

ACQUISITION LOAN TERM SHEET

The terms summarized below are not all-inclusive and are provided for convenience only. For more details, please visit the Bay Area TOAH Fund website (www.bayareatod.com). This term sheet is not a commitment to lend or borrow, nor an agreement to issue or accept a commitment on these or any other terms. It does not create a binding or legally enforceable obligation of the Bay Area TOAH Fund II or any other party in any way.

Originating Lenders	Corporation for Supportive Housing, Enterprise Community Loan Fund, Low Income Investment Fund, Local Initiatives Support Corporation, and Northern California Community Loan Fund.
Eligible Borrowers	Nonprofit or for-profit corporations, municipal agencies and their joint venture entities or affiliated limited partnerships or limited liability companies.
Eligible Uses	Acquisition, inclusive of predevelopment costs.
Max Loan Amount	Up to \$10,000,000
Max Loan Term	5 years
Eligible Properties & Affordability Requirements	<ul style="list-style-type: none"> ▪ Multifamily Rental Housing – Minimum resident household income requirements: 20% units <50% AMI or 40% units <60% AMI ▪ Mixed-use Projects ▪ Stand Alone Community Facilities and Catalytic Neighborhood Projects ▪ Additional opportunities, such as homeownership, vacant land or commercial properties.
Eligible Locations	Must be located within the nine-county Bay Area and a “Priority Development Area”, as defined by the Bay Area Metropolitan Transportation Commission, or a “Transit Priority Area”, as defined in the California Public Resources Code §21155(b)(3).
Loan to Value	<u>Nonprofit Sponsor</u> : up to 110%. <u>For-Profit Sponsor</u> : up to 95%
Debt Service Coverage	Minimum of 1.10 DSC
Sponsor/Borrower Equity Requirement	Minimum of 5% (10% for For-Profit Sponsors) in cash at closing. Nonprofit Sponsors may include subordinate soft debt from government agencies, grants and contributed land equity in lieu.
Interest Rate and Amortization	Rate determined by Originating Lender. Interest-only payments via an interest reserve funded from loan proceeds, or other viable alternative funding sources evidenced by Sponsor. Some Originating Lenders may require amortization to commence after year 3 of the loan.
Fees	Origination Fee determined by Originating Lender, not to exceed 1.5% for loans of \$2MM or greater. Borrower must pay costs of due diligence and Originating Lender legal work undertaken, regardless of whether loan closes.
Collateral	1st lien deed of trust. Regulatory agreement containing 30-year affordability covenants recorded on property.
Recourse/Guaranty	100% recourse to SPE borrowers. A repayment guaranty from Sponsor (or principal(s) of any for-profit partners or members) is required in the following amounts: for operating properties, the loan amount that is in excess of 75% of the lesser of the purchase price or the as-is property appraised value. For all other properties, a minimum of 50% of the loan amount.
Exit Fee	Should Borrower pursue an alternative development plan that is deemed as non-compliant, the Originating Lender will recoup an exit fee. The exit fee will be waived if Borrower can evidence that it made a good faith effort throughout the term of the loan to pursue a compliant use.
Prepayment	No prepayment penalty.