; THENCE NORTH 1° 06' EAST, 138 FEET; THENCE SOUTH 89° 03' EAST 693.35 FEET TO THE POINT OF BEGINNING.

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 2021-2022
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. The herein described Land is within the boundaries of the Mello-Roos Community Facilities District(s). The annual assessments, if any, are collected with the county property taxes. Failure to pay said taxes prior to the delinquency date may result in the above assessment being removed from the county tax roll and subjected to Accelerated Judicial Bond Foreclosure. Inquiry should be made with said District for possible stripped assessments and prior delinquencies.
5. Any unpaid amounts now owing, for delinquent utilities, of record or not. Amounts can be ascertained by contacting the following:

County of Sacramento at (916) 875-5555, and/or including:
City of Sacramento at (916) 808-5454,
City of Folsom at (916) 355-7200
City of Galt at (209) 366-7150
City of Elk Grove at (916) 478-3642
City of Rancho Cordova at (916) 638-9000
City of Isleton at (916) 777-7770
City of Citrus Heights at (916) 725-2448, and for waste charges - Allied Waste at (916) 725-9060, and as required, fax request to (916) 463-0297
Sacramento Suburban Water District at (916) 972-7171
6. Rights of the public as to any portion of the land lying within the area commonly known as Elk Grove-Florin Road.
7. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Sacramento Municipal Utility District, a municipal utility district, and Citizen Utilities Company of California, a corporation
Purpose: Electrical facilities
Recording Date: February 1, 1995
Recording No.: [Book 19950201, Page 439, of Official Records](#)
Affects:

EXCEPTIONS

(continued)

8. Any invalidity or defect in the title of the vestees in the event that the trust referred to herein is invalid or fails to grant sufficient powers to the trustee(s) or in the event there is a lack of compliance with the terms and provisions of the trust instrument.

If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured), this Company will require a Trust Certification pursuant to California Probate Code Section 18100.5.

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

9. Water rights, claims or title to water, whether or not disclosed by the public records.
10. 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.

11. 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.
12. 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.

END OF EXCEPTIONS

NOTES

- Note 1.** Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:
Name(s) furnished: Mercy Housing California

If these name(s) are incorrect, incomplete or misspelled, please notify the Company.
- Note 2.** Property taxes, property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:
- | | |
|--------------------|--------------------------|
| <u>Tax ID No.:</u> | <u>115-0180-012-0000</u> |
| Fiscal Year: | 2020-2021 |
| 1st Installment: | \$957.28 |
| 2nd Installment: | \$957.28 |
| Exemption: | \$0.00 |
| Land: | \$163,015.00 |
| Improvements: | \$0.00 |
| Personal Property: | \$0.00 |
| Code Area: | 07079 |
- Note 3.** Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
- Note 4.** 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 5.** If a county recorder, title insurance company, escrow company, real estate agent or association provides a copy of the 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 faced typed 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 6.** The application for title insurance was placed by reference to only a street address or tax identification number. The proposed Insured must confirm that the legal description in this report covers the parcel(s) of Land requested to be insured. If the legal description is incorrect, the proposed Insured must notify the Company and/or the settlement company in order to prevent errors and to be certain that the legal description for the intended 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 7.** 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.

NOTES
(continued)

- Note 8.** 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 requirements cannot be met, please call the company at the number provided in this report.
- Note 9.** 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.
- Note 10.** 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.

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, [t[or T]his 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 - Ticor 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

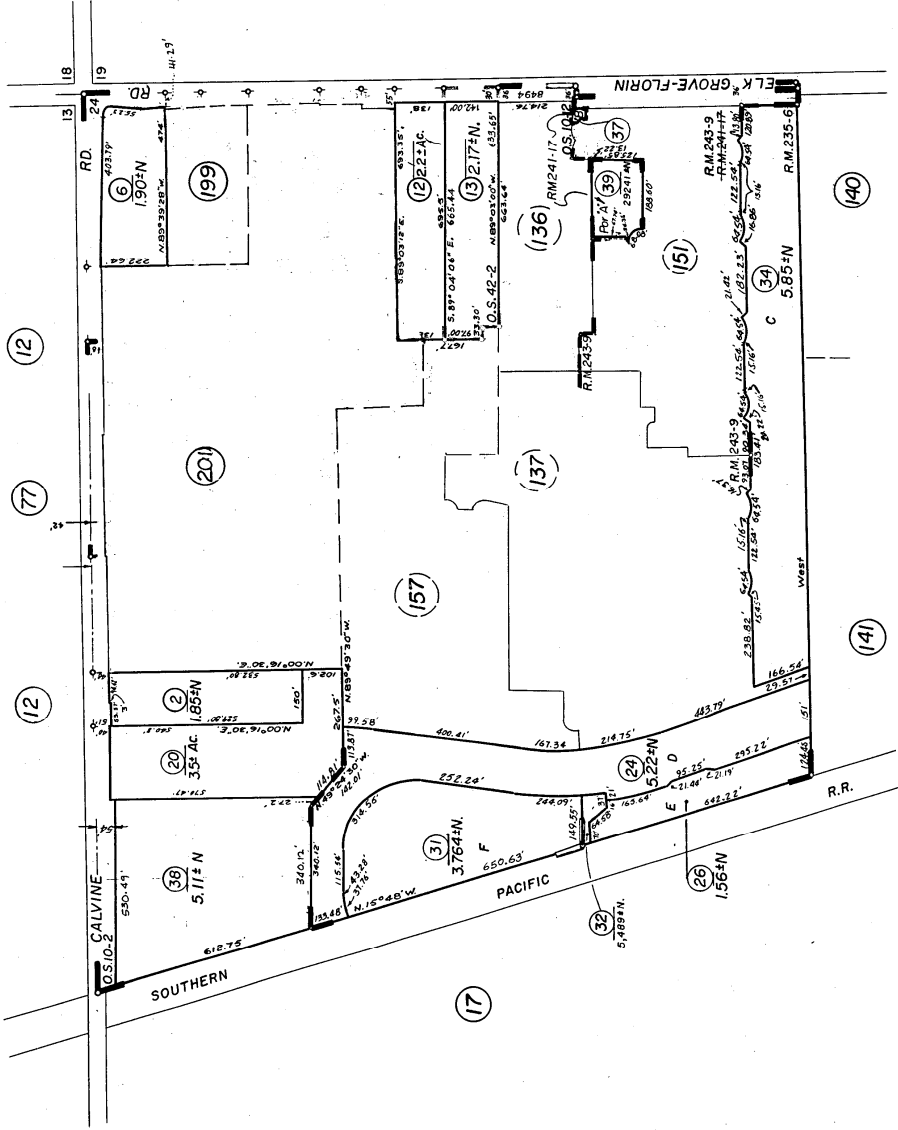
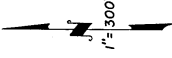
DISASTER LOANS (CTIC, CLTIC, FNTIC)

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. NE 1/4 SEC. 24, T.7N., R.5E., M.D.B. & M.



Assessor's Map Bk. 115, Pg. 18
 County of Sacramento, Calif.

Rev. Por. Strawberry Glen Unit No. 4 Bk. 243, Pg. 9 (9-24-96)
 Por. Strawberry Glen Unit No. 4 R.M. Bk. 241, Pg. 17 (5-29-96)
 Por. Strawberry Glen Unit No. 1 R.M. Bk. 235, Pg. 6 (11-23-94)
 Record of Survey, Bk. 10, Pg. 2 (7-28-53)
 Record of Survey, Bk. 42, Pg. 2 (4-14-87)

This map/plat 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.