

Board of Directors Quarterly Meeting

University of California College of the Law, San Francisco
333 Golden Gate Ave., San Francisco, CA 94102, Suite 501 Deb Colloquium
Rm.
2026-09-11 09:00 - 13:00 PDT

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10. Director Comments and Board Announcements

11. David Faigman Resolution

12. Adjournment



Board of Directors Quarterly Meeting (Open Session) Minutes

University of California College of the Law, San Francisco
June 11, 2026

University of California College of the Law, San Francisco, Mary Kay Kane Hall, 200 McAllister St., San Francisco, CA 94102, Room 630. Participants and members of the public were also able to join the open session via the web link or dial-in numbers listed in the public notice of this meeting linked here: <https://www.uclawsf.edu/our-story/board-of-directors/board-meeting-notice-agendas-and-materials/>

Roll Call

The Chair called the meeting to order at 9:00 a.m. and the Secretary called the roll.

Directors Present

Director Courtney Greene Power, Chair
Director Albert Zecher, Vice Chair
Director Simona Agnolucci
Director C. Don Clay
Director Shashi Deb
Director Andrew Houston
Director Claes Lewenhaupt
Director Joshua Perttula
Director Chip Robertson

Directors Absent

Director Andrew Giacomini

Staff Participating

Chancellor & Dean David Faigman
Chief Operating Officer Rhiannon Bailard
Virtual Chief Information Security Officer Lester Chan
General Counsel & Secretary John DiPaolo
Legal and Executive Assistant Yleana Escalante
Associate Director of Planned Giving Tessa Haden
Chief Information Officer Ben Huffman
Chief Advancement Officer Julia Jordan
Assistant Chancellor & Dean/Chief of Staff to the Chancellor & Dean Jenny Kwon
Deputy Chief Financial Officer & Controller Sandra Plenski
Provost & Academic Dean Morris Ratner
Dean of Enrollment Management June Sakamoto
Chief Financial Officer David Seward

Commented [JJ1]: Not sure if it matters, but Tessa is staff

Other Participating

Incoming UCLAS President Megana Sekar
Board of Trustees Planned Giving Committee Co-Chair John Koeppel
Adam Cray, CSG Advisors
Said Kordestani, Farrella Braun Martell
Tony McCora, National Trust Community Investment Corporation

1. Public Comment Period
The Chair invited public comment. No member of the public requested to speak.
2. Election of Board Chair and Vice Chair
Chair Power nominated Vice Chair Zecher to serve as Chair for the next year. No other nominations were made. Directors thanked Chair Power for her leadership.

The Board elected Director Zecher as Chair by roll-call vote. All Directors voting supported his election.

Chair Power nominated Director Houston to serve as Vice Chair. No other nominations were made. The Board elected Director Houston by roll-call vote. All Directors voting supported his election.

Chair Power announced the following committee leadership for the next year:

Director Robertson, Finance Committee Chair
Director Perttula, Advancement and Communications Committee Chair
Director Clay, Educational Policy Committee Chair

3. Approval of Prior Meeting Minutes
Motion:
The Chair called for a motion to approve the March 12, 2026 open session meeting minutes.
Motion made and seconded. Motion carried.
4. Report of the UCLAS President
Ms. Sekar introduced herself as the incoming UCLAS President and an incoming 3L. She said she intended to serve as a liaison between the student body and the Board.

Ms. Sekar reported that UCLAS was identifying students to serve on faculty committees and reviewing bylaws that had not been updated recently. UCLAS also planned to provide mentoring and other support as law-firm recruiting continued to move earlier in students' academic careers.

UCLAS was exploring a student-led scholarship program in response to federal loan limits and rising living costs. Planned fundraising activities included a talent show and

other student events. UCLAS also hoped to expand its recent networking program with Berkeley Law to other Bay Area law schools.

5. Report of the Board Chair:

5.1. Report of the Chair of the Advancement and Communications Committee:

5.1.1. Report of the Chief Communications Officer

Mr. Kisliuk reviewed recent media coverage, social media activity, website content, the alumni magazine, and communications staffing.

He highlighted coverage of the San Francisco State University Academic Village agreement and continuing national media appearances by College faculty. He also discussed commencement-related student videos and favorable engagement with a Law.com report concerning Class of 2025 placements at large law firms.

Mr. Kisliuk described the Ready for Tomorrow series, which profiles student projects from the LexLab artificial intelligence boot camp. He also described the Evidence of Success series, which highlights student clinical, internship, and advocacy experiences.

The next magazine will recognize Chancellor & Dean Faigman's years of leadership and highlight the College's work involving artificial intelligence. Publication is expected in early to mid-September. Mr. Kisliuk also announced the hiring of Ian Lewitzas a half-time communications associate.

Chair Power encouraged the communications team to share favorable rankings and employment coverage with alumni. Director Robertson asked whether Chancellor & Dean Faigman's final-year travel could also support the College's academic reputation. Chancellor & Dean Faigman agreed to consider a more systematic approach involving judges, law firms, and academic institutions.

5.1.2. Report of the Chief Advancement Officer

Ms. Jordan introduced Ms. Haden, who joined the College on May 11 to lead planned giving, Legacy Society engagement, and work with the Board of Trustees Planned Giving Committee.

Ms. Jordan reported that the Into the Future campaign had raised \$79.8 million as of June 1. She expected the reported total to exceed \$80 million in July. Approximately \$20 million remained to reach the campaign goal during its final year.

The Academic Village had been added as the campaign's fourth pillar. The College sought \$7 million from alumni to fund the Sky Room and fitness center at 100 McAllister. Advancement and Communications had produced a short fundraising video supporting that effort.

Ms. Jordan described plans to align the final campaign year with Chancellor & Dean Faigman's farewell tour. Planned locations included Seattle, Portland, Southern California, Washington, New York, and Hawaii. Fundraising for a faculty position honoring Chancellor & Dean Faigman would be announced in the fall.

Mr. Koeppel reviewed the development of the College's planned giving program and emphasized sustained alumni cultivation. He reported that the Legacy Society had 143 members among more than 24,000 graduates. Mr. Koeppel reported \$42,734,418 in realized and unrealized planned gifts, including \$33,134,700 in unrealized commitments. Planned gifts represented approximately 27 percent, or \$21,829,700, of campaign gifts.

Ms. Jordan said the Advancement Office would provide additional information about the number of donors at various giving levels for the campaign at the August committee meetings. The Board also requested a future presentation explaining available planned-giving options.

5.2. Report of the Chair of the Educational Policy Committee

Director Deb thanked Provost & Academic Dean Ratner for his leadership and turned the report over to him.

5.2.1. Academic Program Strategic Priorities

Dean Ratner identified student outcomes and artificial intelligence as continuing strategic priorities. The College will focus on employment, bar passage, and preparing students during the transition to a possible NextGen bar examination.

Dean Ratner recommended that the next comprehensive strategic-planning process center the structural effects on the legal services market and thus on the law school of artificial intelligence and technology. Structural effects include JD enrollment and the allocation of resources to degree programs like the Master of Legal Studies that can help nonlawyers use increasingly sophisticated technology resources to solve legal problems.

5.2.2. Master's Degree Program Updates (MLS and HPL)

Dean Ratner reported on the Master of Legal Studies program and the joint Health Policy and Law degree with UCSF. The next Educational Policy Committee meeting will address the LLM program and immigration-related enrollment pressures.

5.2.3 California Bar Exam

The State Bar Board of Trustees has petitioned the California Supreme Court to adopt the NextGen examination beginning in 2028. The College anticipates getting further information from the California Supreme Court by the end of July.

5.2.4 Employment

Dean Ratner reported historically strong Class of 2025 employment outcomes. He also described efforts to prepare students for accelerated large-firm recruiting.

5.2.5 Faculty Updates

Written materials addressed faculty hiring and library leadership changes.

5.2.6 Rankings

Current data suggested a possible increase of more than ten ranking positions in April 2027, assuming no changes to the U.S. News formula.

Director Robertson requested discussion at the next committee meeting about other law schools' student artificial intelligence policies. Dean Ratner agreed to add the subject to the agenda. The Board requested guidance on how Directors could support the College's artificial intelligence strategy through industry and alumni contacts. Director Deb also identified faculty training as an issue requiring further study. Director Robertson suggested that the College host a UC-wide conference on artificial-intelligence policies, faculty training, and curriculum development. Dean Ratner agreed to explore the proposal.

6. Action Item: Finance Committee Consent Calendar

Motion:

The Chair called for a motion to approve the Finance Committee Consent Calendar. Motion made and seconded. Motion carried.

- 6.1 Approval of the 2026 Audit Plan
- 6.2 Core Operations – 2025-26 Budget Change – Decanal Selection Process
- 6.3 Auxiliary Enterprises Proposed Budget 2026-27
- 6.4 Budget Approval – Academe at 198 – 2026-27 Budget
- 6.5 Contracts and Grants in Excess of \$100,000
 - 6.5.1 Library Management System - Ex-Libris
 - 6.5.2 Fire Life Systems Maintenance - Siemens Industry, Inc.
 - 6.5.3 HPL Program Digital Marketing Services - EAB Global
 - 6.5.4 Pedestrian Walkway Scaffolding - Celtic Scaffolding
 - 6.5.5 Electronic Library Consortium Annual License - SCEL
 - 6.5.6 IIBA Grant for Immigration Litigation - IIBA
 - 6.5.7 Bedrock Housing Law and Research Grant – LJAF
 - 6.5.8 Center for Worklife Law Grant - Levi Strauss Foundation
 - 6.5.9 Dar a Luz Program Grant - Schmidt Family Foundation
 - 6.5.10 MLPS Program Grant - Human Services Agency
 - 6.5.11 Water Damage Remediation (Ratification) – Restoration Management Company
 - 6.5.12 Addendum to Admissions CRM Platform (Ratification) - Enrollment Rx
 - 6.5.13 IT Service Management Platform (Ratification) - TeamDynamix
 - 6.5.14 Data Integrations Stabilization (Ratification) – Link
- 6.6 Summer Public Interest Employment Loans – Conversion to Grant Program
- 6.7 Ratification of Approval of Letter of Intent – California Community Colleges – Academic Village Housing
- 6.8 Fiscal Policy and Procedure Manual Updates
- 6.9 Ratification – McAllister Tower – Historic Tax Credit Financing
- 6.10 Parking Rates, Miscellaneous Fees & UCSHIP Student Health Insurance Premiums for 2026-27

7. Report of the Chief Financial Officer

- 7.1 Contract Approval – Decanal Search Consultant - Russell Reynolds
Ms. Plenski presented a contract exceeding \$100,000 with Russell Reynolds for decanal search services. Nine firms were invited to respond to the request for proposals, and four firms were interviewed. Russell Reynolds received notice of award on May 29.

Chair Power described the committee’s scoring and reference-review process. She reported that the search committee had begun work with Russell Reynolds and would conduct structured outreach to College constituents.

Motion:

The Chair called for a motion to authorize the contract with Russell Reynolds for decanal search services.

Motion made and seconded. Motion carried.

7.2 Approval of the Establishment of the UC Historic Facilities Foundation, 100 McAllister Landlord LLCV, and the 100 McAllister Manager Inc.– Historic Tax Credit Financing

Ms. Plenski requested authorization to establish four entities required for the 100 McAllister historic tax credit financing:

UC Historic Facilities Foundation
100 McAllister Manager Corporation
100 McAllister Landlord LLC
100 McAllister Master Tenant LLC

Mr. Cray explained that the structure would allow more than \$40 million in tax credit equity to flow from Wells Fargo as the ultimate investor. NTCIC would serve as syndicator. Mr. Kordestani explained that UC Law SF would be the sole member of UC Historic Facilities Foundation and would control its board. He said the College could collapse the structure after the five-year tax-credit period and the negotiated investor buyout.

The Board discussed the conditions for unwinding the structure, including completion of the tax-credit period and an estimated \$2 million to \$3 million investor buyout. The advisors also described the recapture protections and regulatory review as customary features of historic tax credit transactions.

Motion:

The Chair called for a motion to approve the establishment of the four historic tax credit entities.

Motion made and seconded. Motion carried.

7.3 Core Operations – Budget Restructuring for 2026-27

Ms. Plenski reported that state support had increased from \$34,915,000 to \$35,915,000, including \$1 million for safety and security. The budget remained subject to collective-bargaining costs, final enrollment, federal financial-aid changes, and departmental budget reviews.

The current model assumed an entering class of 420 students. Management expected to present a more developed proposed budget at the August 2026 Finance Committee meeting. Further discussion concerning affected contracts was deferred to closed session

8. Finance Committee Reports

The following reports were presented at the Finance Committee Meeting on Thursday, March 12, 2026. These were listed on the agenda as informational items and distributed in the agenda packet.

- 8.1 Investment Report as of March 31, 2026
- 8.2 Core Operations Budget Report for 2025-26 as of March 31, 2026
- 8.3 Auxiliary Enterprises Budget Report as of March 31, 2026
- 8.4 Academe at 198 Budget Report as of March 31, 2026
- 8.5 Academe at 198 – Series 2020 Investor Presentation
- 8.6 State Budget Update for 2026-27 – May Revision
- 8.7 Academic Village – Tower Project – Construction Status Update
- 8.8 Updates – Investment of Bond Funds – Series 2020 and Series 2026
- 8.9 Listing of Checks and Electronic Transfers over \$100,000

9. Report of the Chancellor and Dean

- 9.1 General Updates on the State of the Campus, Academics, etc.
Dean Faigman reported that the College remained in a positive position. Work at 100 McAllister was progressing, enrollment deposits were strong, and the College was planning for an entering class of approximately 400 to 420 students.

He reported an 86 percent bar-passage rate and 96 percent overall employment for the most recent reporting periods. He also discussed faculty development and the need to address artificial intelligence's effects on teaching and legal practice.

Chancellor & Dean Faigman said the College was preparing for the possible NextGen bar examination. He noted continuing uncertainty concerning California-specific content and the State Bar's existing examination arrangements.

9.2 Update on Supplemental Strategic Planning Working Group

The Board discussed the elimination of Grad PLUS loans and possible barriers to private financing. Directors expressed concern about effects on first-generation students, students of color, and students unable to secure co-signers.

Dean Sakamoto reported that deposits and the waitlist were strong. She said the College was considering support for students without sufficient credit history or co-signers. Immediate options were limited and could include increased need-based aid or deferral to the following year.

The College had increased need-based scholarship funding and revised its conditional merit-scholarship rule. Loss of a scholarship would now apply only to students in the bottom ten percent, rather than the bottom twenty-five percent.

The Supplemental Strategic Planning Working Group continued to explore partnerships with private lenders and other financing approaches. Directors were asked to contribute ideas and relevant contacts.

Dean Sakamoto reported that approximately 60 to 65 percent of students had

borrowed Grad PLUS loans. More than 80 percent borrowed federal loans generally. Acceptances were approximately ten percent above normal levels, providing flexibility for expected enrollment attrition.

10. Director Comments and Board Announcements

This is a time reserved for Directors who wish to briefly comment on Board matters, provide a reference to staff or other resources for factual information, or direct staff to place items on a future agenda.

Chair Power announced that Legal and Executive Assistant Yleana Escalante would leave her position to enter the College's incoming 1L class. The Board thanked her for supporting the Board and Office of General Counsel.

Chair Power also announced that Chief Operating Officer Rhiannon Bailard would depart to become Deputy Chief Operating Officer at Lawrence Berkeley National Laboratory. Directors and staff recognized her work on campus redevelopment, facilities, security, housing, events, the Academic Village, and community relationships.

The Board entered closed session at 11:05 a.m. pursuant to Education Code Section 92032(b)(5) and Cal. Gov't Code §11126.

The Board reconvened the open session at 1:24 p.m.

Chair Power reported that in closed session the Board approved applying the 3 percent 2026 GSAs awarded to staff to the officers as well; and it approved the minutes from its closed session meeting of March 12, 2026.

7. Adjournment

The Chair adjourned the meeting at 1:25 p.m.

Respectfully submitted,

John K. DiPaolo, Secretary

Chief Advancement Office

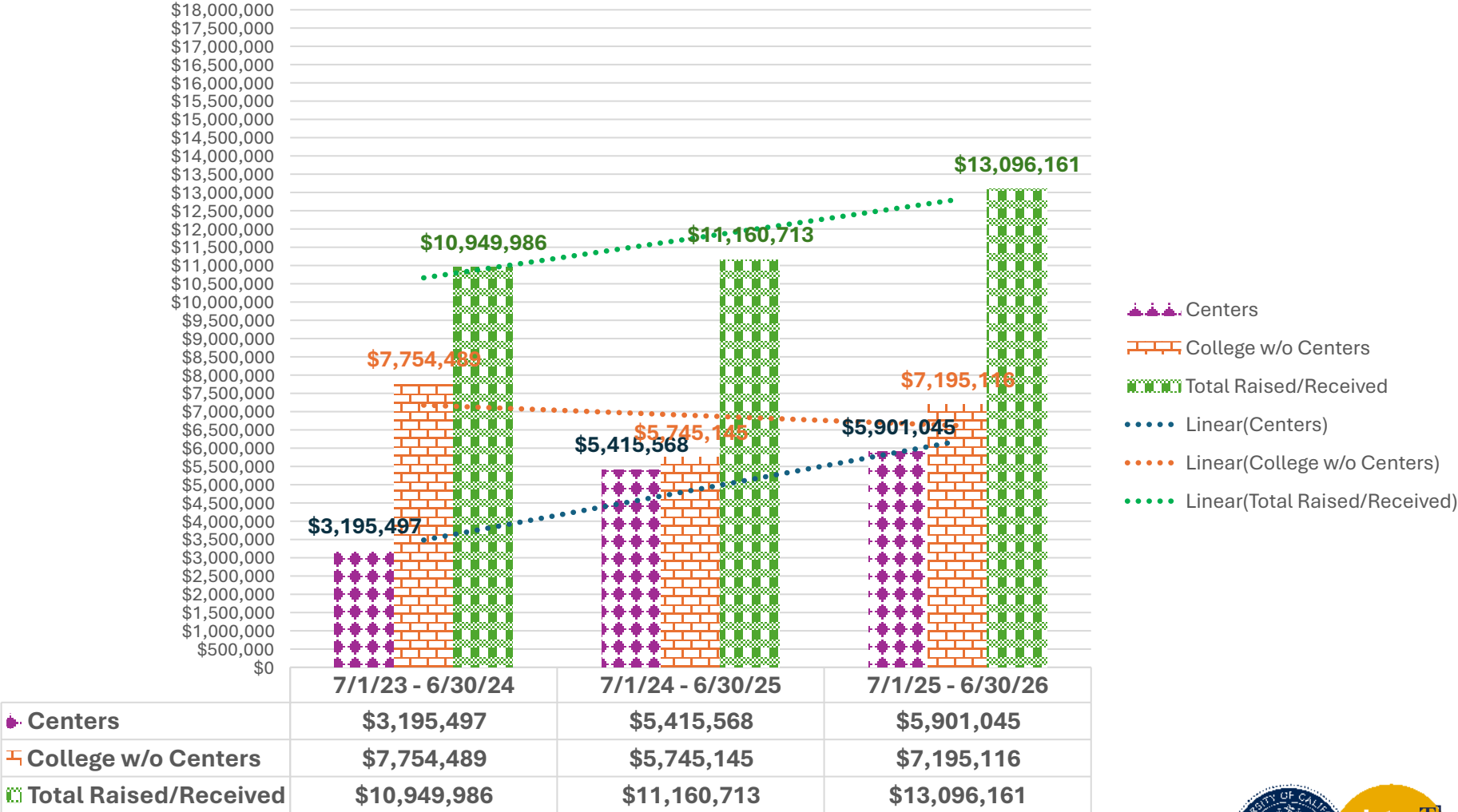
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Agenda of featured content

- Fundraising updates
 - FY26
- Into the Future Campaign momentum
 - Pillars and priorities
- Alumni engagement
 - Spring Week
 - Upcoming events

FY26 Financials

Centers and College Year-to-Date Comparison Report



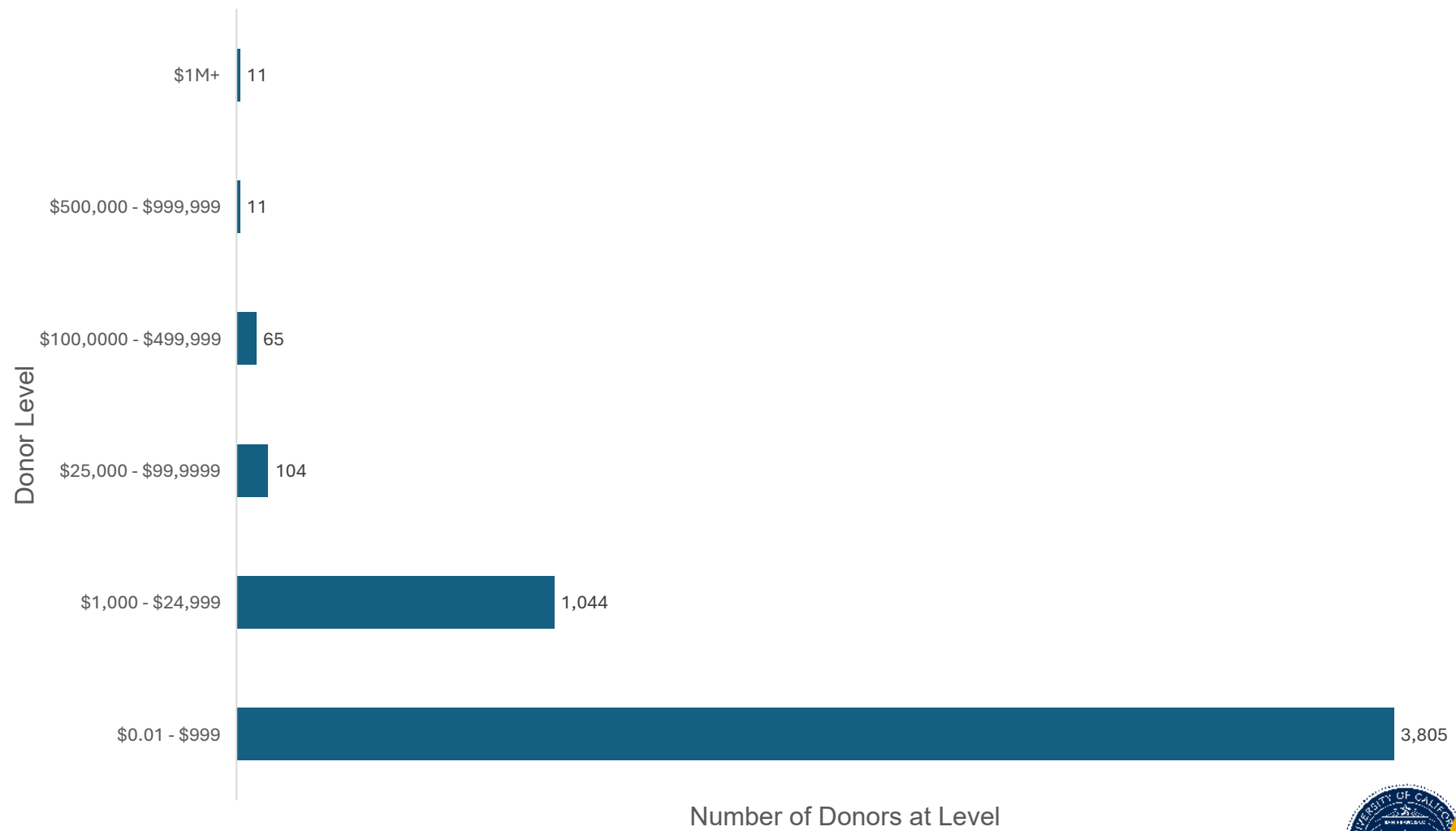
FY26 Donor Numbers

Centers and College No. of Donors Year-to-Date

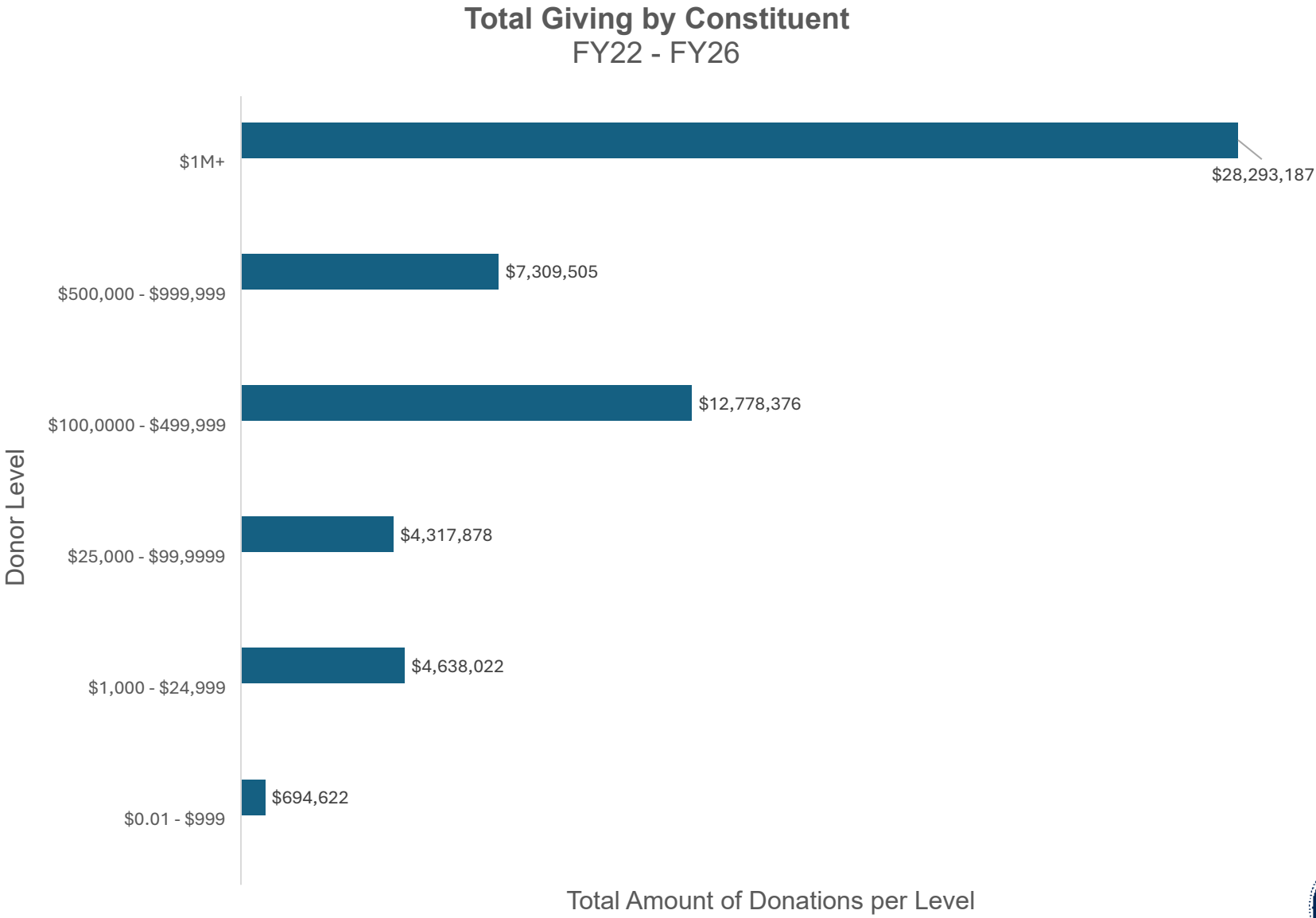


Donations by Donor Level

Total Giving by Constituent
FY22 - FY26



Donations by Donor Level



Into the Future

- Total raised as of September 1, 2026: \$82.2M
- Key planned events
- Four pillars
 - [Student Success](#)
 - [Faculty Excellence](#)
 - Featured funding opportunity
 - David L. Faigman Distinguished Professor of Public Law
 - [Innovative Initiatives](#)
 - Featured funding opportunity
 - Appellate Education Center
 - [Academic Village](#)
 - Featured funding opportunity
 - The Tower



Into
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Alumni Engagement

- Past events/initiatives
 - 5th Annual Beer on the Beach, May – West LA chapter
 - UC Law SF Board & SF Alumni reception, June – San Francisco chapter
 - MLS/CLS Happy Hour, August – MLS affinity group
 - 3rd Annual UC Law SF & Berkeley Law Alumni Mixer, August
 - Mini Golf & Mingle, September – Seattle chapter
 - Summer associate outreach
- Upcoming events
 - A Hui Hou Chancellor and Dean David Faigman, September – Hawaii chapter
 - Alumni Mixer, October – San Diego chapter
 - Alumni Social at the Dreyers', October – Sacramento chapter
 - Contra Costa Alum of the Year 2026, October – Contra Costa chapter

Alumni Engagement

- Spring Week 2027
 - Thursday, April 1:
 - Campus tours
 - Faculty lecture (MCLE)
 - Half-Century Club dinner
 - Friday, April 2:
 - Milestone Reunion Bay Cruise
 - All-Alumni Party
 - Saturday, April 3:
 - All-alumni gathering TBA
 - Please note: Giants Alumni Night planned for summer 2027
- Save the date: alumni golf tournament - June 25th, 2027



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Topics

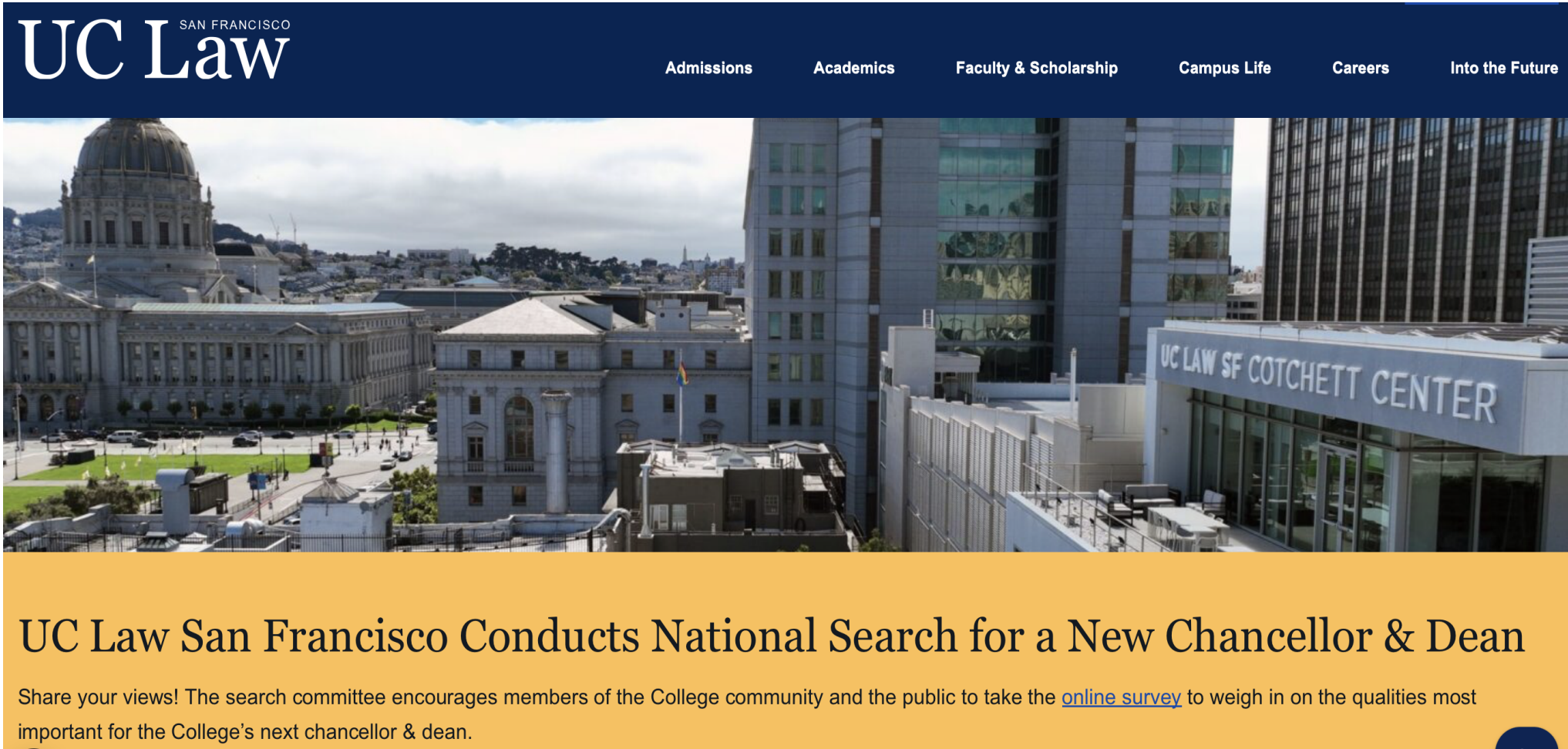
- Chancellor & Dean search
- News and social media highlights
- Fall 2026 magazine update



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Website: Dean Search page



The image shows the top portion of the UC Law San Francisco website. At the top is a dark blue navigation bar with the 'UC Law' logo on the left and a series of white links: 'Admissions', 'Academics', 'Faculty & Scholarship', 'Campus Life', 'Careers', and 'Into the Future'. Below the navigation bar is a large banner image featuring a view of the San Francisco City Center, including the San Francisco City Hall dome and the modern glass-walled 'UC LAW SF COTCHETT CENTER'. Below the banner is a yellow section with the headline 'UC Law San Francisco Conducts National Search for a New Chancellor & Dean' and a paragraph of text.

UC Law SAN FRANCISCO

[Admissions](#) [Academics](#) [Faculty & Scholarship](#) [Campus Life](#) [Careers](#) [Into the Future](#)

UC LAW SAN FRANCISCO CONDUCTS NATIONAL SEARCH FOR A NEW CHANCELLOR & DEAN

Share your views! The search committee encourages members of the College community and the public to take the [online survey](#) to weigh in on the qualities most important for the College's next chancellor & dean.



**Into
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News highlights

The New York Times

The Washington Post



Top law schools for technology law ^{the}National Jurist

Show 10 entries

Search:

Ranking ▲	School Name	Center	Clinic	Journal
A	California Western School of Law	X	X	
A	Cardozo School of Law	X	X	X
A	Fordham Law School	X	X	
A	Northeastern University	X		X
A	Syracuse University	X	X	X
A	UC - Irvine	X	X	
A	UC Berkeley	X	X	X
A	UC Law SF	X	X	X

Social media highlights



University of California, College of
the Law, San Francisco (formerly
UC Hastings)

26,787 followers

4w •

High honors: [Cooley LLP](#) CEO and partner [Rachel Proffitt](#) '02 is one of three alumnae named in [Forbes](#)' inaugural list of 200 Top Women Lawyers. Congratulations!

[#UCLawSF](#)



Tal Niv and 288 others

11 comments • 1 repost



Comment as University of California, College of
the Law, San Francisco (formerly UC Hastings)...



Most relevant ▼



Rachel Proffitt • 2nd
Partner and Chief Executive Off...

3w ...

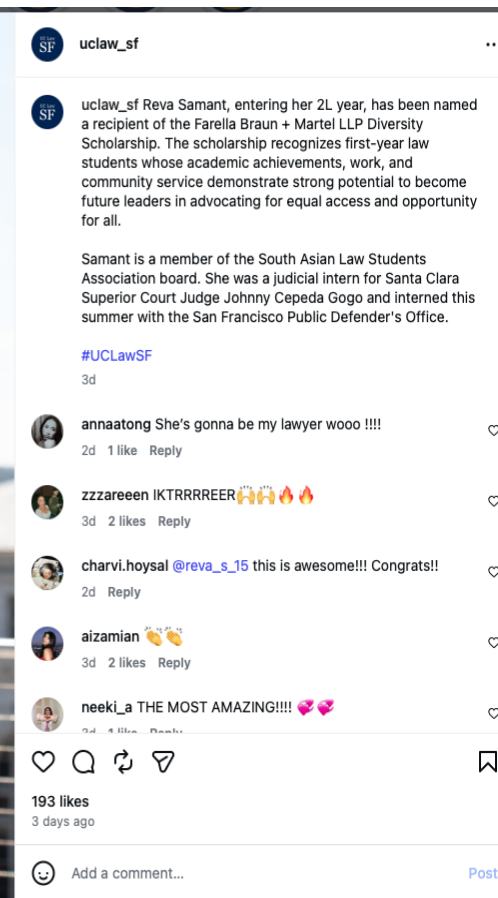
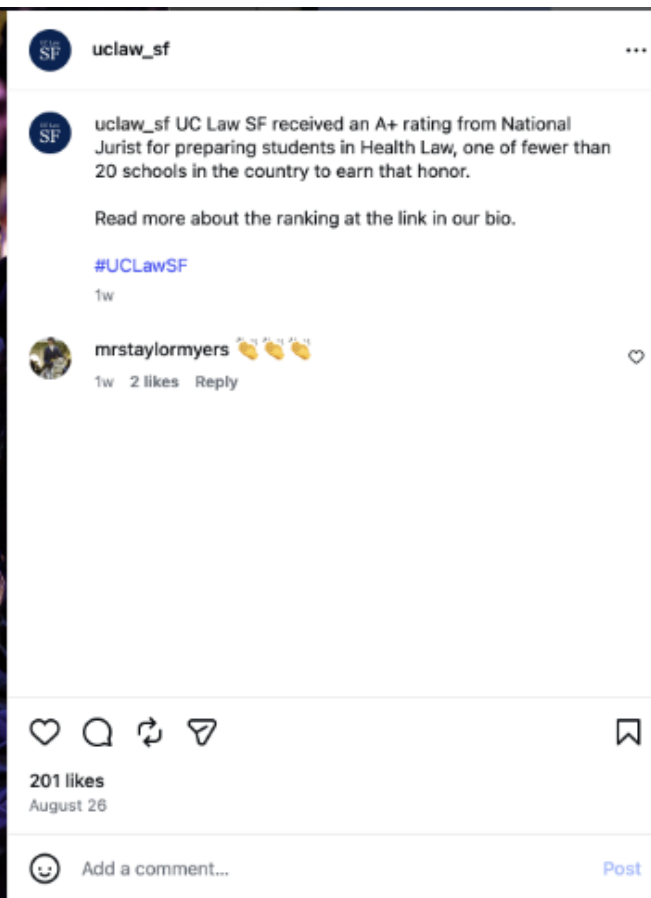
Thank you. I am grateful to be included on
this list and proud to represent UC Law SF
alongside my fellow alumnae.



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Social media highlights II



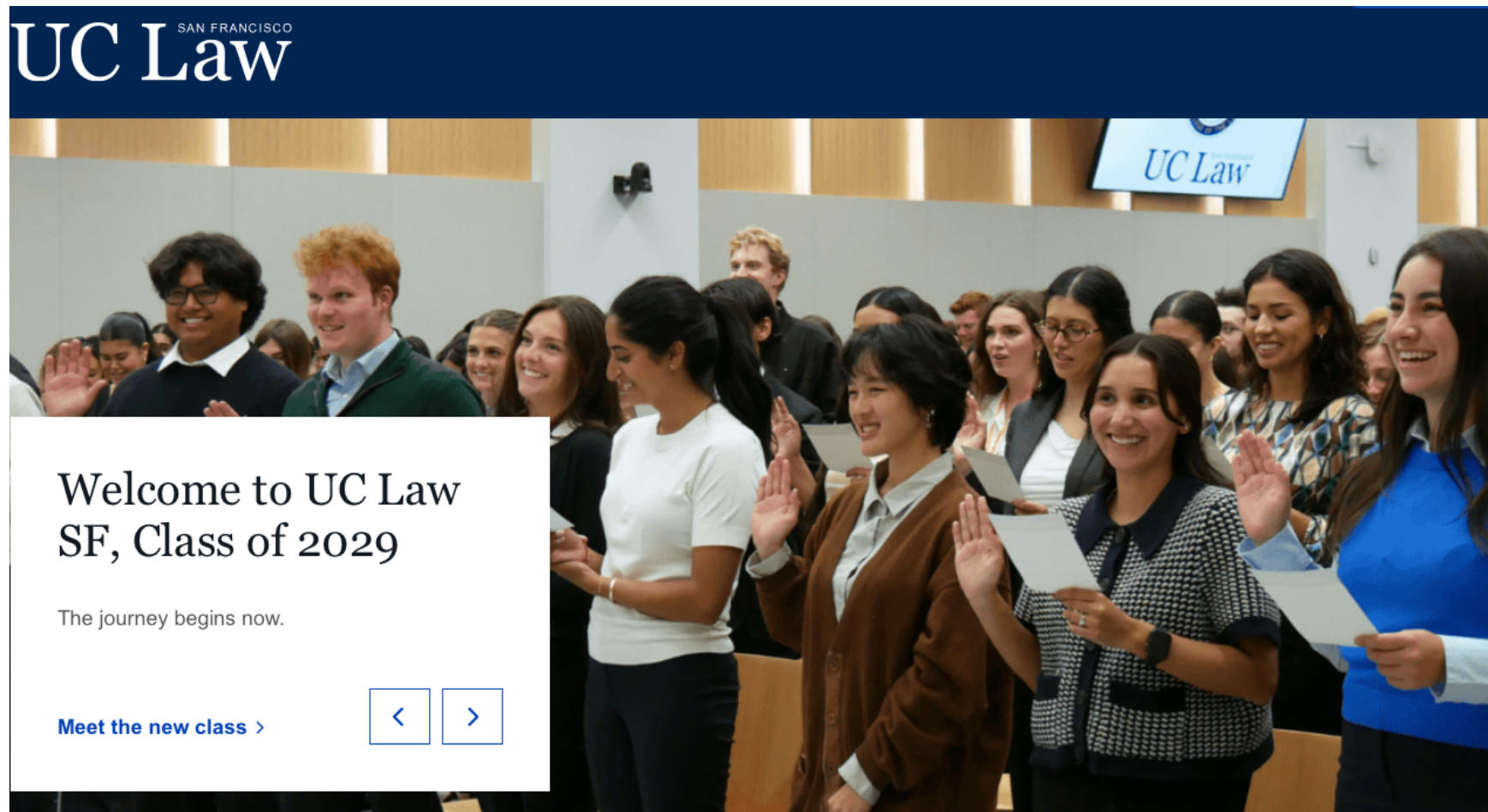
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Return to Campus Fall 2026



Into
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Return to Campus Fall 2026 II



uclaw_sf Following ...

uclaw_sf 6d
Words to the wise from UC law SF's convocation speaker Troy Nunley '90, chief judge of the U.S. District Court for the Eastern District of California. After his first day as a student at what is now UC Law SF, Nunley's mother asked him what he had learned that day. "I didn't learn enough," he said, "they told me I have to come back tomorrow."

Happy first week!

90 6 days ago

Welcome to UC Law San Francisco!

uclaw_sf

uclaw_sf UC Law SF is starting the academic year with major leadership transitions underway, new professors, and fresh opportunities for students. Chancellor & Dean David Faigman is entering his final year at the helm, while Provost & Academic Dean Morris Ratner will conclude his tenure at the end of 2026.

Three new faculty members join the school this year, and AI-related curriculum is growing as the technology changes legal practice. Across UC Law SF, centers and programs are welcoming new leaders, launching new initiatives and creating new opportunities to make an impact.

Meanwhile, more than 600 new students are beginning their studies at UC Law SF, including 460 new JD students, 17% of whom are first-generation college students. See what's new and what's ahead for the new academic year at the link in our bio.

#UCLawSF 1d

131 likes 1 day ago

Add a comment... Post



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27 1

uclaw_sf In a message to the community, Chancellor & Dean David Faigman welcomed new and returning students for what will be his... more



Fall 2026 Magazine

- Mail to 23,338

Alumni | Friends
Firm Leaders | Judges

- At the post office today!
- Digital version on website next week



Into
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Report 5.2.1 – Strategic Priorities in Academic Year 2026-2027

By Current Provost & Academic Dean Morris Ratner and Incoming Provost & Academic Dean Manoj Viswanathan

This academic year, we have four primary strategic priorities in the academic division, apart from the ongoing work of continuously improving the academic program: (1) adapting the educational program to account for California’s adoption of the NextGen Uniform Bar Exam starting July 2028; (2) continuing efforts to support students through new and more chaotic hiring processes addressed in prior reporting; (3) continued implementation of the 2024 Supplemental Strategic Plan re Generative Artificial Intelligence; and (4) managing a transition in the Provost role.¹ The first two items are covered in accompanying Report 5.2.2 on Student Success. This report focuses on priorities (3)-(4), i.e., AI and Provost transition management.

I. Implementation of the 2024 Supplemental Strategic Plan re Generative AI

The College adopted a Supplemental Strategic Plan re Generative AI in 2024.² Prior reporting has provided information regarding implementation. The key AI initiatives this year are briefly discussed below.

A. Program Learning Outcomes

Goal 3 of the 2024 Supplemental Strategic Plan is to “review program learning outcomes to ensure we are graduating students who have the knowledge and skills they need in practice.” In AY26-27, the faculty standing Educational Effectiveness Committee, which is responsible for revising and assessing our program learning outcomes (“PLOs”) for the JD program, is charged with reviewing and updating the PLOs to ensure they identify technology skills and all new NextGen skills (a topic addressed in Report 5.2.2). Regarding technology, we shared the following text from the 2024 Plan with the committee: “Consider adding or emphasizing additional knowledge or skills that will become more important as GAI and other new technologies change what lawyers do.” In taking on this project, the committee will seek input from members of the AI Working

¹ Current Provost & Academic Dean Morris Ratner and incoming Interim Provost & Academic Dean Manoj Viswanathan coordinated to draft this written report. Dean Ratner will present at the September 11 Board meeting. Incoming Dean Viswanathan will close out strategic planning reporting at the end of the academic year. (Dean Ratner will co-present at the next set of quarterly Educational Policy and Board meetings, and Dean Viswanathan will take over all Provost-level reporting as of January 1, 2027.)

² See <https://uclawsf-simplr.vf.force.com/apex/FileDetail?siteId=a0i4100000GHc9aAAD&fileId=0696To0000WzX8zQAF>. This plan is posted on Sharknet, the College’s intranet, which is accessible for Board members using your single sign-on. For more recently-adopted peer school strategic statements, see two that have generated substantial conversation across law schools: (1) the University of Chicago Law School’s AI Strategy Statement, “Rethinking Legal Education in the AI Era” (July 9, 2026) (<https://www.law.uchicago.edu/news/ai-strategy-statement>) and (2) University of Texas at Austin School of Law Dean Bobby Chesney’s recent memorandum, “AI and Legal Education” (June 16, 2026) (<https://drive.google.com/file/d/1gLqI6o5D-K4pMktpiDuoiN6UX4AGy1iZ/view>).

Group who have special expertise, including Director of Applied Innovation and Shashi & DJ Deb Professor of Practice Tal Niv and Associate Dean for Teaching Jennifer Freeland.

As background, PLOs are required by our accreditors. They identify the core knowledge and skills we expect all graduates to have acquired by the time they finish law school. Program design and assessment flow from PLOs, so PLOs are of central importance in organizing the law school's planning and reflection regarding the degree to which we are succeeding in achieving our goals. The task is less pressing regarding AI because the 2024 Plan serves a similar function to PLOs, i.e., identifying core objectives, and that Plan already places AI at the center of ongoing efforts to ensure our graduates are prepared for a changing practice. But amending the PLOs is the most durable way to connect the dots between our goals and the kind of assessment required by accreditors like the American Bar Association.

B. Policy Working Group

For the past two years, Dean Ratner has chaired an internal AI Working Group that includes faculty and staff whose instructional work or research squarely intersects with AI.³ The primary purpose of the group is to connect quarterly to coordinate efforts to integrate AI into instruction and research. Members share developments and plans and discuss emerging topics, and the Provost incorporates information from those conversations into Board and faculty reporting. For AY 26-27, Dean Ratner chairs the Working Group in the fall semester and Dean Viswanathan chairs it beginning Spring 2027. Incoming Dean Viswanathan already co-chairs a special related and overlapping group focused on policy development.

The policy development group co-chaired by incoming Dean Viswanathan and Dean and CIO Huffman⁴ is identifying and filling policy gaps, starting with guidance regarding best practices for using AI in teaching, learning, and research, going well beyond the College's existing policy about AI and plagiarism. In the meantime, Director of Applied Innovation Tal Niv and Associate Dean for Teaching Jennifer Freeland have already started providing guidance to faculty and students regarding use of AI in teaching and learning. At the last Board meeting, a Board member requested information about policies at peer schools.

³ Working Group members include in addition to Deans Ratner and Viswanathan: LexLab Director Drew Amerson, Startup Legal Garage Director Steven Bazley, Professor of Practice Paul Belonick, LexLab Fellow Shashi Deb, Chancellor & Dean David Faigman, Director of the Center for Innovation and the AI Law & Innovation Institute Robin Feldman, Associate Dean for Teaching Jennifer Freeland, Director of Legal Research & Writing Angie Gius, Clinical Professor Brittany Glidden, Center for Innovation researcher and Senior AI Fellow Stephen Guth, Assistant Dean and CIO Ben Huffman, Librarian AJ Jonathan, Assistant Dean for Career Development Office Amy Kimmel, Chief Communications Officer Bill Kilsuik, Professor Niv, Interim Library Co-Director Step Schmitt, Distinguished Professor of Law Jodi Short, and Assistant Dean of Student Services Miguel Zavala.

⁴ Membership in the policy group will shift as needed. In addition to the co-chairs (Viswanathan and Huffman), the group includes Dean Ratner, LexLab Fellow Deb, Dean Freeland, Dean Zavala, Librarian Jonathan, Associate Dean for Research Dave Owen, HR Director Lesley Bello, Associate Dean for Experiential Learning Gail Silverstein, and GC John DiPaolo.

The policy development group has canvassed peer school policies. Examples include, without limitation, the policies flagged on a recently posted AI-generated database.⁵

C. Expansion of AI Co-Curricular Skills Instruction; AI “Lab”

UC Law SF launched a co-curricular AI “Bootcamp” in the spring semester of 2026, with a single cohort of students.⁶ In AY26-27, LexLab is rebranding it as a “Lab” and expanding the number of cohorts to three. Starting AY27-28, all current 1Ls will be required to complete a streamlined version of the Lab during their upper division years.⁷ For more information about that Lab as part of a three-year arc of AI instruction, see the attached PowerPoint slide deck that Faculty Director of LexLab and Deb Professor Niv presented to incoming 1Ls during orientation this year.

D. Other AI Updates

The College’s external Advisory Board⁸ will meet again this fall to continue reflecting on AI’s impact on legal services to create the factual basis for continuing educational program innovation. The internal AI Working Group met recently and shared information about recent developments, which include the following:

- **Resources:** The Provost maintains [this aggregation page](#) for faculty, linking to various College AI resources. These include the addition of a [page managed by the Library](#) that contains AI information and guidance as well as an [AI tools page](#) maintained by IT. Among these tools is Harvey, with which the College has an enterprise use agreement; the Library hosted training sessions for faculty and students last spring.
- **LexLab:** In July, LexLab offered another iteration of the Law & AI Certificate program (“LAIC”).⁹ It more recently partnered with the University of Tokyo to offer a version internationally as well. Within the College, Faculty Director of LexLab and Deb Professor Niv, who serves as [Technology Law & Lawyering Concentration](#) Advisor, continues to update the curriculum, including the addition this year of a course on AI Liability. LexLab also continues to offer robust co-curricular programs including the Lab discussed above and twice weekly lunch hour sessions with tech companies and practitioners. This year, LexLab is also sponsoring additional more intensive conferences. Together, Niv points out, “this is cohering into something that is quite distinctive that we can be proud of.” We agree.
- **Associate Dean for Teaching:** Dean Jennifer Freeland created tools for faculty to help them use AI to perform rote tasks (not grading) and has offered guidance on how AI can support the faculty’s pivot to NextGen testing methods. Dean

⁵ See <https://ai-legal-education.perl.chatgpt.site>.

⁶ See, e.g., <https://www.uclawsf.edu/2026/05/14/ready-for-tomorrow-2l-marilyn-aguilar-portillo-builds-ai-tool-to-analyze-bias-in-court-cases/>.

⁷ See <https://www.uclawsf.edu/2026/07/22/uc-law-sf-will-require-ai-enabled-lawyering-lab-for-all-jd-students/>.

⁸ See <https://www.uclawsf.edu/2026/01/21/industry-leaders-advise-uc-law-sf-on-the-future-of-ai-in-law-and-legal-education/>.

⁹ See <https://lexlab.uclawsf.edu/law-and-ai-certificate>.

Freeland is also preparing guidance for students on how to use AI to support rather than undermine their legal studies and learning.

- **Legal Research & Writing:** The LRW1 curriculum continues to refine and supplement AI learning opportunities, including opportunities to compare and critique AI research and drafting outputs to human-generated outputs.
- **Clinical Programs:** The clinics created learning outcomes for AI this semester that will be rolled out in some clinics, and clinical faculty are undergoing special training relating to the use of AI in practice settings.
- **Center for Innovation/AI Law & Innovation Institute:** Multiple research projects are in the pipeline, including papers or books on AI and deliberative democracy, the regulation of AI consumer agents, and scholarship on areas of human activity that AI should not replace.

We are receiving reports from faculty and program administrators that some students express serious reservations about using AI tools on policy grounds – fearing environmental, labor market, and general social effects. We are working on ways to directly engage with those critiques while achieving our desired student learning outcomes. Though “AI resistance” is an emerging issue, the much bigger issue is overuse and misuse of AI to replace student reading and course synthesis or to substitute for human expert advice on matters such as bar passage success strategies. We are also devoting time this year to thinking through how to orient students to productive and helpful uses of AI.

The AI Working Group and the full faculty will continue to engage with these issues in the coming academic year.

II. Provost Transition

Dean Ratner’s second and final term as Provost ends December 31, 2026.¹⁰ Incoming Dean Viswanathan starts January 1.¹¹ Deans Ratner and Viswanathan have been coordinating since this summer on year-long matters, including strategic planning, budget planning, and academic program administration. Dean Ratner is sharing information and providing training, in addition to giving incoming Dean Viswanathan engagement and provost-level development opportunities (e.g., AI policy development responsibility). Starting January 1, Dean Ratner will serve as a mentor and source of support. Deans Ratner and Viswanathan have known each other for many years, worked collaboratively on projects during that time, and have a close and highly productive working relationship. They are building on that history to ensure a smooth transition (under Chancellor & Dean David Faigman’s oversight), which is a strategic priority for the year.

¹⁰ See <https://www.uclawsf.edu/2026/08/05/morris-ratner-to-conclude-decade-long-tenure-as-uc-law-sf-provost-academic-dean/>.

¹¹ See <https://www.uclawsf.edu/2026/08/05/prof-manoj-viswanathan-will-serve-as-interim-provost-academic-dean-in-2027/>.



UC LAW SAN FRANCISCO

Learning Law in the Age of AI

How to use new tools
while building your own judgment

**When answers are abundant,
judgment is the advantage.**

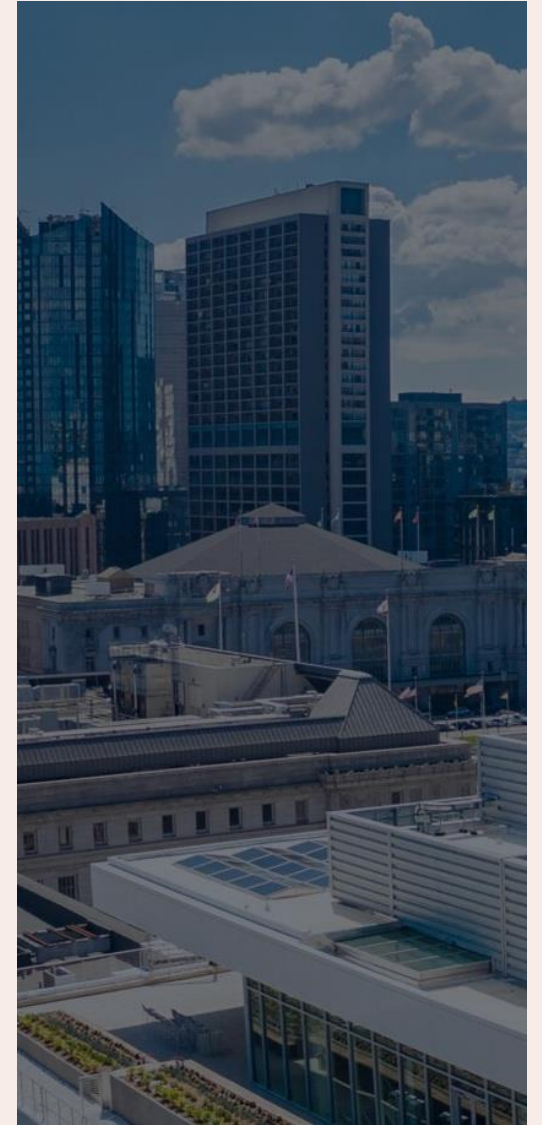
Tal Niv

Deb Professor of Practice for Emerging Technology and the Law
Faculty Co-Director of LexLab

I. You Are Early Enough to Help Define the Answer

The profession has not yet settled what excellent lawyering looks like when powerful AI is available to almost everyone.

UC Law SF has built programming to enable every student to help define it and thrive in a legal practice being transformed by technology



II. You Are Early Enough to Set Terms

AI raises tough questions about labor displacement, the environment, inequality, privacy, power, and the future of human judgment.

The rules are still being written. Lawyers will help shape them.



AI is Now Within Every Legal Setting

Representing

Firms, legal aid, public defense, prosecution, in-house counsel

Governing

Agencies, legislatures, regulators, public administration

Deciding

Courts, tribunals, adjudicatory bodies

Building & Operating

Legal ops, compliance, civic technology, nonprofits

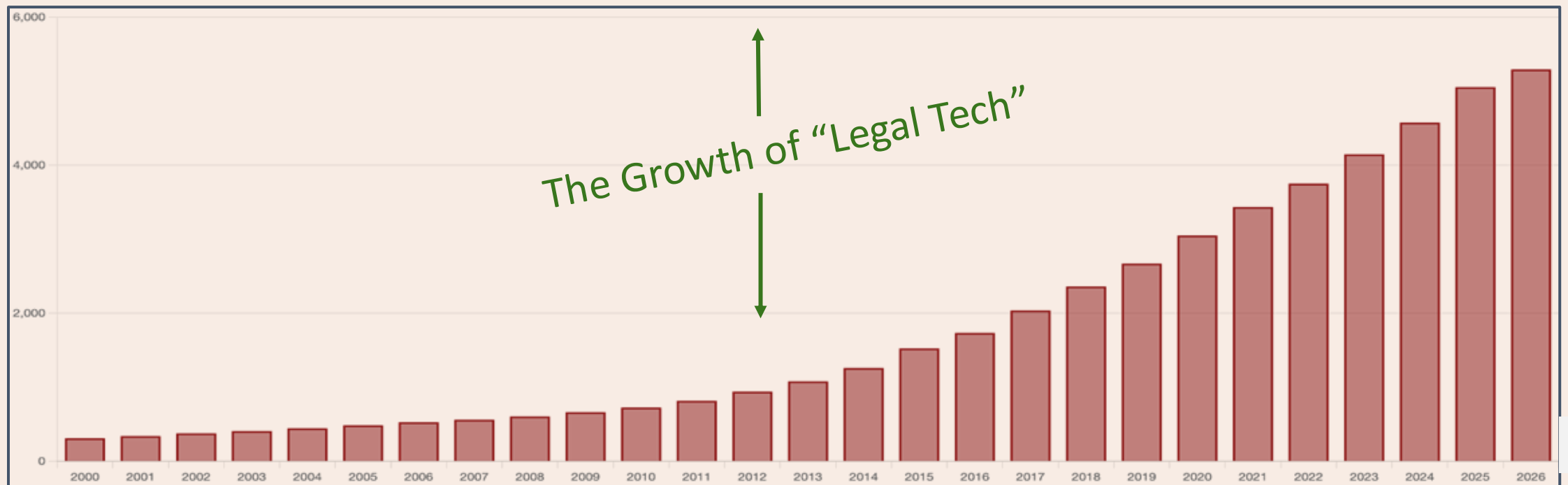
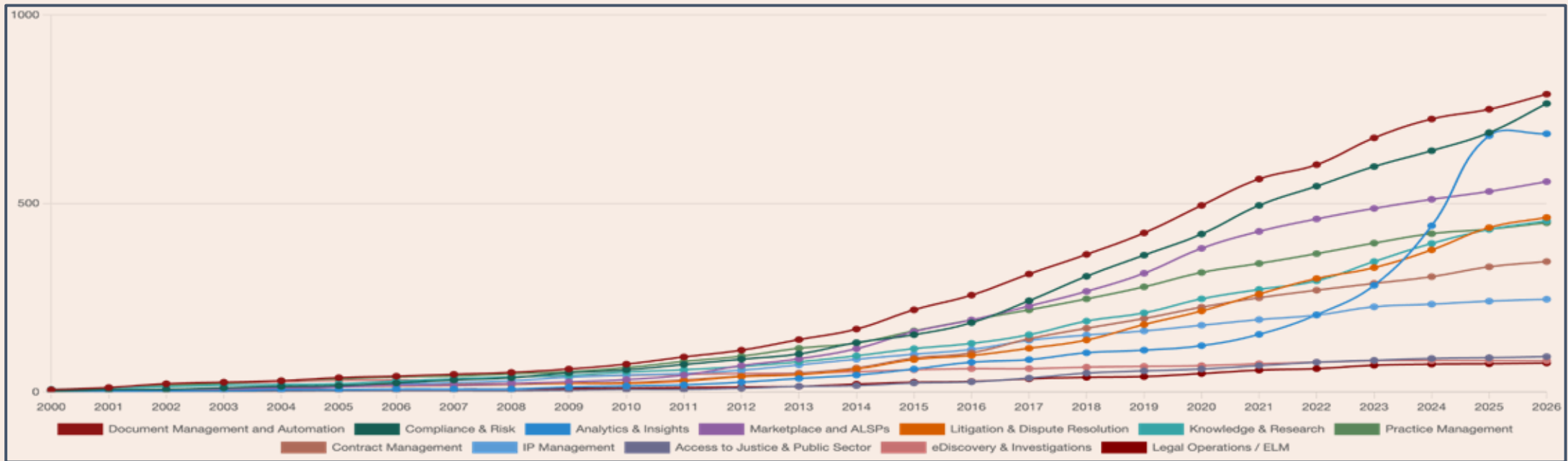
Reforming

Policy, civil rights, advocacy, institutional design

Every lawyer now needs enough fluency to use, question, challenge, or govern AI

GenAI Legal Tech Map





AI is already entering the legal workweek

2026 survey of 1,300+ legal professionals: among AI users, the gains are already showing up in weekly practice.

61%

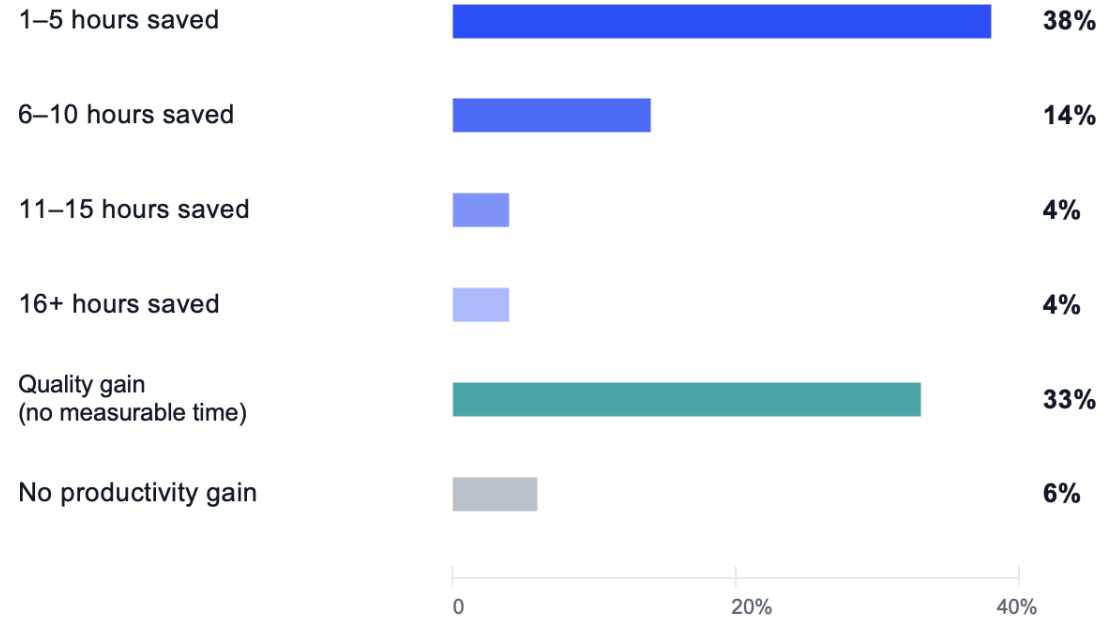
say AI saves them time each week

among legal professionals who personally use AI

Not just speed: 33% report better-quality work even when they cannot measure time saved.

WHAT AI USERS REPORT

weekly impact, by share of AI-using respondents



The takeaway for law school: efficiency is real, but the value comes from judgment, supervision, and knowing when not to rely on the tool.

Source: 8am, 2026 Legal Industry Report; more than 1,300 legal professionals surveyed Sep.–Oct. 2025. Time-savings distribution among legal professionals who use AI; percentages rounded.

AI Can / Lawyers Must

AI can	Lawyers must
Summarize	Frame
Classify	Interpret
Draft	Verify
Predict	Understand context
Optimize	Establish legitimacy
Recommend	Decide
Automate	Take responsibility

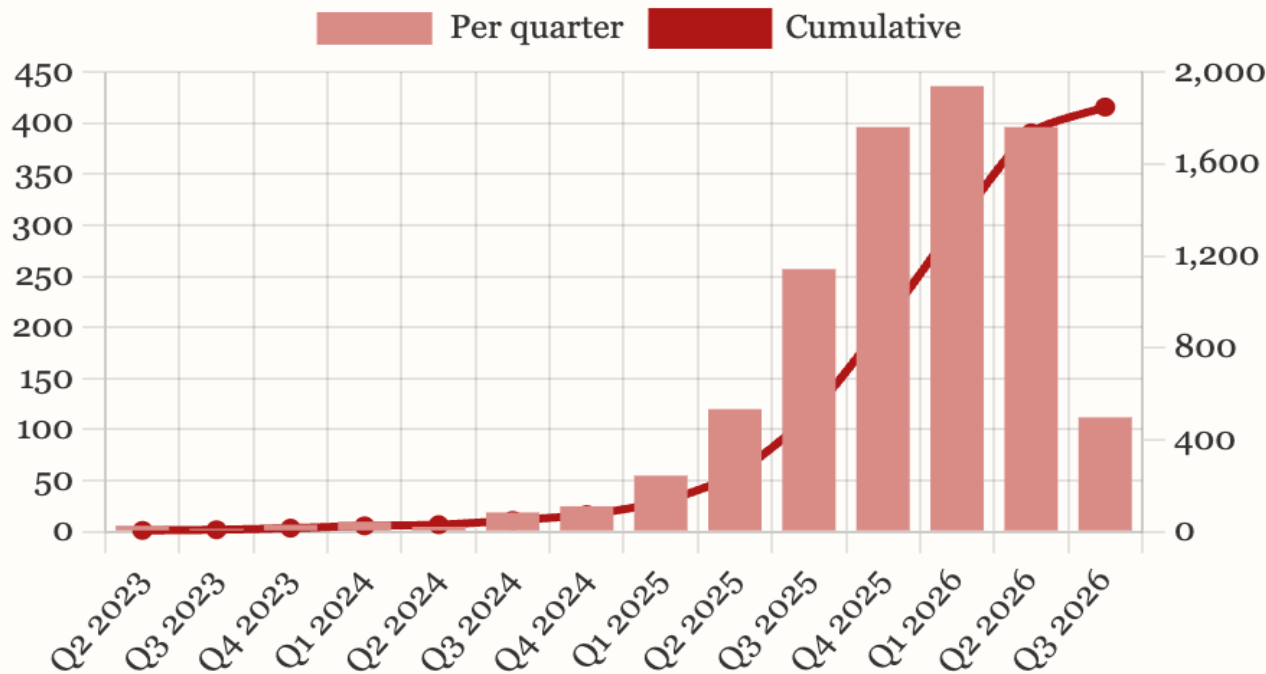
Right column are not innate human qualities. They are disciplines taught, practiced, criticized, and improved.

Your value will come from using new capacity to do the work on the right more carefully, more broadly, and more responsibly.

The hallucination problem.

The consequences are not.

CASES PER QUARTER · CUMULATIVE TOTAL



Newly catalogued cases rose sharply in 2025–26; Q3 2026 is partial.

WHAT THE DATABASE SHOWS

≈1,800
AI-hallucination cases catalogued through partial Q3 2026

300+ cases involving monetary sanctions

100+ cases involving disciplinary referral

A model can draft.
A lawyer must verify, and take responsibility.

Source: Damien Charlottin, AI Hallucination Cases database.

You came to the right place.

Technology, AI, privacy, product counseling, and global tech regulation and deeply learning AI use are not side offerings here. They are part of the legal world you are entering.



Technology Law

National Jurist / preLaw
recognition

“A place built for
the profession as
it is becoming.”

SAN FRANCISCO

Learn in the city where technology is being built, governed, litigated, and questioned.

PRACTICE

Courses and labs connect doctrine to the work lawyers actually do.

JUDGMENT

The goal is not tool fluency alone, it is legal judgment in a changed world.



ACT II

Technology, law and lawyering, a 3-year journey

Tech, Law, Lawyering

- **Orientation session - intro to your journey**
- 1L-Essentials technology modules, twice a year
- **LRW1 (Week 10): Basic legal tech introduction**
- **LRW2 (Week 13): Advanced research and writing tools**
- Learn appropriate uses from your professors

1L Year

1

2

Upper Division

- Technology Law & Lawyering Concentration
- Corporate Counsel Externship Program
- Startup Legal Garage
- State/Local Government/Corporate externships
- AI Enabled Lawyer Lab (more about it, next slide)



Throughout, extra curricular LexLab lunch time sessions, symposium days on topics like AI and Evidence, like Agentic AI liability

The AI-Enabled Lawyer Lab: Complete before you graduate!

A hands-on lab where students learn to use AI in legal work **without outsourcing judgment**. Over six intensive sessions, you will develop the practical skills, critical habits, and ethical frameworks needed to integrate AI confidently and responsibly into real legal practice.



Choose



Build



Verify



Govern

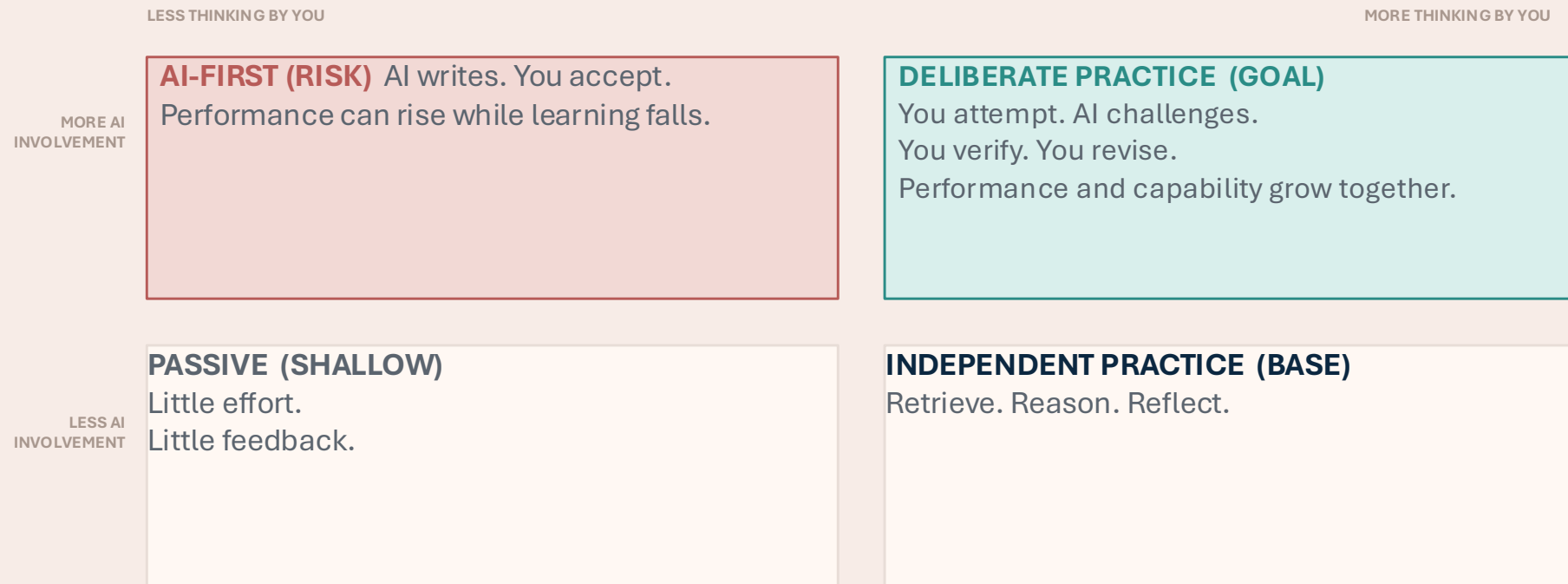


Defend

📅 6 sessions · hands-on legal exercises · certificate of completion

AI Can Undermine or Enhance Learning

Same tool. Different sequence. **Different education results.**



ATTEMPT FIRST → ASK AI TO CHALLENGE → VERIFY → OWN THE RESULT

Use AI to Improve Practice - Not Replace It

Tutor

Questions you before giving an answer

Simulator

Creates clients, negotiations, hearings, and briefings

Adversary

Finds the strongest challenge to your position

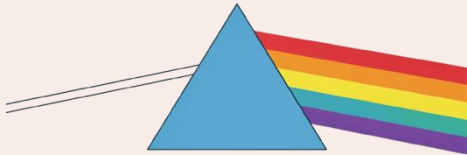
Feedback Partner

Diagnoses weaknesses before rewriting

The weak prompt is: “Make me look competent.”

The strong prompt is: “Make me practice the competence.”

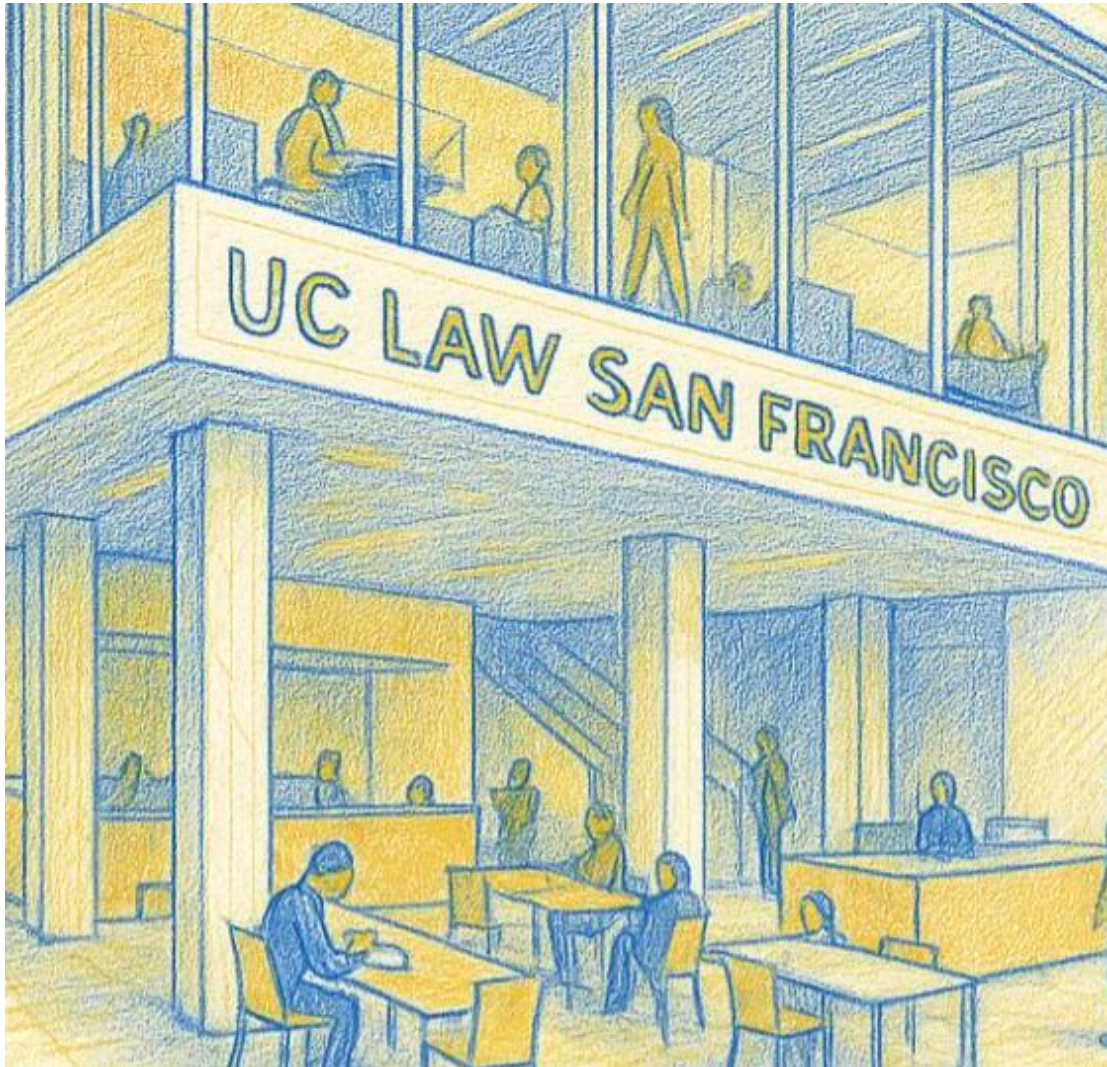
So:



**First Brain.
Then Machine.
Then Brain Again.**

**Become someone who can be trusted wherever
law and consequential decisions meet.**

Use AI to extend your capacity.



**Learn the law deeply.
Engage the tools seriously.
Help determine how they should be used.
Welcome to UC Law San Francisco.**

Tal Niv
nivtal@uclawsf.edu
LexLab suite 243

Drew Amerson
amersond@uclawsf.edu
LexLab

Pioneering and principled.

Report 5.2.2 – Student Success

By Provost & Academic Dean Morris Ratner, Director of Bar Passage Support Margaret Greer, Associate Director of Bar Passage Support Dan Martin, Bar Success Analyst Stefano Moscato, Assistant Dean for Career Development Amy Kimmel

Strategic priorities this year include student success in the form of continuous improvement in bar and employment outcomes.¹ These goals are a carryover from the 2020 Operational Strategic Plan² and subsequent rounds of supplemental strategic planning.³ This year, the highest priority initiatives involve adapting the academic program to account for a new bar exam and continuing efforts to guide students through a changing law firm hiring calendar and process. Section I, below, addresses bar success. Section II addresses employment.

I. Bar Success

The College devoted significant resources over the past 10 years to adapt the academic program to ensure our graduates succeed on the current version of the California Bar Exam.⁴ Though that exam has changed at the margins over that period, the subjects and testing methods have been relatively stable. On July 15, 2026, the California Supreme Court adopted the National Conference of Bar Examiner's NextGen Uniform Bar Exam, to be administered starting July 2028 with a California component to be added the following year.⁵ The new exam tests much of the same knowledge and skills that the current exam tests but involves slightly different subjects and significantly different testing methods.⁶

As a result, we need to change what we teach (mixing doctrine and skills more pervasively) and how we test (preparing students for NextGen testing formats). The work we have done over the past decade provides a strong foundation for the work we must now do. At the same time, many of the challenges that have persisted over the years, including student study habits and student mistrust of institutional guidance, will remain areas of focus. Increased student use of artificial intelligence as a study tool is also posing new challenges to be managed, as we saw this past summer.

¹ See accompanying Report 5.2.1.

² See <https://uclawsf.app.box.com/s/9jg7kvzi3iict4la0ooug3s6k6bm56p5>.

³ For summary reporting on the implementation of the 2020 Plan, see Board of Directors Meeting Open Book (October 27, 2025), at https://repository.uclawsf.edu/cgi/viewcontent.cgi?article=1046&context=board_materials_2025.

⁴ See Morris Ratner, Stephen N. Goggin, Stefano Moscato, Margaret Greer & Elizabeth McGriff, *Determinants of Success on the Bar Exam: One Law School's Experience 2010-2023*, 73 J. LEGAL ED. 539, 571 (2025).

⁵ See <https://newsroom.courts.ca.gov/sites/default/files/newsroom/2026-07/S296951%20-%20Admin%20order.pdf>.

⁶ For a description of some of the key differences, see [this page](https://uclawsf--simpplr.vf.force.com/apex/simpplr_app?u=/site/aoi41000006mWloAAE/page/aoc6T00000T1z8vQA) on the College's intranet: https://uclawsf--simpplr.vf.force.com/apex/simpplr_app?u=/site/aoi41000006mWloAAE/page/aoc6T00000T1z8vQA.

A. Class of 2026 Update

Our Class of 2026 graduates took the current version of the California Bar Exam on July 28-29, 2026. As we do every year, our bar success team, ably led by Director of Bar Passage Support Margaret Greer and Associate Director Dan Martin, aided by a significant cohort of UC Law SF colleagues including Office for Academic Skills Instruction and Support (“OASIS”) faculty, administered the summer supplemental bar program, individually coached and tracked the progress of our graduates, and provided significant individual feedback to them.

Bar Success Analyst Stefano Moscato has preliminarily analyzed the data including commercial bar preparation course completion and student participation in practice questions and exams. In the past few years, he has been able to predict our first-time pass rate with precision relying primarily on that same data and students’ law school GPA at graduation. Professor Moscato reports the following about Class of 2026:

I’ve done my annual calculations using (more or less) the same “formula” I’ve used for the last few years. I’m getting an 80% pass rate for CA, which could increase by up to 2 percentage points depending on who didn’t sit for the exam. For Legal Education Opportunity Program (“LEOP”) graduates, I predict a 10% drop from last year, which in part reflects LEOP graduates’ lower relative GPAs and course completion rates this year compared to last year.

I wanted to point out a few factors impacting these data, some of which are completely beyond our (Bar Support Team) control:

1. Last year, there were 8 Q4 grads who opted out of taking the bar exam in July. This year, there is only one. That alone may end up translating to roughly two percentage points.⁷
2. For some reason, there are quite a few more sub-2.9 GPA grads than last year: This year there are 38 of them sitting for the CA bar; last year there were just 29. An extra 9 grads in this extremely high-risk category could mean one or two percentage points overall.
3. Perhaps related to the previous point, the overall class mean also is lower. Of those who sat for the CA bar, this year’s class had a 3.220 mean 1L GPA and 3.250 mean GPA at graduation; last year’s had a 3.253 1L GPA and 3.293 at graduation. That seems like a meaningful shift, to the extent LGPA is predictive of bar passage.
4. Course completion data for Q1 through Q3 is more or less identical to last year (slightly higher completion of assigned work/slightly lower

⁷ Editor’s note: “Q1-4” refers to the four GPA quartiles at graduation based on cumulative law school GPA. Q1 students are in the top 25% of the graduating class by law school GPA. Q4 are in the bottom 25%.

supplemental MBE practice). But Class of 2026 Q4 struggled. Last year, this cohort completed 75% of assigned coursework and had an 87% effective course completion rate. This year: 69% assigned coursework and 77% effective course completion.⁸

Item 4 would be the only one the Bar Passage Support Program can try to address, but I don't know what more we can do to help those who cannot stay on track. This year's numbers are lower than 2024, when we did not offer [Critical Studies 4], so programmed early start to bar study does not seem to have had the desired effect (though there's no way to know if it would have been even worse otherwise).

The bar success team has been debriefing since bar study ended about the causes of fourth quartile graduates' struggles this year. We will investigate this further, including by communicating with those graduates, though we have a lot of information now because we intensively supported them throughout the summer.

With that as background, and regarding Q4 and LEOP, here are some things we spotted this summer:

- Increased use of AI as part of bar study.
- Increased levels of non-responsiveness to bar expert outreach and coaching over the summer.
- Increased numbers of students who did engage with expert faculty and listened to bar study advice but did not operationalize it.
- Increased numbers of students who reported that studying was "going well" even though the completion and accuracy data suggested otherwise.
- Increased numbers of students who trusted their gut instincts (or AI) instead of trusting bar expert advice.
- Increased numbers of graduates who were afraid to take practice tests during early bar study in exam-like conditions (e.g., closed book, using their own words), and who submitted practice essays that appeared to be based on sample answers rather than to be the product of the graduates' own work.

There's a new factor that emerged with special force this summer that adds a layer of uncertainty. We noticed as we were supporting our graduates this summer that many of them, including some of the most at-risk students, appeared to heavily rely on AI to craft study plans and as a study aid. In so doing, some of them ignored the expert human advice given to them by our bar success team. For example, many graduates used AI platforms to "grade" their practice essay answers and found that the AI platforms gave them more positive/complimentary feedback and higher scores than did our human expert bar success faculty. The graduates sometimes chose to believe the AI, which delivered a rosier message to them about their achievement. Some also appeared to become focused on the bottom-line AI-generated scores which may have detracted from their own self-assessment.

⁸ Editor's note: At 77% effective course completion, Q4 is below the minimum course completion level as a cohort that we associate with a reasonable likelihood of bar passage.

The pervasiveness of AI use and its effect on studying was new this year, at least in degree, and could affect our predictions in ways we do not yet understand. We have brainstormed in the College's internal AI Working Group ways to address the effects of AI usage by graduates, and we plan to survey Class of 2026 graduates to ask them about their use. We are developing advising and other strategies to ensure that, in coming years, graduates use AI in ways that enhance rather than undermine their bar study.

In highlighting Q4's and LEOP graduates' struggles, we do not mean to over-generalize about this cohort. There were exceptions, including students who did everything we recommended and thus have a greater likelihood of first-time bar passage. Also, we do not mean to suggest that the graduates will not ultimately pass a bar exam, or that we have a complete window into what they were doing during bar study. The data we have is only what we received from the commercial bar prep companies combined with engagement with UC Law SF's summer supplemental bar preparation program. It is possible graduates with low course completion or engagement scores used other resources that we cannot track or measure.

Nor do we mean to convey a lack of optimism about our ability to reach and inspire this cohort of graduates in future years. For example, we plan to incorporate recent graduates into Critical Studies 4, our early bar start course for sixth semester 3Ls, and we plan to use recent graduate ambassadors next year to help build additional bridges and to counteract what appears to be a generational distrust of institutional guidance.

We will get pass data from the State Bar in November, which we can then use to report the pass rate and to undertake more rigorous statistical analyses of the causes of the Class of 2026's performance. This analysis will be useful as we prepare Class of 2027 for the bar exam it will take, which is the "old" or traditional exam that Class of 2026 and prior generations of law students took. Already, national data suggests a year-over-year performance decline on the bar exam, down 2% from last year.⁹ This suggests that the trends we spotted in our own graduates this summer may not be limited to our graduates.

This year, we have 2Ls and 3Ls mixed in upper division classes who will take different bar exams. Class of 2027 takes the old exam. Class of 2028 (current 2Ls) will take the NextGen exam. The next section describes recent efforts to pave the way for a programmatic pivot to NextGen testing and the initiatives we intend to undertake in the coming year.

B. Academic Program Reforms

The current California Bar Exam emphasizes doctrinal knowledge and legal writing/analysis like what students do on traditional law school exams (applying law in subject "x" to fact pattern "y"). The NextGen exam is more of a practitioner's exam, calling on students to understand not just rules but the practice of law and to write not just essays

⁹ See Derek Muller, *Bar Exam Scored Drop for July 2026 Test*, Law School Docket Substack (September 2, 2026) (<https://derektmuller.substack.com/p/bar-exam-scores-drop-for-july-2026>).

but lawyering documents such as discovery requests. More concretely, the biggest changes associated with California's adoption of NextGen, in addition to mostly relatively modest changes in subjects and issues within subjects, are:

- The integration of lawyering skills, including legal research, legal writing, issue spotting and analysis, investigation and evaluation, client counseling and advising, negotiation and dispute resolution, client relationship and management.
- The grounding of questions in practice documents (e.g., “identify all mistakes in the following complaint”) and the increased importance of understanding positionality, judgment, and perspective (e.g., “you represent plaintiff” or “you represent the defendant”).
- New testing modalities, shifting from traditional multiple-choice questions and traditional bar essays to “integrated question sets” that involve a mix of multiple-choice (with new structures of questions), short-essay, and long-form essay answers building on a common fact pattern and calling on students to mix understanding of law and skills.

Our own instruction and testing will need to change as a result. We have been preparing for these changes for some time via faculty discussions and colloquia and the creation of resources for faculty to adapt to NextGen. The remainder of this section of this report focuses on additional priority initiatives for AY26-27 to ensure the academic program sets current 1Ls and 2Ls up for success on the new bar exam.

1. Program Learning Outcomes

As noted in accompanying Report 5.2.1, the Educational Effectiveness Committee is reviewing our JD program learning outcomes (“PLOs”) this year to determine whether they should include the knowledge and skills necessary for success on the NextGen exam. The current program learning outcomes¹⁰ do not include explicit reference to several of the NextGen-tested lawyering skills, such as investigation and evaluation, client counseling and advising, negotiation and dispute resolution, client relationship and management.

2. Faculty Education and Training

We have been preparing the faculty for the possibility of new testing methods since, in October of 2024, the Supreme Court signaled a desire to mix doctrine and skills in new ways. After the State Bar's effort to administer a California-specific exam did not go as planned, the Court opted this past July to adopt the NCBE's NextGen exam. The most important initiative this year is to ensure faculty understand NextGen coverage and testing formats.

¹⁰ JD program learning outcomes are posted on this page - <https://www.uclawsf.edu/home/aba-required-disclosures/>.

Toward that end, in July, Dean Ratner shared required reading for all faculty. That included, among other things:

- Reviewing covered NextGen topics within each subject.¹¹
- Watching an AccessLex training video regarding how NextGen tests.¹²
- Reviewing the NextGen Blueprint that explains question types and scoring.¹³
- Reviewing NextGen sample exam questions that are publicly posted by NCBE.¹⁴

In addition, the faculty had a retreat with nonprofit bar success organization AccessLex and its affiliated bar preparation company Helix on August 28, just after the first faculty meeting of the year, to continue to build on this knowledge base.

3. Changes to Formative and Summative Assessment Requirements

Dean Ratner charged the AY26-27 Academic Standards Committee with revisiting two prior faculty votes on assessment. In approximately 2017, the faculty voted that all bar class final exams should be closed book and track the then-current California Bar Exam's testing format. In the spring of 2025, the faculty voted to require formative assessments in 1L and upper division bar classes and required that the assessments also align with California Bar Exam testing methods. With California's adoption of NextGen, those prior votes may need to be adjusted.

4. Graduation Requirements

Dean Ratner asked the Academic Standards Committee to consider whether graduation requirements should be modified to account for the NextGen exam's coverage. External bar success experts advising the College informed us that Criminal Procedure and Evidence, which are currently required, will likely remain particularly frequently tested subjects.

5. Modifications to the Existing Suite of Critical Studies Courses

In coordination with Directors Greer and Martin and with the faculty who teach the current suite of Critical Studies classes,¹⁵ we are considering modifying existing courses

¹¹ See <https://www.ncbex.org/sites/default/files/2025-07/NCBE%20NextGen%20UBE%20Content%20Scope-Aug%202025.pdf>.

¹² See [this recording](#).

¹³ See https://www.ncbex.org/sites/default/files/2025-07/NCBE-NextGen-UBE-Blueprint_5.pdf.

¹⁴ See <https://www.ncbex.org/exams/nextgen/sample-questions>.

¹⁵ [Critical Studies 1](#) teaches bar exam and general exam writing skills. [Critical Studies 2](#) teaches MBE multiple-choice test-taking skills and is taught by Adjunct Professor Chris Fromm, from Themis. [Critical Studies 3](#) teaches holistic exam-taking skills and is taught by Adjunct Professors and BarBri faculty Sam Farkas (traditional) and Marta Young (NextGen). [Critical Studies 4](#) is a one-credit early start course that teaches students how to study during the 10 week commercial bar course preparation window post-graduation, and allows them to start the summer course early; it is taught by Professors of Practice Margaret

and adding new ones to provide pre-graduation bar preparation to next year's 3Ls who will be taking the NextGen exam. Already, Critical Studies 3 includes a NextGen option, which we added last year and are offering again this year for that small subset of graduates who will take a NextGen exam before California adopts it. And Critical Studies 4 will be the NextGen version of early bar start for the Class of 2028. But Critical Studies 1 and 2 need to be updated, and it's possible that a new addition to the suite, specially focused on lawyering skills, will round out the offerings.

Bar success innovation is iterative. This topic will thus likely remain at the top of the agenda for the College – among administrators, within the faculty, and in Educational Policy Committee discussion and brainstorming – for the next several years, at least.

II. Employment

The remainder of the text in this report comes from Dean Kimmel of the Career Development Office. Dean Kimmel's text touches on various facets of our employment and professional development efforts, with special emphasis on steps we are taking this year to continue to support students through a changing hiring process and timeline.

A. Class of 2026 Employment (Year Over Year Data)

The Career Development Office (CDO) captures employment data for the graduation class at the start of every month on our graduate tracking sheet. Our graduate tracking sheet includes anyone who has not given us all the information required for reporting so it is possible that a graduate's status may change in the coming months.

- August 5, 2026 126/330¹⁶ (38% are unemployed and/or we do not have complete data on their employment status).
- August 1, 2025: 125/359 (35% are unemployed and/or we do not have complete data on their employment status).
- August 7, 2024: 180/ 366 (49% are unemployed and/or we do not have complete data on their employment status).
- August 16, 2023: 154/345 (44% are unemployed and/or we do not have complete data on their employment status).
- August 3, 2022: 134/309 (43% are unemployed and/or we do not have complete data on their employment status).

Based on the number of 2026 graduates who have already secured employment and anecdotal information, the outlook for the Class of 2026 remains strong at this time. Overall entry level jobs declined for the Class of 2025 but an accompanying decline in

Greer and Dan Martin and others, and it uses the commercial bar materials students are expected to use immediately after graduating.

¹⁶ Final class size is not confirmed; May and August graduates are still being processed so the denominator (Class of 2026 class size) may change.

class size still resulted in strong employment numbers for the College and nationally. Per recent NALP data, it is expected that the number of entry level jobs will not increase in the near future (Big Law firms are hiring smaller classes, and there have been significant cuts to federal legal jobs) but the impacts of this change will likely not be seen until the Class of 2027 (when class sizes grew nationally) and beyond.¹⁷

B. Class of 2029 (New 1Ls)

1. Engagement with Incoming Students

To meet the demands of the early recruiting season, we increased our engagement with the incoming class (now known as “oLs”). In addition to our usual welcome letter introducing our office and our resources, we also sent a second letter with an overview of different hiring timelines, our updated 1L Resume Template, and a one-pager on LinkedIn profiles. At the end of July, we delivered a “Navigating Big Law Recruiting” webinar; there were 125 attendees.

2. New Fall Programming

We have increased our programming for the Fall to include two workshops designed to introduce students to different recruiting timelines. We will present “Introduction to Big Law/Private Sector Recruiting” and “Introduction to Public Interest/Public Sector Recruiting” on consecutive weeks at the end of September/beginning of October. We will again offer two Employer Showcase events in October which are large scale networking events featuring Big Law firms and other employers. We also changed the order of some of our required programming to educate students on application materials at an earlier stage and have opened 1L appointments with our office earlier (September 1 rather than October 1).

3. Enhanced Staffing

Due to the increased class size, we have created a new temporary counseling position in the CDO. This position will focus primarily on counseling students (particularly 1Ls).

C. AI

The CDO continues to advise students on best practices for using AI in drafting job application materials through our required module on resumes and cover letters and through our Sharknet resources. We plan on presenting a workshop and/or webinar later in the semester on the same subject. In addition to the Orientation presentation, LexLab will present a mandatory workshop for 1Ls in the Spring as part of the CDO Professional Development Graduation Requirement. The CDO is active in the national conversation

¹⁷ NALP reports that employment metrics are likely at their near-term peaks for the Classes of 2024 and 2025. Economic uncertainty and AI may keep law firm summer program class sizes small for Classes of 2027 and 2028. It is unknown what impact federal government policies (federal hiring freeze as well as public interest hiring affected by government funding cuts) will have on future classes.

on AI in law schools; Amy Kimmel is co-vice chair of the AI and Career Offices workgroup for NALP and is engaged in conversation with schools across the country.

Report 5.2.3 - Experiential Education Report

By Associate Dean for Experiential Learning Gail Silverstein

This report describes: (1) the pedagogical theory of clinical education; (2) UC Law SF's clinic and externship offerings; and (3) the impact of clinics and externships on multiple areas of interest, including bar passage, practice readiness and the community. It should be read in conjunction with the attached August 20, 2026 Educational Policy Committee meeting PowerPoint slide deck and in the accompanying clinic brochure hand-out and list of "Recent Clinic Student and Case Exemplars."

I. Clinics and Externships at UC Law SF

A. Clinic and Externship Pedagogy

The PowerPoint slides include a web image of social psychologist and adult educator David Kolb's Experiential Learning Theory Cycle. He believed "learning is the process whereby knowledge is created through the transformation of experience. Knowledge results from the combination of grasping and transforming experience" (Kolb, 1984, p. 41). Kolb's theory is foundational in clinical education.

This theory explains the design and core pedagogy of clinical legal education. Students "grasp" experience by working with real life clients and cases. They then reflect on those experiences in the clinic seminar and through discussions, readings, assignments and individual meetings with their professors and supervisors who are also the subject matter experts who help provide a framework for those reflections. Clinical faculty and students assimilate and distill these reflections into abstract concepts or lessons from which the professors help students draw new implications or plans for action (this is the "transformation" piece). The students then actively test out these new implications in different actions they take in their cases with their clients. This cycle – experience, reflect, think and take action – is the basis for lifelong learning and professional development.

B. In-House Clinics

UC Law SF has eight in-house clinics described in the accompanying clinic brochure.

In house clinics function like on-campus law offices. We have a dedicated clinic space on the fourth floor of Cotchett Law Center at 333 Golden Gate Ave. Clients come to us, so students do not have to leave the campus to work with clients. Clinics have a companion seminar course and students also get units for their time working on their cases, what we call fieldwork. A UC Law faculty member teaches both the seminar and supervises the students on the cases. Students take lead responsibility on clinic cases. In selecting cases, we aspire to give students a start to finish experience on the cases (from for example, initial interview to final resolution by hearing or negotiated settlement), so part of the professors' job is finding or curating cases that work with these intentions. Students spend up to half their semester on clinic and can fulfill their experiential learning requirement by doing so.

C. Field Placement Clinics and Externships

UC Law SF also offers “field placement clinics” and externships. Most of these are described in the accompanying clinic brochure. These are experiences where students’ legal work is supervised at an outside legal organization, generally a non-profit, court or government law office, but we also have a corporate counsel externship program where students work at select for-profit companies and the Startup Legal Garage where students are supervised by private law firm attorneys doing pro bono work with start-ups. Students take a companion seminar taught by a UC Law faculty member and that faculty member ensures that the placements at the outside legal organizations are educational ones – not just administrative tasks. Students earn course credit for both the seminar and fieldwork that also can fulfill the experiential learning requirement.

D. US News & World Report Specialty Ranking

UC Law SF is ranked #24 in the country in the clinical education specialty ranking, which is based on peer surveys. While this ranking has fluctuated year to year, we have almost always been in the Top 25.

II. The Benefits of Clinics and Externships

Put simply, clinics and externships are an essential element of a quality legal education. Here is a partial list of the ways they advance our teaching and public service mission elements.

A. Bar Passage

Thanks to the rigorous statistical studies Provost & Academic Dean Morris Ratner has commissioned, we have found that for our students in our programs, year after year, there is a statistically significant 1.1% boost in the probability of bar passage for each unit of clinic or externship fieldwork students take (students typically take 3-5 units). The effect increases the lower the cohort's cumulative GPAs, with the strongest impacts for grads overall in the fourth GPA quartile. We predict this positive impact will increase in the future because the upcoming Next Gen Bar is even more closely aligned with skills learned and practiced in clinic

B. Lawyering Skills

Clinics teach the full range of lawyering skills (from interviewing to hearing skills, from practice management to client relationship skills). These skills are transferable outside of the substantive areas in which our clinics practice.

C. Professional Identity Development

Professional identity formation or development refers to the transition from law student to lawyer that law school is hoping to take our students through. The literature has found that identity transforms through socialization, reflection and real-life experiences,

which clinics and externships provide. It's the same Kolb cycle: students assume the role of a lawyer, encounter real ethical and role dilemmas, reflect on them under faculty supervision, and then internalize professional norms rather than merely learning about them from a textbook.

D. Practice Readiness

The legal profession wants our law students to be "practice ready" when they graduate and these experiences help with that. The National Center for State Court's 2025 Committee on Legal Education and Admission's Reform (CLEAR) performed a Lawyer and Law Student Survey (600+ students, 4,400+ attorneys) and found on the value of law school experiences specifically, students and newer attorneys consistently rated externships, clinics, summer internships, and mentorship from practicing attorneys as the most helpful preparation, well above 1L doctrinal classes. Past National Association for Law Placement (NALP) surveys corroborate.

E. Job Placement

Clinical education prepares students for the job market. In the Institute for the Advancement of American Legal System's IAALS's Foundations for Practice *Hiring the Whole Lawyer: Experience Matters* 2017 survey of employers, "legal employment" was rated the single most helpful hiring criterion (54.2% "very helpful"), with legal externships and participation in law clinics not far behind, reinforcing that practical, real-world experience is what employers most value when assessing job candidates. This is increasingly important as the Career Office has found that students are coming in to law school with less real-world job experience, a gap clinical education fills.

F. Lessening the Justice Gap and Service to the Community

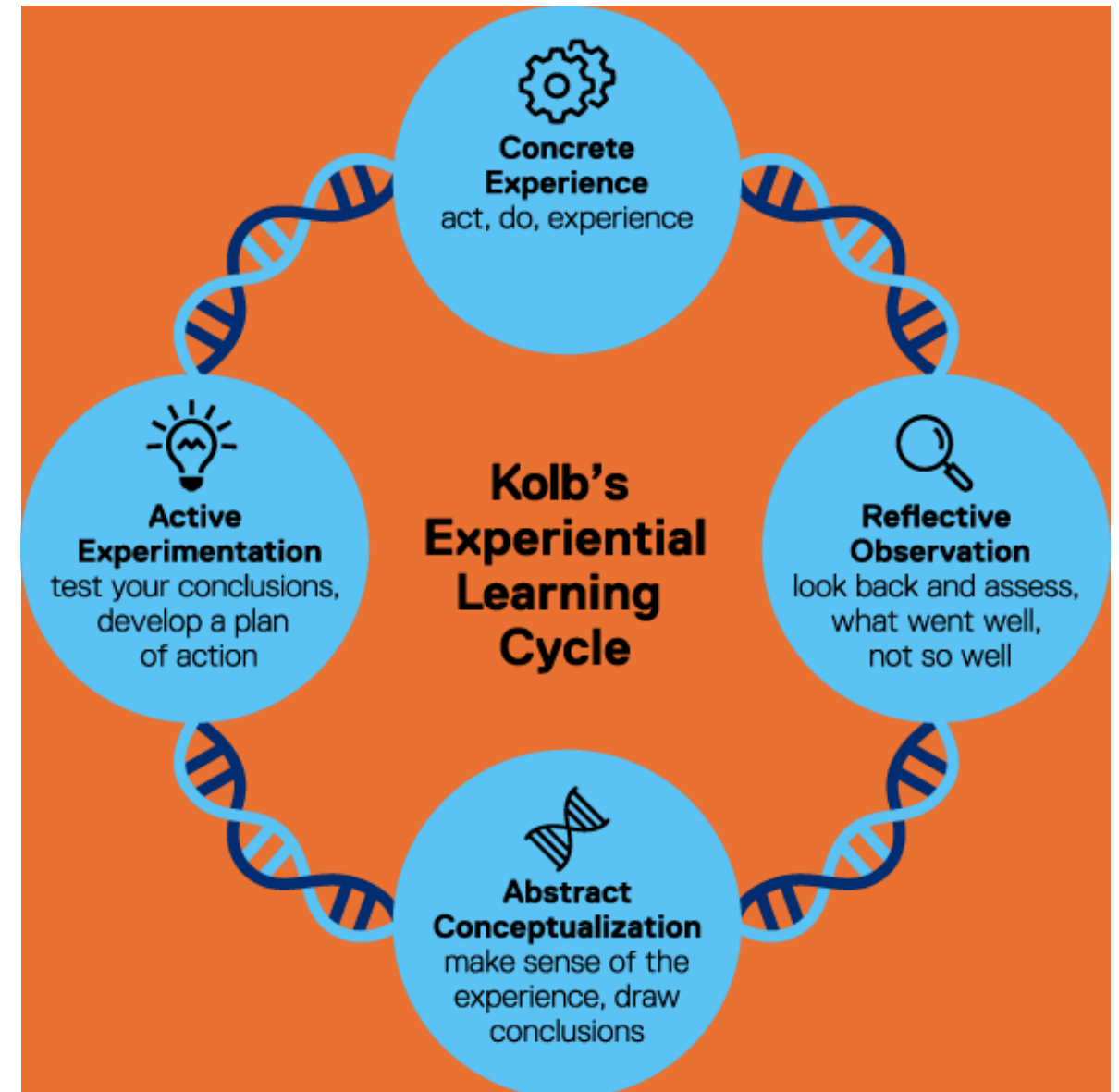
Lastly, clinical education has both a learning and service mission. Our students help contribute to the aspirational goal in our profession of equal justice under the law as our façade of our SCOTUS building reminds. There is a well-documented legal justice gap in the United States. Even helping one client narrows it. Moreover, studies have found that most practicing attorneys that do pro bono work did it in law school, showing the link between the habits and norms they learn in law school and future practice So, a little bit about our impact every year:

Every year, the in-house clinic program serves approximately 210 clients, mediates over 50 cases and sends students on a human rights factfinding trip. About 340 students participate per year: 100 students in our in-house clinic program; 90 students in our field placement clinics and 150 in SLG and externships. Altogether, based on the students' hours and using a modest billing rate of \$100 per hour, our students provided more than 4.5 million dollars in free legal services. These numbers do not relate the true impact that our services have on clients' lives whether it be their liberty in getting out of detention, the ability to get justice for being wronged by their employer, or the stable monthly disability benefits to pay rent and provide for their children.

Thank you to the Board for your support of clinic education. Should you have any questions, please reach out to me at silverst@uclawsf.edu. I invite you to come to visit our clinic office on campus.

Clinics and Externships at UC Law SF

Associate Dean for
Experiential Learning
Gail Silverstein



In House Clinics

Immigrants' Rights Clinic

Individual Representation Clinic

Low Income Taxpayer Clinic

Mediation Clinic

Medical Legal Partnership for Seniors Clinic

Refugee & Human Rights Clinic

UC Law Appellate Project

Business Tax Practicum

- On-campus law office
- UC Law faculty member teaches companion course and supervises cases
- Students take lead responsibility
- Typically a start to finish experience
- Students spend 6-8 units in clinic, fulfill their grad rqmt

Field Placement Clinics & Externships

Community Group
Advocacy and
Social Change
Clinic

Criminal Practice
Clinic

Environmental
Law Clinic

Government Law
Clinic

Lawyering for
Children/Child
Welfare
Practicums

Legislation Clinic

Workers' Rights
Clinic

Corporate
Counsel
Externship
Program

UCDC

Judicial & Legal
Externships

Startup Legal
Garage

Positive Impact on Bar Exam

- Our study of the 2019-2025 data set: we see a statistically significant **1.1% boost** in probability of first-time bar passage for each unit of clinic and externship fieldwork taken for grads as a whole.
- The effect increases the lower the cohort's cumulative GPAs, with the strongest impacts for grads overall in Q4.
- Next Gen Bar is even more closely aligned with skills practiced in clinic

Skill and Professional Identity Development, Practice Readiness, Job Placement

- **Skills:** Full range of lawyering skills covered. Skills are transferable
- **Professional Identity Development:** Transition from Student to Lawyer
- **Practice Readiness:** National Center for State Court's 2025 CLEAR Lawyer and Law Student Survey (600+ students, 4,400+ attorneys): Students and newer attorneys consistently rated externships, clinics, summer internships, and mentorship from practicing attorneys as the most useful preparation, far above 1L doctrinal classes.
- **Job Placement:** In IAALS's Foundations for Practice *Hiring the Whole Lawyer: Experience Matters* 2017 survey of employers, "legal employment" was rated the single most helpful hiring criterion with legal externships and participation in law clinics not far behind

Positive Contribution to Closing the Justice Gap and to our Community



- Every year, the in-house clinic program serves approximately 210 clients, mediates over 50 cases and sends students on a human rights factfinding trip.
- About 340 students participate per year in clinics and externships
 - 100 students participate in in house clinics
 - 90 students participate in field placement clinics
 - 150 students participated in SLG and externships.
- Altogether, and using a modest billing rate of \$100 per hour, our students provided more than 4.5 million dollars in free legal services.

✚ In the **Medical-Legal Partnership for Seniors Clinic (MLPS)**, students provide holistic legal services to low-income older adult UCSF and VA patients in collaboration with medical providers. Students meet with clients in their homes and gain experience representing clients in interconnected areas of law, including advance health care planning, estate planning, public benefits, and pre-eviction housing. Students develop key lawyering skills in interviewing, critical thinking, document drafting, project management, interdisciplinary collaboration, and “whole person” lawyering through the representation of multiple clients from start to finish. The seminar engages students in discussion and practice-based learning about advance planning, public benefits, interdisciplinary ethics, how to evaluate client capacity, long-term care options, elder abuse, and other issues. Students learn about the complex intersection of law and health and its implications for our rapidly aging population. Contact Prof. Yvonne Troya. Apply using the Common Clinic Application. **Offered Spring and Fall 2027.**

✚ Passionate about social justice and human rights? Interested in immigrants’ rights and the protection of refugees? Would you like to work on behalf of women, children, and LGBT individuals fleeing persecution? Do you want to gain experience working with clients and experts, or engage in human rights fact-finding abroad? If so, consider joining the **Refugee and Human Rights Clinic**. RHRC students gain a foundation in refugee and asylum law and engage with both the theory and practice of key skills such as interviewing, client counseling, and fact investigation/human rights fact-finding. Applicants will receive an email invitation to attend a group interview and information session. For more information, contact Prof. Karen Musalo or Christine Natoli. Apply using the Common Clinic Application. **Offered Spring and Fall 2027.**

✚ Students interested in Employment Law should consider the **Workers’ Rights Clinic**. The Clinic provides free legal information and assistance to low-income workers with employment-related issues. Legal Aid Society at Work trains and supervises students who conduct client interviews and, after consultation with clinic coordinators, provide counseling, legal information, and referrals to low-income workers on a full range of employment-related problems. The Clinic is held on Monday evenings on campus and on Wednesday evenings at Legal Aid at Work. Apply using the Common Clinic Application. **Offered Spring and Fall 2027.**

✚ If you’ve taken Appellate Advocacy and want real world appellate experience, consider taking the yearlong **UC Law Appellate Project** clinical experience during your third year. Students handle pro bono appeals in the US Court of Appeals for the Ninth Circuit or the California First District Court of Appeal under the supervision of faculty. Students review the record and identify issues for appeal, conduct research, draft opening and reply briefs, handle filings, calendaring and client correspondence and deliver oral argument. Application information on the UCLAP Sharknet site or by contacting Professor Leah Spero. **Offered in Fall 2027-Spring 2028.**

Last Updated
03/2026

EXTERNSHIPS & MORE

✚ In the **Corporate Counsel Externship Program**, students work in the general counsel’s offices of for-profit companies and large non-profits handling a wide range of transactional or litigation matters. An application and matching program begins early the semester prior to offering. More information on the Clinical Programs’ Sharknet page. **Offered in Spring and Fall 2027.**

✚ **Lawyers for America.** Love experiential learning? Want a post-grad public interest job? Apply to UC Law Sfs’ two-year fellowship program, Lawyers for America. In their 3L year, LfA fellows extern both semesters at a non-profit or government law office, immersed for 8+ months in real-world law practice. After graduating and taking the bar exam, fellows return to the site for an additional, paid year. LfA offers practical training, **a paid postgraduate job** that will make you highly competitive in the legal market, and the chance to be part of a cohort of young lawyers increasing access to justice. For more information go to the [LfA Sharknet page](#) or contact Hanna Wen (wenhanna@uclawsf.edu), or follow [LfA on Instagram](#).

✚ The **UCDC Law Program** is a full-semester externship program in ashington DC providing experiential learning through a full-time placement in a federal government agency or nonprofit. Students receive 13 units of credit for the semester (10 for the placement and 3 for the companion seminar). Applications may be downloaded from the [UCDC Law Program website](#) and should be submitted to law@ucdc.edu. To learn more about the program, go to the Clinical Programs’ Sharknet page or contact Prof. Nira Geevargis.

✚ There are many opportunities for externships with judges starting in Spring of your 2L year. If you are interested in the **Judicial Externship Program**, start at the Clinical Programs’ Sharknet page and follow the links. You should submit your application materials to the judges you are interested in as soon as possible. Once you’ve been offered an externship, immediately contact Prof. Nira Geevargis, for detailed information about the program, its mandatory, two-day classroom sessions held prior to the first day of classes for the semester, and permission to enroll.

✚ If you have taken two ADR courses and have an interest in working on dispute resolution issues at a court, non-profit, or government agency, you may be eligible to participate in the **ADR Externship Program**. Taking the Mediation Clinic first is strongly encouraged. For more information, contact Prof. Hiro Aragaki.

✚ If none of these offerings fit your interests and you’ve been offered a legal position with a governmental or non-profit entity, contact Prof. Nira Geevargis to discuss the possibility of academic credit through the **Legal Externship Program**. The Program is designed for students who have already taken a clinic or who seek to work in an area in which we do not have clinical offerings. More information is also available on Sharknet.

Clinics & Externships at UC Law SF

UC Law has a wealth of Clinical and externship offerings for 2027.

See the Clinical Programs’ Sharknet page at this QR Code for details and up-to-date info:



UC Law San Francisco

CLINICAL OPPORTUNITIES

In the **Business Tax Practicum**, students provide business tax advice to social enterprises—businesses that blur the traditional distinctions between for-profit and non-profit entities by *blending social mission* and market-based business strategies. Students advise clients of the *Social Enterprise Clinic* on cutting-edge issues of tax treatment of these hybrid entities. Apply using the Common Clinic Application. **TBD when offered next.**

In the Child Welfare Practicum, students will receive training and experience that will enable them to go into child welfare law directly after graduation. Students will be placed at a legal office representing children or parents in child welfare cases and then take a companion seminar. Apply using the Common Clinic Application. **Offered Spring 2027.**

The **Community Group Advocacy and Social Change Lawyering Clinic** is designed for students interested in social change lawyering and learning how to work as partners with activist community groups pushing for social change. The Clinic explores “rebellious” or “democratic” approaches to lawyering, and the range of tools and strategies social change lawyers utilize, including grassroots lobbying, legislative drafting, community organizing/mobilizing, community legal education, media campaigns, and/or convening public hearings. Students work in 2- or 3-person teams and are placed with Bay Area social justice lawyers or community groups to work 16-20 hours a week on a defined project. Collectively, projects introduce students to the range of approaches to making social change and working as partners *with* community groups, rather than navigating the legal system *on their behalf*. Apply using the Common Clinic Application. **Offered Spring 2027.**

If criminal law interests you, the **Criminal Practice Clinic** is a field placement program that enables students to work in a local DA or PD office and to make court appearances in misdemeanor and felony cases involving witness examinations and arguments. Students must have completed Evidence, Professional Responsibility, Criminal Procedure, and Trial Ad to be eligible to enroll. If there are open seats, students who have completed all prerequisites except Trial Ad will be able to enroll in the clinic and take this course concurrently. Go to the Clinical Programs’ Sharknet page for application information. **Offered Spring and Fall 2027.**

Interested in Environmental Law or working for the Government? Through the **Environmental Law Clinic**, students receive academic credit for work with nonprofit environmental groups and governmental agencies to gain hands-on experience in environmental practice. In the **Government Law Clinic**, you can work and learn at a Bay Area City Attorney’s Office, County Counsel’s office, or State or Federal government entity while being supported by your professor and peers in the clinic’s course component. For more information on these field placement programs, go to the Clinical Programs’ Sharknet page and follow the link to placement possibilities and application information. The application deadlines vary, but several are in October. **Offered Spring 2027.**

Interested in gaining lawyering experience under the supervision of full-time clinical faculty, practicing attorneys, and/or judges committed to your professional development? One or more of our clinical or externship courses will be right for you!

Immigrants’ Rights Clinic students work directly with clients facing immigration problems, including defense against removal proceedings, asylum, non-immigrant and immigrant visas, and citizenship questions. Students may also participate in policy reform projects on immigration and related issues. Depending on the semester, some or all students will work in-house to provide defense against removal for clients whose 4th Amendment rights have been violated by ICE. Apply using the Common Clinic Application. **Offered Spring and Fall 2027.**

Students in the **Individual Representation Clinic** assume full responsibility for litigating on behalf of low- and moderate-income clients, handling cases from start to finish, i.e., from the initial client interview through administrative or court hearings, negotiated settlements, or trial. In the Employment area, students represent clients in administrative actions at the Labor Commissioner and/or in de novo trials of wage and hour claims in Superior Court, as well as other employment-related proceedings. In the Health area, students represent clients seeking Social Security disability insurance in federal administrative proceedings. In the Clean Slate practice, students help clients dismiss criminal convictions. Students learn interviewing, counseling, case planning, fact investigation, managing experts, case theory development, cross-cultural interaction, negotiation, witness examination, and written and oral argument. In addition to case-related work, students meet twice weekly in a seminar where they learn, in the context of their cases, the necessary substantive law and lawyering skills. A major course objective is to help students be self-reflective about lawyering so that they can develop their own vision of the lawyer they will strive to become. Apply using the Common Clinic Application. **Offered Spring and Fall 2027.**

The **Lawyering for Children Practicum** provides students with lawyering skills, substantive legal knowledge and training in non-legal areas such as child development and trauma to prepare them to be excellent attorneys for children and youth. Students work at Legal Services for Children (LSC) under the supervision of its staff attorneys on client matters and take a weekly seminar taught by experienced attorneys at LSC. Apply using the Common Clinic Application. **Offered Fall 2027.**

Interested in law, public policy, and politics? Consider enrolling in the **Legislation Clinic** and working at the Capitol in Sacramento for the Legislature for 24, 32 or 40 hours per week (6/8/10 units). Students are placed with a member of the Legislature, a legislative committee, in a subject area of the students’ interest, or with the Legislative Counsel, to learn first-hand about the statutory law-making process. The clinic also focuses on the practice skills of legal writing, negotiation, and advocacy. Students take a companion seminar. Go to the Clinical Programs’ Sharknet page for more information and application information. **Offered Spring 2027.**

In the **Low-Income Taxpayer Clinic**, students take lead responsibility to directly represent *low-income taxpayers* with tax controversies with the Internal Revenue Service (IRS) or the California Franchise Tax Board (FTB). Students will learn and practice *what it means to be a client-centered lawyer* in the tax system by taking responsibility for *all aspects of their cases*. In addition to learning the substantive and procedural tax law necessary to represent their clients, students will learn lawyering skills applicable across numerous practice areas, including client interviewing and counseling, fact-finding, case research and development, and written, and oral advocacy before the administrative bodies of IRS and FTB, and, occasionally, the U.S. Tax Court or other federal courts. Apply using the Common Clinic Application. **Offered Spring and Fall 2027.**

Mediation Clinic – Want to hone your public speaking and conflict resolution skills while helping people resolve ongoing disputes? Join the Mediation Clinic and serve as a neutral third party for local county Small Claims Courts and the City. County agencies. Working in two -person teams under faculty supervision, students mediate a wide variety of civil cases, including landlord-tenant, creditor-debtor, commercial, consumer, property, and auto accidents. Through the Clinic’s partnerships with the SF Human Rights Commission, students mediate discrimination complaints in housing, employment, and public accommodations. To prepare for this fieldwork, students learn relevant law and procedure, receive extensive training in mediation theories and techniques, apply bias reduction strategies, and analyze ethical, policy, and practice issues in the twice-weekly seminar. Mediators engage in thorough debriefing sessions, write reflections papers, and receive detailed feedback from faculty and classmates. Students also shadow professional mediators. Apply using the Common Clinic Application. **Offered Spring and Fall 2027.**

Most UC Law students take at least one clinic or externship to meet their experiential requirement!

Come experience why our clinics are nationally renowned and beloved by students!

Recent Clinic Student and Case Exemplars

Immigrants' Rights Clinic

The Clinic started in Fall 2025 and has so far helped secure the release of 16 clients from custody. One client they helped was a resident of Sebastopol and an asylum seeker from China. He was arrested at his regularly scheduled ICE check-in. ICE refused to tell him why. He suffered in detention at California City, where guards discriminated against him because of his race — in addition to the other indignities of being detained. Students worked on all aspects of this case, from intake and factual development to brief writing.

Individual Representation Clinic

Two students were assigned a client who had a state administrative hearing at the California Labor Commissioner's office three weeks later. They represented a non-English speaking prep cook who had worked for 14 years at a national restaurant chain. With the help of a gifted and committed student interpreter, the students successfully prepared for the hearing, developing a precise and detailed theory on why their client was owed vacation wages and off the clock time. Their mastery of the evidence and law resulted in victory after a two-day hearing.

Mediation Clinic

Teams of two students co-mediate cases for the San Mateo and San Francisco Superior Courts' Small Claims Court divisions. One case that they mediated last term involved a longstanding landlord tenant dispute that was set for hearing the same day as the mediation. The students first helped educate the parties on why mediation may be more helpful for their interests than submitting their case to a judge. Then they successfully resolved the case using a combination of joint and caucused sessions and drafted the settlement agreement. The case helped save judicial resources.

Refugee & Human Rights Clinic

A team of three students represented a Honduran survivor of multiple forms of gender-based violence in her application for asylum. As a child, the client was beaten and raped. As an adult, she had three separate abusive partners. Her last partner beat her, burned her with cigarettes, and threatened to kill her. She fled while pregnant to save her unborn child. Students filed the client's asylum application and supporting documents, prepared her for her interview, and attended the interview at the Asylum Office. She was granted asylum, has applied for her green card, and was able to bring her children to the United States.

Report 5.2.4 – Centers

By Provost & Academic Dean Morris Ratner

Since 2020, the College has expanded the number of research and programmatic centers to implement the 2020 Operational Strategic Plan. Most recently, as described in prior reporting, the College created two new nonstate funded centers, the Center for Constitutional Democracy¹ and the Criminal Justice Center and Habeas Institute.² The full list of centers is posted on the external website.³

Each year, the College's research and programmatic centers prepare annual reports describing the prior year's accomplishments. For centers that were active all last year, annual reports for the 2025-2026 academic year are posted on the virtual bookshelf on the external website.⁴ In lieu of attaching those reports, we provide a link so that interested Board members can review the centers' reports at their leisure. Prior-year reports are posted on the same page.

Centers and programs advance the College's mission by building community; creating capacity for additional research, teaching, and public service; and connecting faculty, students, alumni, and the wider community that we serve. They are, in short, amplifiers and connectors.

¹ See <https://www.uclawsf.edu/center-for-constitutional-democracy/>.

² See <https://www.uclawsf.edu/academics/centers/criminal-justice-center/>.

³ See <https://www.uclawsf.edu/academics/centers/>.

⁴ *Id.*

Report 5.2.5 – FY26 Grants Report

By Director of the Office of Sponsored Projects Yael Nadel-Cadaxa

Attached please find fiscal year 2026 summary grants reporting by UC Law SF's Director of the Office of Sponsored Projects Yael Nadel-Cadaxa.

MEMORANDUM

To: Provost & Academic Dean Morris Ratner
Cc: Associate Dean for Research Dave Owen
From: Office of Sponsored Projects Director Yael Nadel-Cadaxa
Date: September 2, 2026
Re: Sponsored Project Funding Report for Fiscal Year 2026

I. Background

Securing funding from third-party sponsors (separate from, and in addition, to annual state appropriations and student tuition) to support research, programs, and other scholarly activities (hereinafter, collectively referred to as “sponsored projects”) is an important part of UC Law SF’s effort to advance the research and public service elements of its mission. This memo describes such third-party funding in the most recent fiscal year (FY) and in prior years, disaggregates funding by sources and recipients, and analyses funding trends over time. The memo is part of annual reporting by the Office of Sponsored Projects (OSP), established by the Provost & Academic Dean to support the academic program and provide administrative support and guidance to UC Law SF faculty and staff in their pursuit of federal, state, local, and private funding for research, instruction, and public service-related grants, contracts, and other externally sponsored projects.¹

In furtherance of this role and in collaboration with the Office of Fiscal Services, OSP conducts annual analyses of third-party funding received by the College and tracks progress supporting and expanding sponsored projects over time. The analysis identifies the specific revenue codes/types constituting external funding for research and other scholarly projects and then categorizes and quantifies the various sources and recipients of funding.²

¹ While the sponsored project funding reporting provided by OSP is separate from the third-party funding reporting provided by Advancement, we note the potential for overlap between the two offices’ reports, particularly for funding routed through the UC Law SF Foundation. For example, a gift received by the UC Law SF Foundation from an individual donor that was designated to support a faculty research project would be reported as sponsored project funding by OSP as its purpose and use would be supporting faculty research; the gift would also be reported as revenue by Advancement as the funding came as a gift from an individual and was routed through the UC Law SF Foundation. With the potential for overlap noted, OSP and Advancement funding reports should be viewed as complementary snapshots of the College’s third-party fundraising efforts.

² Given the multitude of revenue codes/types within the General Ledger (GL) Chart of Accounts and variation over time in the categorization of external funding for sponsored projects, the analysis required judgment calls to define “sponsored project funding.” OSP & Fiscal are confident that the results of the analyses are accurate and form a sound basis for analyzing historical and future trends in sponsored project funding. Further details on the definitions of and distinctions between revenue codes/types including in this analysis are provided in Appendix B.

This memo builds on prior analyses covering FY2017-FY2025 and incorporates the most recent data from FY2026, providing a detailed picture of sponsored project funding trends over the past 10 FYs. The overall results of the FY2026 year-end analysis are summarized in narrative form below, with the dollar amounts and percentages listed as approximations for ease of review; more precise figures are provided in the tables and charts in Appendix A. Additional details on the methodology of the analysis and different types of revenue categorized as “sponsored project funding” are included in Appendix B.³

II. FY2017-FY2026 Overall Funding Summary

Total Funding

Total sponsored project funding recorded across FY2017-FY2026 was \$68.66M and average annual funding across FY2017-FY2026 was \$6.87M/year. The growth in revenue over the last 5 FYs (versus the first 5 FYs in the analysis) is notable: average annual funding increased from \$4.55M/year in FY2017-FY2021 to over \$9.18M/year in FY2022-FY2026 (an increase of over 100% in average annual funding in the most recent 5 FYs compared to the immediately preceding 5 FYs).

Sources of Funding

During the period FY2017-FY2026 and consistent with prior analyses, the largest share of funding over the last 10 FYs came from private (non-governmental) sponsors (\$50.4M / 79.1% of total funding). The two largest private sources were private grants/contracts (\$23.88M / 34.8% of total funding) and non-exchange grants⁴ (\$17.01M / 24.8% of total funding), with the next largest private source of funding being gifts/donations (\$9.55M / 13.9% of total funding). All governmental funding constituted a much smaller share of total funding (\$13.2M / 18.6% of total funding), which was composed of state grants/contracts (\$6.21M / 9.0% of total funding), federal grants/contracts (\$4.94M / 7.2% of total funding), city/county grants/contracts (\$2.04M / 3.0% of total funding). The remaining share of funding came from a mix of

³ For the purposes of the analyses, “sponsored project funding” includes only revenue recorded for a given FY, which does not necessarily equate with total award amounts or total revenue received in each FY and does not include unspent revenue on open grants/contracts. For example, if a multi-year, \$1M grant was awarded in FY2026, but only \$500K in revenue was received in FY2026 and only \$400K in expenses were incurred in FY2026, the “sponsored project funding” for that grant in FY2026 would be recorded in the analysis as \$400K. The remaining \$100K in revenue received (but not spent) in FY2026, would be recorded in the FY in which the funds were spent. Similarly, the remaining \$500K in funding (out of the \$1 million total grant) would be recorded in future FYs, once the revenue was received *and* spent. For grants/contracts where the grantor/funder restricts the use of the funds to specific purposes, any revenue received that remains unspent when the grant/contract ends is returned to the grantor/funder and thus not recorded as revenue (absent approval by the grantor/funder to reallocate the funds to other purposes). For grants/contracts where use of the funds is unrestricted (e.g., general operating grants), any revenue received that remains unspent when the grant/contract ends is recorded in that FY.

⁴ “Non-exchange grants” are classified as revenue provided to the UC Law SF Foundation in the form of gifts and donations specifically designated for use by research and programmatic centers and individual faculty, which is then transferred to the College for use by those centers/faculty. While this revenue is often provided through “grant awards” or “grant agreements,” acceptance of these funds does not create an “exchange relationship” – i.e., the College is not obligated to provide any specific benefit or service to the donor and only minimal restrictions are placed on use of funds.

other smaller sources (i.e., fee-for-service contracts, investment income, conference fees, dues/membership fees, and other sources, referred to hereinafter collectively as “other sources” of funding) (\$5.03M / 7.3% of total funding).

Recipients of Funding

Consistent with prior analyses, the College administrative unit with the most total funding over the past 10 FYs was the Center for Gender and Refugee Studies (CGRS) (\$25.52M / 37.2% of total funding), followed next by the UCSF/UC Law SF Consortium on Law, Science & Health Policy (the “Consortium”) (\$14.03M / 20.4% of total funding). With a near equal share as the Consortium, when viewed together, was the Center for WorkLife Law and its later iterations⁵ (\$13.66M combined / 19.9% of total funding), which when viewed separately breaks down into the Center for WorkLife Law that operated from FY2017-FY2024 (“WLL-Legacy”) (\$9.3M / 13.6% of total funding), the Center for WorkLife Law established in FY2025 (“WLL-Successor”) (\$2.91M / 4.2% of total funding), and the Equality Action Center (EAC) (\$1.44M / 2.1% of total funding). Rounding out the major recipients of funding is the Center for Innovation (C4i) (\$8.19M / 11.9% of total funding), followed by all other centers/faculty (\$7.25M combined / 10.6% of total funding).

III. FY2026-Specific Funding Summary & Recent Trends

This section focuses on FY2026 and recent trends.

Total Funding

Total sponsored project funding recorded in FY2026 was \$9.71M, which was slightly lower than FY2025 (-\$149K / -1.5% below FY2025) but substantially higher than both FY2024 (+\$2.41M / +33% over FY2024) and FY2023 (+\$578K / +6.3% over FY2024), and only slightly lower than the College’s all-time record funding level from FY2022 (-\$191K / -1.9% below FY2022). Despite the modest decline from the highs of FY2022 and FY2025, the near-record funding in FY2026 boosted our average annual funding over the last 10 FYs to \$6.89M/year (+\$316K / +4.8% over the average annual funding in the 9 FYs prior to FY2026).

Sources of Funding

Consistent with patterns across the last 10 FYs, the largest share of funding in FY2026 came from private (non-governmental) sources, with the largest share coming from private grants/contracts (\$2.92M / 30% of FY2026 funding), followed closely by non-exchange grants (\$2.67M / 27.5% of FY2026 funding) and gifts/donations (\$2.09M / 21.5% of FY2026 funding). A smaller share, than any of those three private sources individually, came from all government sources (\$1.80M combined / 18.6% of FY2026 funding), composed of federal grants/contracts (\$704K / 7.2% of FY2026 funding), city/county grants/contracts (\$575K / 5.9% of FY2026 funding), and state

⁵ In FY2025, the Center for WorkLife Law (WLL) split into two separate centers – a “new” Center for WorkLife Law, led by co-Directors Elizabeth Morris and Jessica Lee, and Equality Action Center (EAC), led by Director Joan Williams. For purposes of this analysis, the center that operated from FY2017-FY2024 is referred to as “WLL-Legacy” and the “new” Center for WorkLife Law formed in FY2025 is referred to as “WLL-Successor”, and each of those centers is treated separately from EAC.

grants/contracts (\$523K / 5.4% of FY2026 funding). The remainder of funding came from the mix of other sources (\$231K / 2.4% of FY2026 funding).

Looking to recent trends among the various sources of sponsored project funding, FY2026 saw a redistribution of funding across categories. On the negative end, FY2026 saw notable declines in federal funding (-\$794K / -53.0% vs. FY2025) and other sources of funding (-\$516K / -69.1% vs. FY2025), along with a modest decline in city/county grants/contracts (-\$105K / -15.4% vs. FY2025). Those decreases were largely offset by increases in funding from private sources, as well as certain governmental sources: state grants/contracts increased substantially (+\$359K / +220% vs. FY2025), while gifts/donations (+\$426K / +25.6% vs. FY2025), private grants/contracts (+\$297K / +11.3% vs. FY2025), and non-exchange grants (+\$184K / +7.4% vs. FY2025) all saw more modest increases in FY2026. Taken together, these shifts resulted in a minor decline in overall funding and a continuation of prior trends with private sources of funding far exceeding governmental sources.

Recipients of Funding

Consistent with prior FYs, CGRS remained by far the largest individual recipient of funding (\$3.68M / 37.9% of FY2026 funding). The two next largest recipients, with nearly equal levels of funding, were WLL-Successor (\$1.73M / 17.8% of FY2026 funding) and all other centers/faculty (\$1.68M combined / 17% of FY2026 funding), followed closely by C4i (\$1.28M / 13% of FY2026 funding), the Consortium (\$988K / 10.2% of FY2026 funding), and finally EAC (\$351K / 3.6% of FY2026 funding).

FY2026 also reflected a notable redistribution across recipients. On the very positive end, WLL-Successor experienced the largest funding increase in FY2026 (+\$547K / +46.4% vs. FY2025), followed closely by the combination of all other centers/faculty not otherwise separately categorized (+\$512K / +43.9% vs. FY2025). By contrast, EAC's funding declined substantially from FY2025 (-\$739K / -67.7% vs. FY2025), while CGRS (-\$332K / -8.3% vs. FY2025) and C4i (-\$131K / -9.2%) experienced more modest declines, and the Consortium's funding remained largely unchanged. Despite these shifts, funding remained broadly distributed across multiple centers and programs, reflecting the continued fundraising strength of the College major research centers and the increasing diversity of the College's sponsored project portfolio.

IV. Analysis and Conclusions

Total Funding

Focusing initially on the raw data, FY2026 was another strong year overall for sponsored project funding at the College. Although total funding declined modestly relative to FY2025, the decrease was small in both absolute (-\$149K vs. FY2025) and percentage terms (-1.5% vs. FY2025) and should be viewed within the broader context of the institution's long-term growth in externally funded activity.

Viewed over a longer time horizon, the FY2026 results demonstrate the remarkable growth that has occurred in the College's sponsored project portfolio over the past decade. While average annual funding in the first 5 FYs of the analysis (FY2017-FY2021)

was only \$4.56M, average annual funding during the most recent 5 FYs (FY2022-FY2026) increased to \$9.18M, an increase of over 100% in annual funding. This sustained increase reflects the increasing capacity of the College's centers, faculty, and staff to secure and manage externally funded projects and a maturation of our sponsored project program.

Sources of Funding

The most significant finding emerging from the FY2026 analysis is the extent to which UC Law SF successfully absorbed substantial reductions in federal funding while maintaining stable overall funding levels. Federal grants/contracts declined by over 53% compared with FY2025. Under many circumstances (and at many institutions), a reduction of that magnitude would have resulted in a substantial decrease in overall sponsored project funding. Instead, increases in private grants/contracts, gifts/donations, non-exchange grants, and state grants/contracts largely offset declines in federal and other sources of funding, resulting in only a modest change in the College's total funding.

FY2026 also marked another significant milestone in the growth of philanthropic support. Combined, gifts/donations and non-exchange grants generated nearly \$4.76M, representing nearly one-half of all sponsored project funding in FY2026.

Gifts/donations alone exceeded \$2M, by far the highest level recorded over the last 10 FYs. Further, FY2026 saw the College's private grant/contract funding nearly eclipse the \$3M threshold, continuing a trend over the last 6 FYs of private grants/contracts constituting the single largest source of sponsored project funding. These continued successes suggest that private foundations, nonprofits, and individual donors continue to value the College's research centers and public-service initiatives and continue to provide critical support for mission-driven activities that may not fit neatly within traditional government-sponsored funding models.

This also highlights an increasingly important characteristic of the College's funding portfolio: diversification. Our external funding base is significantly broader today than it was a decade ago. While government funding continues to play an important role, the lion's share of sponsored project activity at the College is supported by private foundations, nonprofit organizations, donor-advised funds, corporate sponsors, and individual donors. The continued growth we've seen from multiple funding sources is helping to reduce the College's dependence on any single funding source and enhancing our ability to adapt to fluctuations in sponsor priorities and funding availability, particularly important in the context of a diminished and uncertain federal funding landscape.

Recipients of Funding

The FY2026 results also demonstrate the breadth of externally funded activity occurring throughout the College. While CGRS again remained the largest recipient of external funding, WLL-Successor's maturation in FY2026 saw it record the highest annual funding of any center other than CGRS and the Consortium over the previous 10 FYs. At the same time, funding for all other centers and unaffiliated faculty continued to expand, nearly matching WLL-Successor's funding levels in FY2026 and substantially

exceeding the prior record high for this group of recipients. Further, while C4i and the Consortium did not see similarly positive funding growth this FY, the declines they saw were relatively modest and both remain focused on expanding their sponsored project activity in future years. Finally, while EAC saw a substantial decline in funding in FY2026 and is transitioning to a more limited activity model, the overall growth and increasingly broad distribution of funding among multiple centers and programs reduces the College's dependence on any single research center and reflects the diversity of the College's faculty and centers and the scholarly, policy, and public-service activities they are working to advance.

Opportunities and Challenges Ahead

Ultimately, the FY2026 results demonstrate the strength and resilience of the institution's sponsored project program. Although the FY was characterized by meaningful changes in the composition of funding, most notably the substantial decline in federal funding, overall sponsored project funding remained near historic highs and significantly exceeded the levels observed throughout most of the last 10 FYs. The ability to sustain funding at these levels in the face of an ever-changing funding landscape represents a notable institutional achievement.

At the same time, the FY2026 results should not be interpreted as a guarantee of future funding growth, and the broader funding landscape remains fluid. Federal agencies continue to operate within an uncertain policy environment, competition for government-sponsored funding is increasingly intense, and many institutions are seeking alternative funding sources to compensate for real or anticipated reductions in federal support. In addition, philanthropic giving and foundation priorities are constantly shifting and competition for non-governmental funding will undoubtedly become more intense as federal funding becomes increasingly scarce, creating uncertainty for organizations (including the College) that rely heavily on non-governmental support.

These developments create both challenges and opportunities for the College. Centers and faculty that rely more heavily on federal funding will continue to face heightened competition and uncertainty regarding future awards.⁶ Conversely, the College's strong

⁶ Multiple centers are particularly exposed to shifts in federal funding, particularly: Consortium, which currently holds subawards under research grants from the Department of Health and Human Services (HHS) and has historically relied on federal funding to partially support its staff and operations; CGRS, which recently lost a large subaward under an immigration contract from HHS and has a long history of federal grants and contracts work; Tax Law Center, which holds a large Internal Revenue Service (IRS) grant that funds a 1.0 FTE position; International Development Law Center, which has relied almost exclusively on federal grants to support its international programs and once held multiple Department of State (DOS) grants, but has since seen the DOS grants program it mainly relied on substantially scaled back and in some cases eliminated entirely. Individual faculty are also potentially exposed to shifts on the federal, for example: Prof. Benjamin Barsky both currently holds and continues to apply for subawards under HHS grants; Professor & Academic Dean Dave Owen previously held a subaward under an EPA grant; Professor Blaine Bookey currently holds a grant from the DOS, which is funding a legal education project in Haiti. For these centers and faculty, the concern is not simply about existing grants/subawards, concern is about the future – will these and similar grants programs and the agencies that manage them continue to support research and scholarship at universities and, if they don't, how will they adapt to a landscape of diminished federal funding and support.

relationships with foundations, nonprofit organizations, individual donors, and other non-governmental sponsors position us favorably relative to institutions that depend more heavily on federal funding.

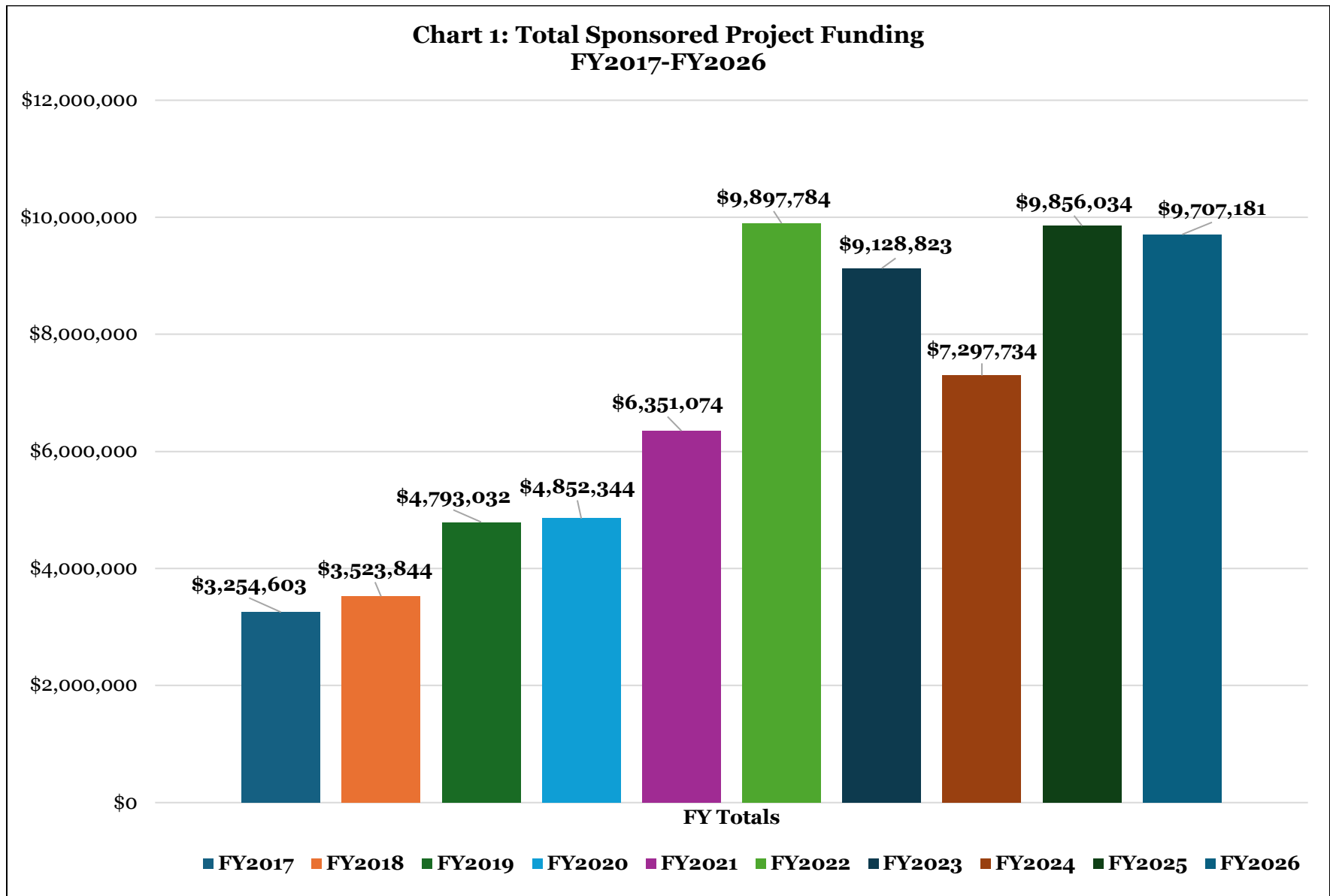
Looking ahead, continued sponsored project funding growth will depend on multiple interconnected factors: maintaining a broad base of funding sources by sustaining strong relationships with governmental funders, foundations, nonprofit organizations, corporate sponsors, and individual donors; encouraging increased engagement by both individual faculty and smaller, maturing centers in sponsored projects; providing robust support and institutional flexibility for larger, well-established centers to continue to expand their work; and, continuing to invest in the infrastructure supporting all centers, faculty, and staff pursuing external funding opportunities.

In sum, while year-over-year fluctuations in funding are inevitable, FY2026 was a very successful year for the College's sponsored projects program and the overall trajectory remains very encouraging. As the FY2026 results show, the College enters FY2027 with a sponsored project portfolio that is growing, diversified, and resilient and, regardless of where the wind blows in the funding landscape, the College and its Office of Sponsored Projects will remain dedicated to supporting its faculty, staff, and research centers and advancing research and scholarship in higher education more broadly.⁷

⁷ UC Law SF community members interested in exploring the possibility of grant or other third-party funding for research, public service, or programmatic efforts should contact OSP: osp@uclawsf.edu. Community members seeking information about grants support available at the College and through OSP should visit the [OSP Sharknet page](#).

Appendix A: Tables and Charts

Table 1: Total Sponsored Project Funding (Total \$) FY2017 - FY2026			
FY	Funding	% of Total	Variance from Prior FY
2017	\$3,254,603	4.7%	N/A
2018	\$3,523,844	5.1%	+\$269,241 (+8.3%)
2019	\$4,793,032	7.0%	+\$1,269,188 (+36.0%)
2020	\$4,852,344	7.1%	+\$59,312 (+1.2%)
2021	\$6,351,074	9.2%	+\$1,498,730 (+30.9%)
2022	\$9,897,784	14.4%	+\$3,546,710 (+55.8%)
2023	\$9,128,823	13.3%	-\$768,961 (-7.8%)
2024	\$7,297,734	10.6%	-1,831,089 (-20.1%)
2025	\$9,856,034	14.4%	+\$2,558,300 (+35.1%)
2026	\$9,707,181	14.1%	-\$148,853 (-1.5%)
Total Funding	\$68,662,452	100%	
Average Annual Funding	\$6,866,245		



**Table 2: Sponsored Project Funding by Source (Total \$)
FY2017 - FY2026**

FY	Federal	State	City	Private	Non-Exchange	Gift	Other Sources	TOTAL
2017	\$539,098	\$110,450	\$0	\$1,162,007	\$628,301	\$319,456	\$495,292	\$3,254,603
2018	\$360,641	\$0	\$0	\$1,175,336	\$1,088,524	\$454,958	\$444,386	\$3,523,844
2019	\$133,779	\$0	\$0	\$1,794,870	\$1,467,748	\$702,430	\$694,206	\$4,793,032
2020	\$62,673	\$112,395	\$137,493	\$2,040,363	\$1,602,977	\$527,482	\$368,961	\$4,852,344
2021	\$93,480	\$0	\$154,392	\$3,203,784	\$1,531,037	\$810,311	\$558,070	\$6,351,074
2022	\$249,117	\$2,217,892	\$153,793	\$2,956,160	\$2,529,423	\$1,184,684	\$606,715	\$9,897,784
2023	\$523,038	\$2,549,912	\$167,810	\$3,340,681	\$1,314,103	\$809,746	\$423,534	\$9,128,823
2024	\$774,768	\$536,472	\$173,011	\$2,675,091	\$1,681,028	\$996,887	\$460,477	\$7,297,734
2025	\$1,497,091	\$163,364	\$680,567	\$2,619,111	\$2,489,033	\$1,660,180	\$746,689	\$9,856,034
2026	\$703,069	\$522,697	\$575,279	\$2,916,457	\$2,672,907	\$2,085,909	\$230,593	\$9,707,181
TOTAL	\$4,936,753	\$6,213,451	\$2,042,345	\$23,883,858	\$17,005,079	\$9,552,044	\$5,028,922	\$68,662,452
AVG	\$493,675	\$621,345	\$204,235	\$2,388,386	\$1,700,508	\$955,204	\$502,892	\$6,866,245

Table 3: Sponsored Project Funding by Source (% of Total)¹ FY2017 - FY2026							
FY	Federal	State	City	Private	Non-Exchange	Gift	Other Sources
2017	16.6%	3.4%	0.0%	35.7%	19.3%	9.8%	15.2%
2018	10.2%	0.0%	0.0%	33.4%	30.9%	12.9%	12.6%
2019	2.8%	0.0%	0.0%	37.4%	30.6%	14.7%	14.5%
2020	1.3%	2.3%	2.8%	42.0%	33.0%	10.9%	7.6%
2021	1.5%	0.0%	2.4%	50.4%	24.1%	12.8%	8.8%
2022	2.5%	22.4%	1.6%	29.9%	25.6%	12.0%	6.1%
2023	5.7%	27.9%	1.8%	36.6%	14.4%	8.9%	4.6%
2024	10.6%	7.4%	2.4%	36.7%	23.0%	13.7%	6.3%
2025	15.2%	1.7%	6.9%	26.6%	25.3%	16.8%	7.6%
2026	7.2%	5.4%	5.9%	30.0%	27.5%	21.5%	2.4%
% of FY2017-FY2026 Total	7.2%	9.0%	3.0%	34.8%	24.8%	13.9%	7.3%

¹ This table details the total sponsored project funding recorded in each source category as a percentage of total sponsored project funding in each individual FY and across all of FY2017-FY2026.

**Chart 2: Sponsored Project Funding by Source (Total \$)
FY2017 - FY2026**

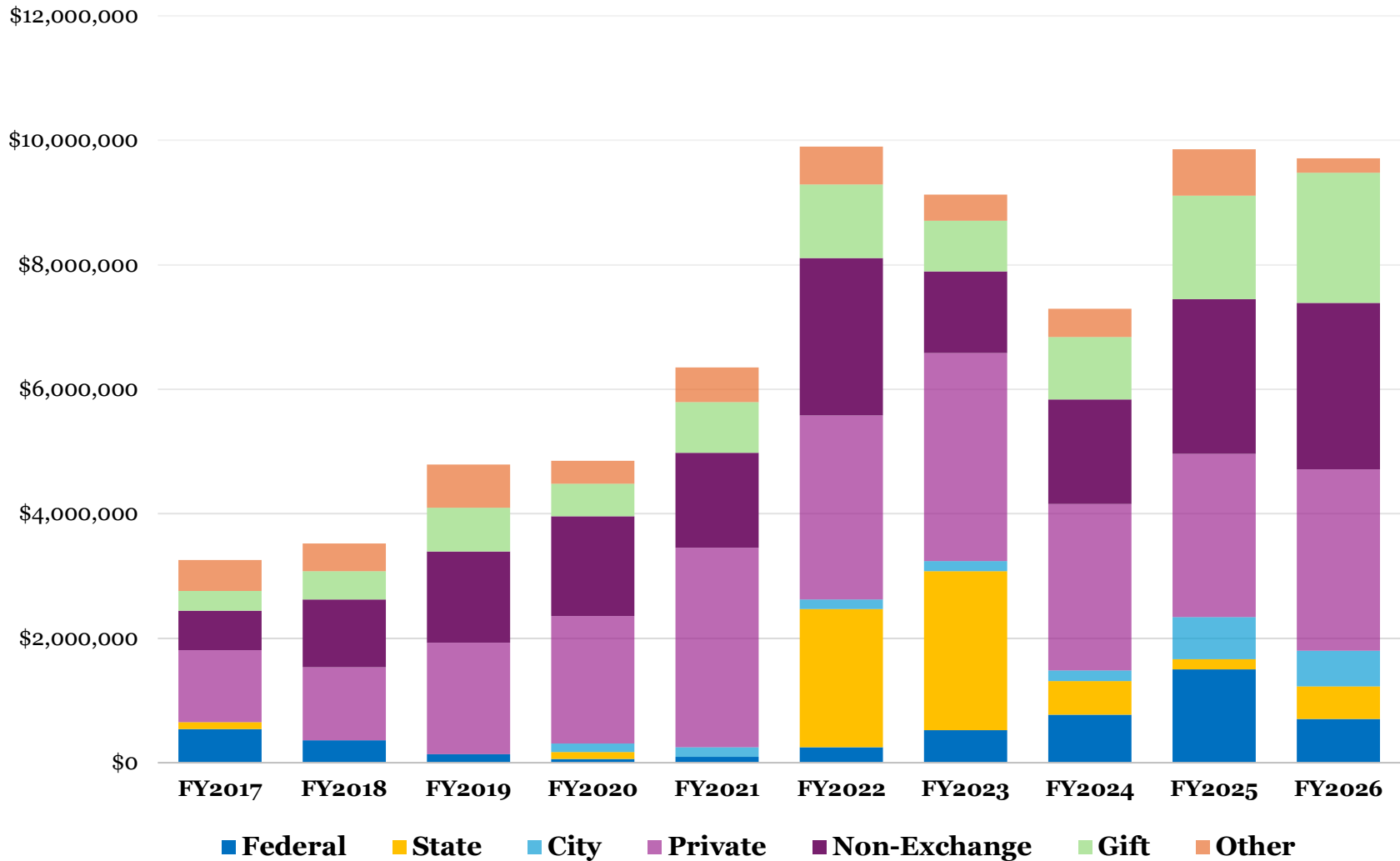


Table 4: Sponsored Project Funding by Recipient (Total \$) FY2017 - FY2026								
FY	CGRS ²	Consortium ³	C4i ⁴	WLL- Legacy ⁵	WLL- Successor	EAC	Others	TOTAL
2017	\$1,182,748	\$511,205	\$200,129	\$1,334,607	-	-	\$25,913	\$3,254,603
2018	\$1,539,184	\$397,619	\$534,680	\$754,296	-	-	\$298,065	\$3,523,844
2019	\$2,231,190	\$534,098	\$292,601	\$1,277,851	-	-	\$457,291	\$4,793,032
2020	\$2,414,809	\$1,007,683	\$484,742	\$804,168	-	-	\$140,943	\$4,852,344
2021	\$2,420,004	\$1,129,423	\$1,105,909	\$1,243,733	-	-	\$452,005	\$6,351,074
2022	\$2,842,995	\$3,655,056	\$980,842	\$1,414,089	-	-	\$1,004,803	\$9,897,784
2023	\$2,441,867	\$3,349,646	\$886,356	\$1,320,439	-	-	\$1,130,515	\$9,128,823
2024	\$2,759,331	\$1,466,787	\$1,009,772	\$1,164,576	-	-	\$897,268	\$7,297,734
2025	\$4,010,855	\$994,270	\$1,415,073	-	\$1,180,294	\$1,090,359	\$1,165,182	\$9,856,034
2026	\$3,678,710	\$987,764	\$1,284,512		\$1,727,756	\$351,477	\$1,676,962	\$9,707,181
TOTAL	\$25,521,692	\$14,033,551	\$8,194,617	\$9,313,760	\$2,908,051	\$1,441,836	\$7,248,946	\$68,662,452
AVG	\$2,552,169	\$1,403,355	\$819,462	\$1,164,220	\$1,454,025	\$720,918	\$724,895	\$6,866,245

² The Center for Gender and Refugee Studies, led by Executive Director Karen Musalo.

³ The UCSF/UC Law SF Consortium on Law, Science & Health Policy, led by Executive Director Sarah Hooper.

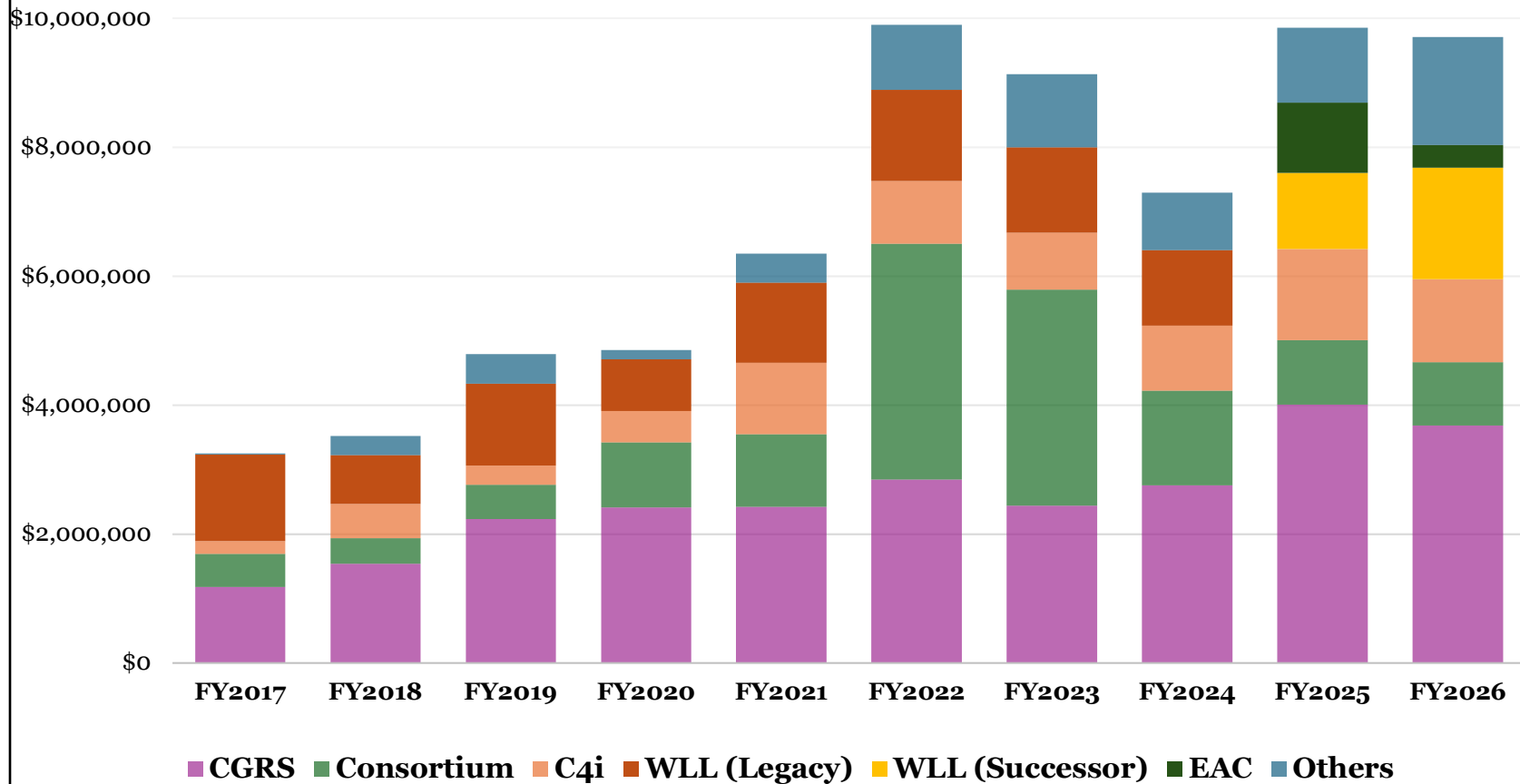
⁴ The Center for Innovation, led by Director Robin Feldman.

⁵ In FY2025, the Center for WorkLife Law (WLL) split into two separate centers – a “new” Center for WorkLife Law, led by co-Directors Elizabeth Morris and Jessica Lee, and Equality Action Center (EAC), led by Director Joan Williams. For purposes of this analysis, the center that existed from FY2017-FY2024 is referred to as “WLL-Legacy” and the “new” Center for WorkLife Law formed in FY2025 is referred to as “WLL-Successor”.

Table 5: Sponsored Project Funding by Recipient (% of Total)⁶ FY2017 - FY2026							
FY	CGRS	Consortium	C4i	WLL- Legacy	WLL- Successor	EAC	Others
2017	36.3%	15.7%	6.1%	41.0%	-	-	0.8%
2018	43.7%	11.3%	15.2%	21.4%	-	-	8.5%
2019	46.6%	11.1%	6.1%	26.7%	-	-	9.5%
2020	49.8%	20.8%	10.0%	16.6%	-	-	2.9%
2021	38.1%	17.8%	17.4%	19.6%	-	-	7.1%
2022	28.7%	36.9%	9.9%	14.3%	-	-	10.2%
2023	26.7%	36.7%	9.7%	14.5%	-	-	12.4%
2024	37.8%	20.1%	13.8%	16.0%	-	-	12.3%
2025	40.7%	10.1%	14.4%	-	12.0%	11.1%	11.8%
2026	37.9%	10.2%	13.2%	-	17.8%	3.6%	17.3%
% of FY2017- FY2026 Total	37.2%	20.4%	11.9%	13.6%	4.2%	2.1%	10.6%

⁶ This table details the total sponsored project funding recorded by each recipient group as a percentage of total sponsored project funding in each individual FY and across all of FY2017-FY2026

**Chart 3: Sponsored Project Funding by Recipient (Total \$)
FY2017 - FY2026**



Appendix B:

Methodology for Categorization of Sponsored Project Funding

I. Categorization of Sponsored Project Funding by Source

Based on the categories outlined in the GL Chart of Accounts, along with the descriptions for those categories, OSP & Fiscal determined that the following revenue codes should be considered as “sources” of sponsored project funding:

- 4100 – Conference Fees
- 4105 – WLL & EAC Services
- 4200 – Federal Grants, Contracts, and Special Appropriations
- 4310 – State Grants, Contracts, and Special Appropriations
- 4352 – Gifts
- 4357 – Non-Exchange Grants
- 4360 – Private Grants & Contracts
- 4400 – Investment Income
- 4505 – SF City & County Grants, Contracts, and Special Appropriations
- 4540 – Dues & Membership Fees
- 4571 – Administrative Overhead (External)
- 4999 – Non-Mandatory Transfers from Other Funds

These revenue codes were designated as “sponsored project funding” given that, in all cases, external funds are being provided to the College (either directly or through the UC Law Foundation) in support of research and other scholarly projects, which would otherwise lack support through regular state and tuition funding mechanisms.

Codes 4100 (“Conference Fees”), 4400 (“Investment Income”), and 4540 (“Dues/Membership Fees”) are assigned to revenue allocated to various recipients and is included within “Other Sources” for the purposes of this analysis.

Code 4105 (“WLL & EAC Services”) is assigned to revenue allocated to the Center for WorkLife Law, including both the center that operated from FY2017-FY2024 (“WLL-Legacy”) and the “new” center established in FY2025 (“WLL-Successor”), and Equality Action Center (EAC) associated with fee-for-service activities and is included within “Other Sources” for the purposes of this analysis.

Code 4571 (“Administrative Overhead (External)”) is assigned to revenue from administrative overhead (“indirect costs”) billed under federal grant awards that is not already included under code 4200. In prior fiscal years, Fiscal separately categorized direct cost revenue and indirect cost revenue from federal grant awards. This practice and use of Code 4571 was discontinued in FY2021 and currently all direct and indirect cost revenue from federal grant awards is assigned code 4200. Codes 4200 and 4571 are included within “Federal Grants, Contracts, and Special Appropriations” for the purposes of this analysis.

Code 4352 (“Gifts”) is assigned to revenue received by the Foundation in the form of unilateral gifts/donations that is transferred to the College for general or specified uses. For the purposes of this analysis, OSP/Fiscal identified the specific accounts into which such revenue was allocated to support research and other scholarly projects. Specifically, OSP/Fiscal determined that, within code 4352, only revenue associated with centers and faculty engaging in research, programs, and other activities distinguishable from student instruction should be considered as “sponsored project” funding. Such funding is labelled as “Gifts” for the purposes of this analysis.

Code 4357 (“Non-Exchange Grants”) is assigned to revenue provided to the Foundation in the form of gifts/donations specifically intended for use by centers and faculty, which is then transferred to the College for use by those centers and faculty. While such gifts/donation are often provided through “grant awards” or “grant agreements,” acceptance of these funds does not create an “exchange” relationship, as the College is not obligated to provide any specific benefit or service to the donor and only minimal restrictions are placed on the use of such funds. Such funding is labelled “Non-Exchange Grants” for the purposes of this analysis.

Code 4999 (“Non-Mandatory Transfers from Other Funds”) is assigned to revenue transferred from existing externally funded accounts held by the College (which may include gifts/donations to the Foundation and revenue from other sources that is available for the general use of the College) to other accounts based on the intent of the sponsor or at the discretion of the fund’s controller. For the purposes of this analysis, OSP/Fiscal identified the specific accounts into which such revenue was allocated to support research and other scholarly activities and determined that, within code 4999, only transfers to established centers and faculty from gift/donation-funded accounts based on the specific intent of the sponsor should be considered as “sponsored project” funding. Such funding is included within “Gifts” for the purposes of this analysis.

II. Categorization of Sponsored Project Funding by Recipient

In addition to categorizing sponsored project funding by revenue code (as outlined above), OSP & Fiscal also categorized sponsored project funding by recipient, separating the six largest research centers from all other research and programmatic centers and individual faculty into the following seven recipient groups:

1. Center for Gender & Refugee Studies (CGRS)
2. UCSF/UC Law SF Consortium on Law, Science & Health Policy (“Consortium”)
3. Center for Innovation (C4i)
4. Center for WorkLife Law, operating from FY2017-FY2024 (“WLL-Legacy”)¹
5. Center for WorkLife Law, formed in FY2025 (“WLL-Successor”)

¹ In FY2025, the Center for WorkLife Law (WLL) split into two separate centers – a “new” Center for WorkLife Law, led by co-Directors Elizabeth Morris and Jessica Lee, and Equality Action Center (EAC), led by Director Joan Williams. For purposes of this analysis, the center that operated from FY2017-FY2024 is referred to as “WLL-Legacy” and the “new” Center for WorkLife Law formed in FY2025 is referred to as “WLL-Successor”, and each of those centers is treated separately from EAC.

6. Equality Action Center (EAC)²
7. Other research/programmatic centers and individual faculty unaffiliated with specific centers (“Others”)

² Given EAC’s shift to a more limited activity model and, thus, a reduction in the sponsored project funding it generates, OSP anticipates that future sponsored project funding reports will no longer separately track EAC’s funding. Rather, EAC will be included within the “other centers/faculty” category, along with all other smaller centers and unaffiliated faculty.

ACTION ITEM

- 1. REPORT BY:** Chair of the Finance Committee Chip Robertson
- 2. SUBJECT:** Core Operations – Proposed Budget for 2026-27
- 3. RECOMMENDATION:**

The Board of Directors approves the attached proposed Core Operations budget for fiscal year 2026-27. Fiscal details on significant elements of both the revenue and expense budgets for 2026-27 are presented below.

Overview

The 2026-27 Proposed Budget reflects a continued strengthening of the underlying operating revenue base and a disciplined approach to expenditure management. Total revenues are budgeted at \$103.5 million, \$4.1 million, or 4%, below 2025-26 preliminary year-end actuals. The decrease is primarily attributable to the absence of the \$12.3 million unrealized investment gain recognized in 2025-26. Excluding investment income and unrealized investment gains, proposed 2026-27 operating revenues at \$102.9 million increase by approximately \$8.2 million, or 9%, reflecting significant growth in recurring revenue sources, particularly tuition and related fees and state appropriations.

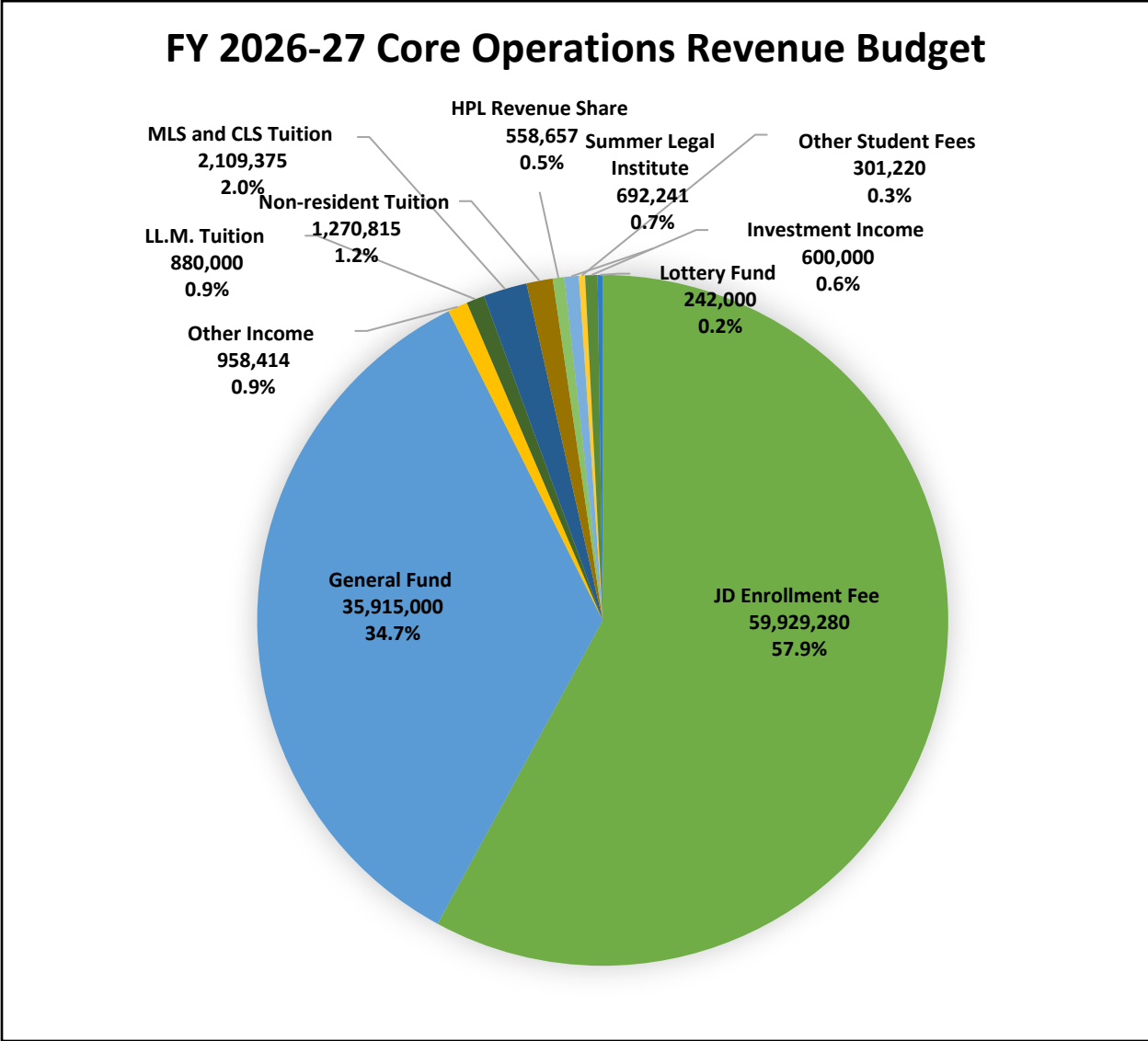
Total expenses are budgeted at \$103.3 million, \$9.0 million, or 8%, below 2025-26 preliminary year-end actual expenses. The decrease is primarily driven by a \$17.7 million reduction in transfers to other funds; significant treasury management initiatives were undertaken in 2025-26 including the defeasance of the Series 2017 bonds and the establishment of new policies governing reserve funds including a newly established Debt Management Fund. Excluding internal fund transfers, proposed 2026-27 operating expenses at \$93.2 million increase by approximately \$8.7 million, or 10%. This is primarily due salaries and wages, financial aid grants, technology, facilities, and selected professional and administrative services.

Overall, the 2026-27 Proposed Budget projects a positive operating result, generating \$9.6 million in operating income. Including \$600,000 in budgeted investment income, income before transfers is projected at \$10.2 million. After \$10.1 million in planned transfers to support debt service associated with the McAllister Tower building capital renovation project, an increase in net assets of approximately \$142,000 is projected. The proposed budget assumes no realized or unrealized investment gains and therefore reflects a conservative financial plan that relies primarily on recurring operating revenues to support ongoing operations. The proposed budget also reflects continued investment in personnel, student financial support, technology, and institutional infrastructure.

Revenues

The proposed budget continues to emphasize growth in core revenue sources, particularly tuition and related fees, which are projected to increase by \$7.1 million, or 12%, compared with preliminary 2025-

26 year-end actuals. State appropriations are also projected to increase by \$1.0 million, or 3%. These increases demonstrate continued growth in the institution's primary sources of operating revenue. The most significant portion of this revenue, \$59.9 million or 58%, is expected to come from JD Enrollment Fees (including Veteran fee waivers), followed by General Fund appropriations totaling \$35.9 million or 35%. Combined, these two sources account for over 93% of the total revenue budget. Additional revenue sources include nonresident tuition, tuition from LL.M., MLS, and CLS programs, the HPL Revenue Share, the Summer Legal Institute, minor contributions from other student fees, other miscellaneous income, and the State Lottery Fund.



- State Appropriations, General Fund**—General Fund support for operations in California’s Budget Act of 2026 is \$35.9 million, representing an increase of \$1 million or 3% over last year. The growth is attributed to the \$1 million in ongoing General Fund that shall be made available to support campus public safety and security programs. The pass-through General Fund support for rental payments on lease-revenue bonds for the 333 Golden Gate building continues at the adjusted amount for the current state debt service schedule, with a 2026-27 appropriation of \$3.1 million.

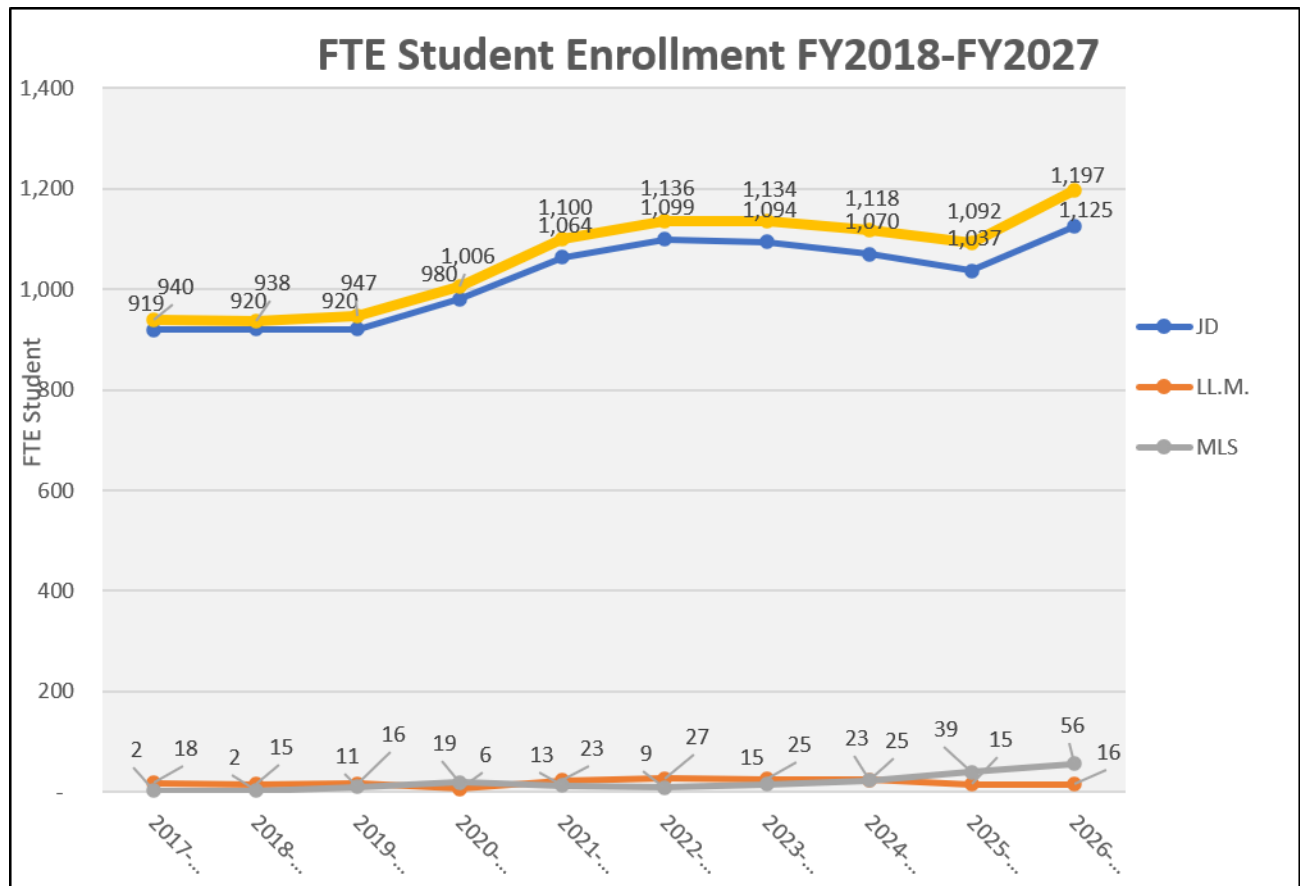
State of California Funding Appropriations				
Description	2025-26	2026-27*	\$ Change	% Change
Ongoing General Fund Support	24,836,000	25,836,000	1,000,000	4%
Ongoing GF for 100 McAllister Tower Building Capital Renovation Project Debt Service Support	10,079,000	10,079,000	-	0%
State General Fund Operations	\$34,915,000	\$35,915,000	\$ 1,000,000	3%
333 Golden Gate Rental Payments on Lease-revenue Bonds	3,090,000	3,109,000	19,000	1%
Total State General Fund Appropriation	\$38,005,000	\$39,024,000	\$ 1,019,000	3%

- **Tuition and Related Fees**—Tuition and related fees are projected at \$65.7 million, an increase of approximately \$7.1 million, or 12%, from the 2025-26 preliminary year-end actuals of \$58.7 million, largely attributable to fee increases and higher than anticipated first-year enrollment in the JD program. Overall, the projected increase in tuition and related fees represents the primary source of recurring revenue growth in the FY2026-27 Proposed Budget.
 - **JD Enrollment Fee**—The largest contributor to the increase is JD Enrollment Fee revenue, which is budgeted at \$61.5 million, approximately \$6.5 million, or 12%, above preliminary 2025-26 actuals, primarily driven by a 3% increase in the enrollment fee and an 8% increase in enrollment projections.
 - **Non-resident Tuition**—176,000, or a 16% increase in non-resident tuition, primarily driven by a 10% increase in the tuition rate and a 5% increase in enrollment projections.
 - **Veteran Fee Waivers**—Veteran Fee Waivers are budgeted at approximately \$1.6 million, reflecting a \$131,000 or 9% increase in the waiver amount compared with 2025-26 preliminary actuals and primarily driven by a 3% increase in the enrollment fee and a 6% increase in the number of veteran waiver projections.
 - **MLS and CLS Tuition**—The proposed budget anticipates growth in MLS and CLS tuition of approximately \$617,000, or 41%, primarily driven by a 29% increase in enrollment projections.
 - **HPL Revenue Share**— A projected decrease in HPL Revenue Share of approximately \$87,000, or 13% from preliminary 2025-26 actuals, primarily driven by a 22% decrease in enrollment projections and a minor increase in program expenses. The 2026-27 budget reflects 15.5 FTE students for a total of \$698,000 in fees collected by UC Law SF before paying UCSF’s revenue share of \$139,000, which results in a net revenue share projection of \$559,000.

Revenues are based on the following enrollment assumptions, and net tuition reflects a continuation of historical tuition discounting (average 30% for JD students). FTE student enrollment and net tuition revenue for JD, LLM, and MLS programs are displayed below.

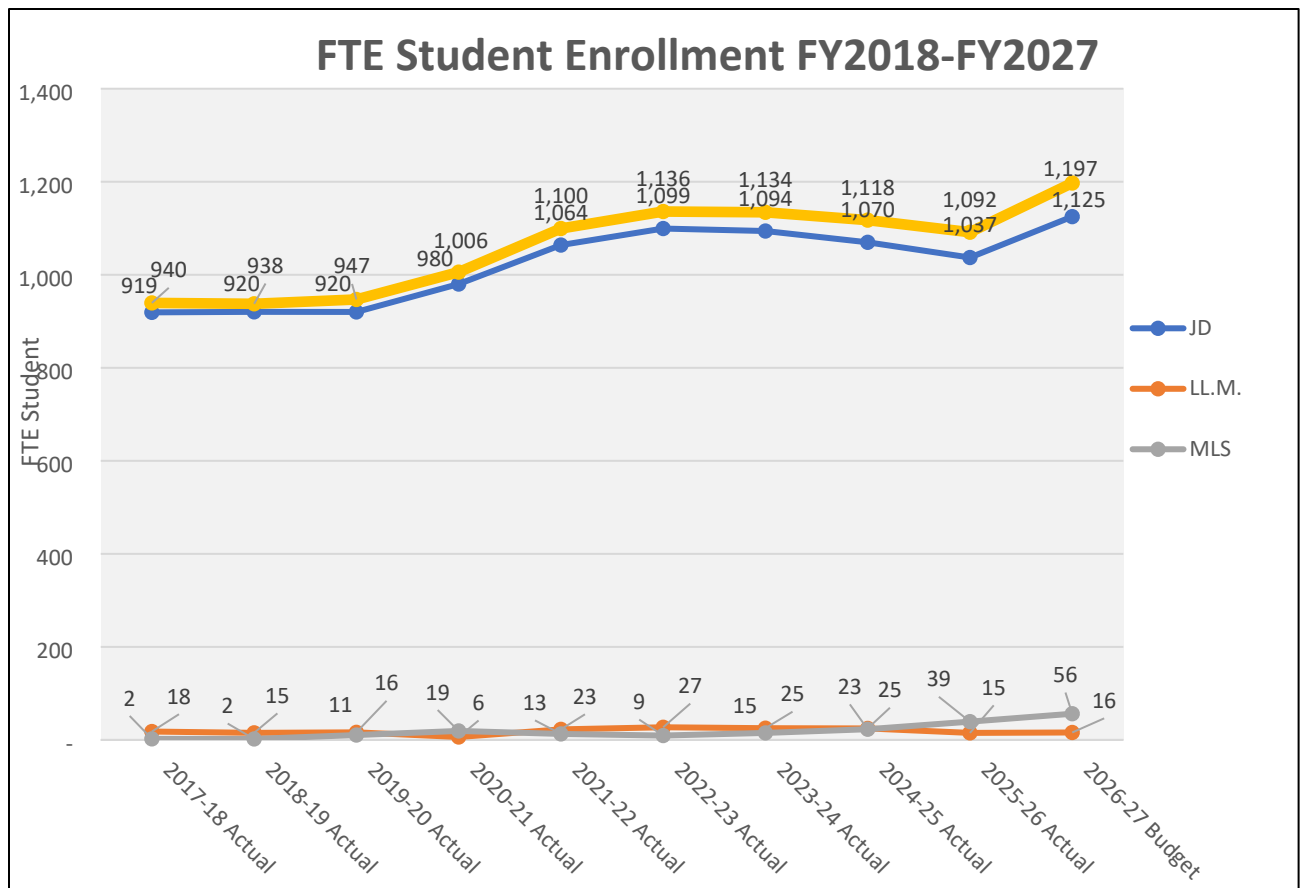
2026-27 Budget	
JD Program	FTE
1L	455
2L	340
3L	330
Total	1125

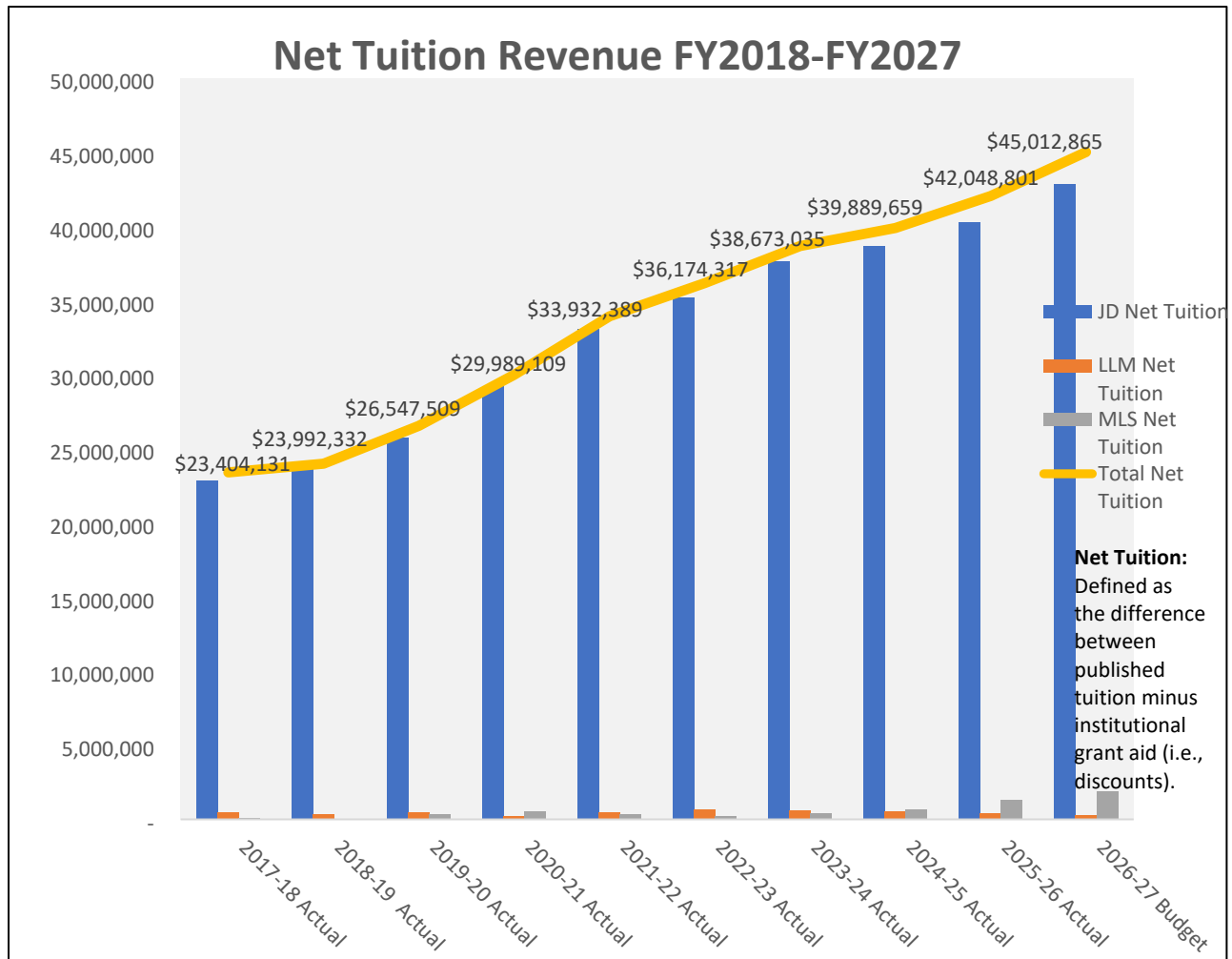
FTE Student Enrollment	Proposed Budget 2026-27	Actuals 2025-26	FTE Change	% Change
JD	1,125.0	1,037.1	87.9	7.8%
LL.M.	16.0	15.1	0.9	5.6%
MLS & CLS	56.3	39.8	16.5	29.3%
TOTAL	1,197.3	1,092.0	105.3	8.8%
JD Fee Waivers	-29.0	-27.4	-1.6	5.5%
Non-Resident Tuition	133	126	7	5.3%



Tuition And Fees	2026-27	2025-26	\$ Variance	% Variance
JD Enrollment Fee	54,680	53,087	1,593	3%
Non-California Resident Tuition	9,555	8,686	869	10%
LL.M. Fee	55,000	55,000	-	0%
MLS & CLS Fee*	1,875 per unit	1,875 per unit	-	0%
HPL Fee	48,012	48,012	-	0%

* All MLS & CLS registered units, whether above or below 24 units total, are billed on a per-credit basis. Full-time enrollment is 10 or more units.





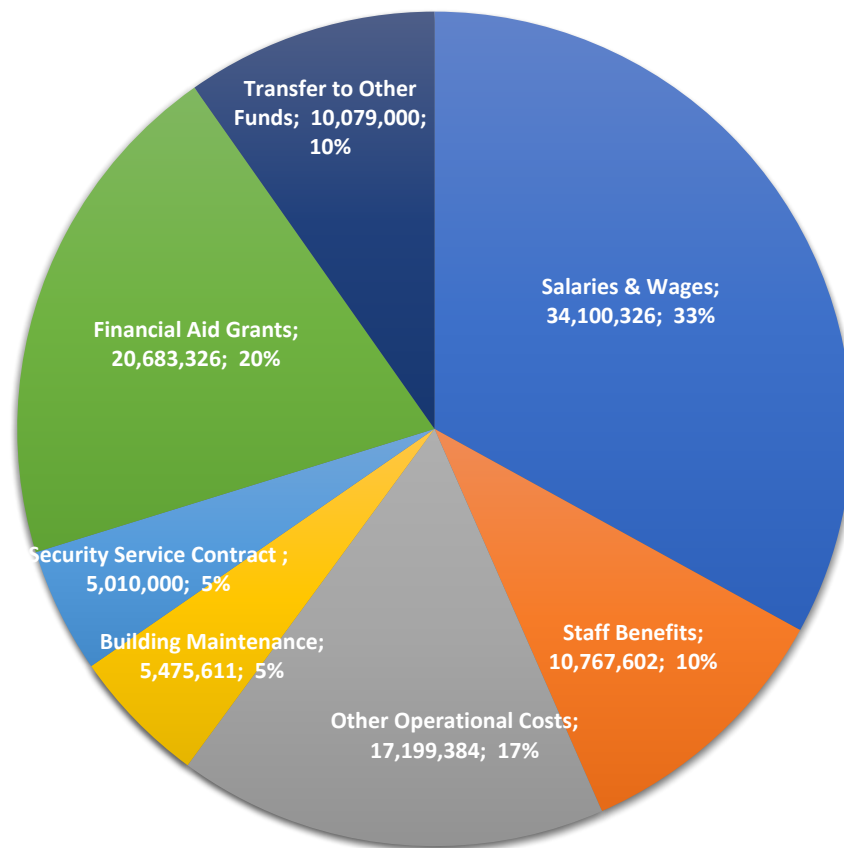
- **Other Income**—Other income is budgeted at approximately \$1.5 million, compared with \$13.7 million in 2025-26 preliminary year-end actuals, representing a decrease of approximately \$12.2 million, or 89%. The significant decrease is primarily attributable to the absence of the \$12.3 million unrealized investment gain recognized in 2025-26. No unrealized investment gain or loss is assumed in the 2026-27 Proposed Budget. The 2026-27 Proposed Budget assumes \$600,000 in investment income, an increase of approximately \$46,000, or 8%, compared with FY2025-26 preliminary actuals.
 - **Unrealized Gain/Loss on Investments**—This category accounts for the change in the state fund’s share market value in the UC General Endowment Pool (GEP). It is not a budgeted item, because it is subject to market fluctuations and is not recurring operating revenue. In 2025-26, an unrealized gain of \$12.3 million was recognized, and in 2024-25, an unrealized gain of \$6.1 million was recognized.
 - **Overhead Allowances**—Overhead allowances are budgeted at approximately \$883,000, an increase of approximately \$77,000, or 9% from the FY2025-26 preliminary year-end actuals. The beginning Nonstate Auxiliary Enterprises budget approved by the Board in June 2026 reflects contributions of \$225,221 (5% of the total operating revenues) as overhead to the state account. Indirect costs allowed on grants and contracts are budgeted to contribute

\$657,309 to state funds, an increase of approximately \$71,000, or 12% from the FY2025-26 preliminary year-end actuals.

Expense

Total expenses for the 2026-27 Proposed Budget are \$103.3 million, approximately \$9.0 million, or 8%, below 2025-26 preliminary year-end actual expenses of \$112.3 million. The overall reduction is primarily driven by a significant decrease in transfers to other funds, as well as lower projected equipment and improvement costs. At the same time, the proposed budget anticipates increases in personnel and selected operating expenses. Personnel-related costs remain the most significant budget component, accounting for 43% of the total expenses budget, demonstrating UC Law's continued investment in its workforce to support core operations and instruction.

FY 2026-27 State Core Operations Expense Budget



Key expenditure changes include:

- **Salaries and Wages**—Salaries and wages are budgeted at \$33.3 million, an increase of approximately \$2.1 million, or 7%, compared with FY2025-26 preliminary year-end actuals. The increase reflects anticipated personnel cost growth, including salary adjustments and staffing changes. As the institution's largest operating expense category, personnel costs will continue to be a key driver of the College's overall cost structure.

The 2026-27 budget reflects the full-year salary cost of 2025-26, as well as adjustments that include 3% general salary increases effective January 1, 2027, and union compensation increases effective the same date. For nonrepresented employees and policy-covered staff (i.e., the chancellor and dean, provost and academic dean, general counsel, and CFO) the 3% compensation pool will be applied as an across-the-board General Salary Increase. For faculty, the 3% compensation pool will be distributed based on merit. Major details of the 2026-27 salary budget components:

- **Faculty Changes:** The faculty salary budget of \$16.8 million accounts for changes from faculty retirements, new hires, step changes, and changes to visiting professors, stipends, and adjunct appointments. This represents an increase of \$1.1 million from the 2025-26 preliminary actual faculty salaries. The proposed faculty budget provides for the following in 2026-27:
 - a) Recruitment of ladder-rank faculty: One Associate Professor of Law was hired at step 2 to backfill the faculty position that had retired in January 2025. Two Associate Professors of Law were elevated to the next step.
 - b) Recruitment of Clinical Faculty and Lecturer: Two lecturers retired at the end of June 2026, and replacements were hired. One Lecturer position decreased from full-time to part-time.
 - c) An allocation of \$1.3 million for Adjunct, Sullivan, and Emeriti Professor wages; an allocation of \$626,000 for Visiting Professors; and an allocation of \$320,090 for Summer Research stipends.
 - d) A faculty compensation adjustment pool, effective January 1, 2027, equivalent to 3% of regular base salaries, to fund merit salary adjustments at a projected cost of \$178,000.
 - e) A provisional allocation of \$232,000 is available to fund faculty salary changes or other academic program needs through June 2027.
 - f) A provisional allocation of \$466,000 is available to fund three vacant faculty lines, which are expected to be filled in the short term.
 - g) One-time savings from partial buyouts of state salaries through nonstate grants and chair funding.
- **Staffing changes:**
 - a) New staff & vacant positions:
 - Chief Operating Officer—Operations. This 1.0 FTE position has been vacant since June 2026. No funding is allocated to support this position as it is planned to be held vacant until 2027-28.
 - Executive Director of IT Services —Information Technology. This position was approved in 2026, with a proposed salary budget of \$185,000 for the Chief Information Security Officer. This position has been reclassified and filled in June 2026 with an annual salary of \$150,000.

- Associate Director/Senior Counselor—Career Development Office. A new one-year temporary position with a proposed annual salary of \$82,500 starting in August 2026 to respond to an increase in class size for Fall 2026.
- Director—Business Law Center. This 0.9 FTE contract position has been vacant since June 2026 and has no plans to fill in 2026-27.
- b) General salary adjustments are projected at \$145,000, providing funding equivalent to a 3% General Salary Increase effective January 1, 2027, for non-represented staff. A 3.5% salary increase effective January 1, 2027, for AFT librarians is budgeted according to the new agreement.
- c) Projected staff salary savings at 2% or \$(293,000) from turnover and temporary vacancies.
- d) \$75,000 salary budget pool for staff reclassification/equity adjustments is included.
- **Student Wages-Regular and Work-study**—Student employee wages are budgeted at approximately \$830,000, an increase of approximately \$244,000, or 42%, compared with preliminary 2025-26 actuals. The increase reflects a planned expansion in student employment and work-study support and incorporates a higher pay rate per the new UAW contract. The proposed budget is mainly for student employees under the Moot Court, Legal Writing and Research, Law Library and OASIS.
- **Staff Benefits**—Staff benefits are budgeted at approximately \$10.8 million, approximately \$170,000, or 2%, above 2025-26 preliminary actuals. The increase is closely tied to personnel costs, which include retirement, health insurance, and other employee benefits. The continuation of the multi-rate benefit structure facilitated by the implementation of UCPath is calculated as a percentage of salaries by employee group; all benefits are allocated to cost centers using combined benefit rates. Premium cost changes to health and welfare plans managed by UC will take effect on January 1, 2027.

	Faculty and Other Academics, Full Benefits	Faculty and Staff, No Benefits	Faculty and Staff, Partial Benefits	Staff Exempt, Full Benefits	Staff Non-Exempt, Full Benefits	Students (Enrolled at Hastings)
Allocation by Employee Group:	32.0%	2.4%	7.6%	41.0%	48.5%	0.0%

- **Consultants**—Consulting expenses are budgeted at \$734,000, approximately \$180,000, or 33%, higher than 2025-26 preliminary actuals. This increase is primarily due to the decanal selection process for a new Chancellor and Dean.
- **Recruiting & Advertising**—Recruiting and Advertising is budgeted at approximately \$604,000, an increase of approximately \$169,000, or 39% from 2025-26 preliminary actuals. This is primarily due to the projected \$470,000 advertising cost for the Graduate Division increasing by \$270,000 to account for an additional 25% of the incoming MLS student revenue share to All Campus.
- **Travel**—Travel is budgeted at approximately \$920,000, an increase of approximately \$207,000, or 29% from 2025-26 preliminary actuals. The variance reflects a return to more normalized travel activity and increased participation in conferences and professional events. Included here are allocations for faculty research and professional development from which other expenditure categories are allowed. \$192,250 has been allocated for faculty research accounts. The 2026-27 budget includes significant allocations for student competition team travel (\$250,000), ADR Team travel (\$50,000), and Admissions travel (\$45,000).
- **Events & Entertainment**—Events and Entertainment expenses are budgeted at approximately \$813,000, an increase of approximately \$112,000, or 16% from 2025-26 preliminary actuals. The

increase reflects higher planned institutional events, student activities, or other community-building activities. The 2026-27 budget includes significant allocations for the graduation ceremony (\$240,000) and Moot Court events (\$114,000). It also includes \$27,500 in new allocations for the Chancellor and Dean search and accreditation site visit.

- **Computer Software**—Computer Software is budgeted at approximately \$1.7 million, an increase of approximately \$293,000, or 21%. The increase reflects software licensing increases, new technology solutions, and system upgrades. \$878,000 of the budget is allocated to the IT department, which increased by \$118,000 mainly for TeamDynamix, an IT Ticketing System license subscription; \$230,000 is allocated to the Fiscal Services department, primarily for Concur Technologies, which is \$62,000 higher than 2025-26 preliminary actuals.
- **Data Processing**—Data Processing expenses are budgeted at approximately \$680,000, an increase of approximately \$213,000, or 46% from 2025-26 preliminary actuals. The increase is associated with increased use of external data-processing services of Link for data integration stabilization at \$120,000 and an additional \$100,000 SFR approved for an integration platform (iPaaS) with vendor-delivered implementation and support services, including native connectivity to Ellucian Colleague, and support for the balance of our enterprise systems including payroll, finance, advancement, and identity management. The current manual imports increase labor costs, introduce data-entry and timing errors, slow down financial and donor reporting cycles, and create single points of failure.
- **Building Maintenance**—Building Maintenance is budgeted at approximately \$5.5 million, an increase of approximately \$843,000, or 18% from FY2025-26 preliminary actuals. This is one of the largest increases in recurring operating expenses. The variance reflects contractual increases and inflationary pressures. \$661,000 of the increase is for engineering costs and \$132,000 of the budget increase is for Janitorial Services, due to a contracted rate increase for labor, benefits, and overtime contingency. Most building maintenance projections are allocated to Janitorial Services at \$2.0 million and Engineering at \$2.8 million.
- **Security Service Contract**—This budget maintains contracted security services, ensuring campus safety and emergency preparedness. It is budgeted at \$5.0 million, a decrease of approximately \$307,000, or 6%, compared with FY2025-26 preliminary actuals. The decrease reflects contract pricing adjustments achieved through a direct contract with Urban Alchemy. Despite the decrease, security remains one of the institution's largest operating expenses.
- **Other Contract Services**—This budget category contains various contracted services across all functions and departments of the College. It is budgeted at approximately \$2.8 million, an increase of approximately \$282,000, or 11% from FY2025-26 preliminary actuals. This increase is primarily for \$125,000 approved SFR for data center infrastructure consolidation (Nutanix HCI) and \$40,000 approved SFR for Law & AI Certificate online program development. \$1.6 million of the total budget is allocated to the IT department for hosted systems and contract services.
- **Utilities**—Utilities are budgeted at approximately \$1.6 million, an increase of approximately \$148,000, or 10% from 2025-26 preliminary actuals. The increase reflects higher utility rates and anticipated energy consumption. \$92,000 of the increase is attributed to electricity costs. The total budget includes a projection of \$1.2 million for electricity and \$166,000 for steam costs.
- **Equipment and Improvements**—Equipment and Improvements are budgeted at approximately \$228,000, a decrease of approximately \$903,000, or 80%, from 2025-26 preliminary actuals of \$1.1 million. This is the largest favorable variance among the individual operating expense categories. The significant decrease reflects the non-recurring nature of capital equipment purchases and improvement projects incurred during 2025-26 that are not expected to recur at the same level in 2026-27. This includes \$737,000 paid for building improvements for the Kane Hall kitchen code

updates and \$90,000 paid for a one-time Firewall appliance for network redundancy-related equipment. \$112,000 of the total budget is allocated for IT capital equipment replacements.

- **Financial Aid Grants**— Financial Aid Grants are budgeted at approximately \$20.7 million, an increase of approximately \$4.5 million, or 28%, compared with 2025-26 preliminary actuals of \$16.1 million. This is the largest increase among the recurring operating expense categories. The increase reflects higher scholarship commitments, increased student financial need, and changes in enrollment. Financial aid funding plays a critical role in ensuring access and affordability for students. \$18.7 million of the total budget is for the JD program grants at a discount rate of 30%. \$3.9 million of the increase is allocated for JD grants due to a 3% higher JD enrollment fee, 8% higher JD FTE enrollment, and more 1L JD students with a higher discount rate of 33% are projected. Additional student financial aid expenses are included in nonstate budgets.

Financial Aid	Proposed Budget 2026-27	Actuals 2025-26	\$ Variance	% Variance
JD Grants	18,679,635	14,743,656	3,935,979	27%
Housing Stipend	1,178,816	817,150	361,666	44%
LLM Grants	581,250	426,050	155,200	36%
MLS Grants	230,625	140,892	89,733	64%
Other	13,000	7,188	5,812	81%
Total	20,683,326	16,134,936	4,548,390	28%

- **Transfer to Other Funds**— Transfers to Other Funds are budgeted at approximately \$10.1 million, a decrease of approximately \$17.7 million, or 63.8%, compared with 2025-26 preliminary actual transfers of \$27.8 million, to exclude the one-time internal fund allocations incurred in the prior year from state funds to the debt management fund. This is the largest dollar decrease in the expense budget and is the primary reason total expenses decline by 9% year over year. The 2026-27 budget of \$10.1 million is for the ongoing General Fund, which shall be allocated to support debt service associated with the McAllister Tower building capital renovation project by transferring funds to the non-state capital fund.

Summary

Overall, the 2026-27 proposed budget balances revenues with expenditures and reflects continued investment in personnel, student financial support, technology, and institutional infrastructure. Management will maintain close oversight of enrollment and tuition assumptions, personnel and benefit costs, financial aid commitments, and other areas of significant expenditure growth to ensure that the institution remains financially sustainable while advancing its academic and strategic priorities. The 2026-27 proposed budget projects a positive operating result, generating \$9.6 million in operating income. After \$10.1 million in planned transfers to other funds, the College projects an increase in net assets of approximately \$142,000, resulting in projected ending operating net assets of \$31.3 million.

Beginning Net Assets – Operating (Preliminary)

The carryover of the prior year's net assets was a preliminary balance of \$31.1 million. This is the net amount of Core Operations assets minus liabilities, excluding non-cash pension accounts (i.e., deferred outflows/inflows of resources, net pension, and retiree health benefits liabilities with UCRP).

SUMMARY - OPERATIONS	Proposed Budget 2026-27	\$ Change FY27 Budget to FY26 Preliminary Year-end Actual	% Change FY27 Budget to FY26 Preliminary Year-end Actual	Preliminary Year-end Actual 2025-26	Year-end Actual 2024-25
Operating Revenues (Expenses)					
Operating Revenues	102,857,002	8,168,470	9%	94,688,532	80,292,723
Operating Expenses	<u>(93,236,249)</u>	<u>(8,733,001)</u>	<u>10%</u>	<u>(84,503,249)</u>	<u>(75,757,106)</u>
Operating Income (Loss)	9,620,753	(564,531)	-6%	10,185,283	4,535,617
Non-Operating Revenues (Expenses)					
Investment Income	600,000	45,749	8%	554,251	609,015
Realized/Unrealized Gains (Losses)	<u>-</u>	<u>(12,285,780)</u>	<u>-100%</u>	<u>12,285,780</u>	<u>6,147,789</u>
Net Non-Operating Revenues	600,000	(12,240,031)	-95%	12,840,031	6,756,803
Income (Loss) Before Transfers	10,220,753	(12,804,562)	-56%	23,025,315	11,292,420
Transfers					
Transfer from Other Funds	-	(0)	0%	0	2,388,985
Transfer to Other Funds	<u>(10,079,000)</u>	<u>17,725,661</u>	<u>-64%</u>	<u>(27,804,661)</u>	<u>(4,213,899)</u>
Net Transfers	(10,079,000)	17,725,661	-64%	(27,804,661)	(1,824,914)
Change in Net Assets	\$ 141,753	\$ 4,921,099	-103%	\$ (4,779,347)	\$ 9,467,506
Beginning Net Assets - Operating	31,124,801 *	(4,779,347)	-13%	35,904,147	32,282,983
Ending Net Assets - Operating	\$ 31,266,554	\$ 141,753	0%	\$ 31,124,801	\$ 41,750,488

Plant Fund Reserve

The Plant Fund Reserve ended 2025-26 with a preliminary ending balance of \$13.2 million, an increase of \$1.7 million from investment activities and \$4.7 million from an internal transfer from the Auxiliary Tower Building reserves, partially offset by a \$0.7 million transfer to support the tenant building improvement project at the Academe of 198 building. The 2026-27 Long-Range Campus Plan (LRCP) budget will request expenditure authority from this funding source for capital project needs, as outlined in a separate agenda item.

Lease-Revenue Bond Rental Payments

The State Budget Act of 2026 includes \$3,109,000 in General Fund capital item 6600-093-0001 for support of the 333 Golden Gate building, funded by lease-revenue bonds through the State of California. This is a pass-through transaction with no net cash flow impact on the College. The State Public Works Board withdraws through the State Controller's Office.

California Scholars

A total of \$9 million in funding from the State of California (\$4.5 million in 2018-19 and \$4.5 million in 2021-22) is being tracked in a separate restricted fund program for planned expenditure over several years. The 2026-27 budget for student scholarships is \$746,800, resulting in a projected ending fund balance of \$5.7 million.

Attachment:

- Core Operations - Proposed Budget for 2026-27

UC LAW SAN FRANCISCO
Core Operations Budget Report - 2026-27 Proposed Budget

9/11/2026

REVENUES	Proposed Budget 2026-27	\$ Change FY27 Budget to FY26 Preliminary Year-end Actual	% Change FY27 Budget to FY26 Preliminary Year-end Actual	Preliminary Year-end Actual 2025-26	Year-end Actual 2024-25
State Appropriations					
General Fund	35,915,000 *	1,000,000	3%	34,915,000	23,181,000
Lottery Fund	<u>242,000</u>	<u>24,119</u>	<u>11%</u>	<u>217,881</u>	<u>221,469</u>
Subtotal	36,157,000	1,024,119	3%	35,132,881	23,402,469
Tuition and Related Fees					
JD Enrollment Fee	61,515,000 *	6,459,922	12%	55,055,078	52,831,948
Non-resident Tuition	1,270,815 *	176,379	16%	1,094,436	947,786
Veteran Fee Waivers	(1,585,720) *	(131,071)	9%	(1,454,649)	(1,556,041)
LL.M. Tuition	880,000	49,107	6%	830,893	1,174,466
MLS and CLS Tuition	2,109,375 *	617,198	41%	1,492,178	771,648
HPL Revenue Share	558,657 *	(86,948)	-13%	645,605	734,672
Summer Legal Institute	692,241	(29,463)	-4%	721,704	685,618
MBE Support Fee	140,670	9,750	7%	130,920	134,880
Other Student Fees	<u>160,550</u>	<u>3,282</u>	<u>2%</u>	<u>157,268</u>	<u>151,686</u>
Subtotal	65,741,588 *	7,068,156	12%	58,673,432	55,876,662
Scholarly Publications					
Subscription Revenues	<u>25,884</u>	<u>15,286</u>	<u>144%</u>	<u>10,598</u>	<u>28,925</u>
Subtotal	25,884	15,286	144%	10,598	28,925
Other Income					
Investment Income	600,000	45,749	8%	554,251	609,015
Realized Gain/Loss on Sale of Investments	-	-	-	-	3,469
Unrealized Gain/Loss on Investments	- *	(12,285,780)	-100%	12,285,780	6,144,320
Overhead Allowances	882,530 *	76,539	9%	805,991	777,125
Miscellaneous Income	<u>50,000</u>	<u>(15,629)</u>	<u>-24%</u>	<u>65,629</u>	<u>207,542</u>
Subtotal	1,532,530 *	(12,179,121)	-89%	13,711,651	7,741,470
Transfer from Other Funds	-	(0)	0%	0	2,388,985
TOTAL REVENUES	\$ 103,457,002	\$ (4,071,561)	-4%	\$ 107,528,563	\$ 89,438,511

*See attached narrative report

Core Operations Budget Report - 2026-27 Proposed Budget

EXPENSES	Proposed Budget 2026-27	\$ Change FY27 Budget to FY26 Preliminary Year-end Actual	% Change FY27 Budget to FY26 Preliminary Year-end Actual	Preliminary Year-end Actual 2025-26	Year-end Actual 2024-25
Salaries & Wages	33,270,199 *	2,099,786	7%	31,170,413	30,944,919
Student Wages-Reg. & Work-study	830,127 *	244,117	42%	586,010	622,631
Staff Benefits	10,767,602 *	169,544	2%	10,598,058	4,726,518
Consultants	733,640 *	180,243	33%	553,397	613,978
Employee Development & Testing	133,127	20,885	19%	112,242	128,784
Recruiting & Advertising	603,967 *	169,160	39%	434,807	511,780
Audit, Legal, and Case Costs	505,500	16,849	3%	488,651	358,641
Insurance	1,265,536	96,073	8%	1,169,463	874,474
Printing & Copier Service	309,274	50,257	19%	259,017	274,350
Supplies	381,621	32,673	9%	348,948	370,562
Travel	920,450 *	206,983	29%	713,467	729,237
Memberships & Subscriptions	388,666	18,975	5%	369,691	369,839
Events & Entertainment	812,806 *	112,446	16%	700,360	687,675
Computer Software	1,697,222 *	292,960	21%	1,404,262	905,756
Data Processing	679,925 *	212,643	46%	467,282	466,083
Electronic Databases & Bibliography Svs	569,037	73,641	15%	495,396	563,454
Books & Bindings	435,910	(1,966)	0%	437,876	587,468
Equipment Maintenance	173,862	28,116	19%	145,746	192,567
Building Maintenance	5,475,611 *	842,886	18%	4,632,725	4,497,777
Security Service Contract	5,010,000 *	(307,032)	-6%	5,317,032	5,546,736
Other Contract Services	2,767,550 *	281,534	11%	2,486,016	2,047,303
Utilities	1,647,512 *	148,207	10%	1,499,306	1,158,312
Equipment & Improvements	228,413 *	(902,630)	-80%	1,131,043	171,353
Space & Equipment Rental	2,703,203	97,914	4%	2,605,289	3,262,743
Miscellaneous Expense	242,163	346	0%	241,817	275,275
Financial Aid Grants	20,683,326 *	4,548,390	28%	16,134,936	14,868,892
Transfer to Other Funds	10,079,000 *	(17,725,661)	-64%	27,804,661	4,213,899
TOTAL EXPENSES	\$ 103,315,249	\$ (8,992,661)	-8%	\$ 112,307,910	\$ 79,971,005

*See attached narrative report

UC LAW SAN FRANCISCO
Core Operations Budget Report - 2026-27 Proposed Budget

9/11/2026

SUMMARY - OPERATIONS	Proposed Budget 2026-27	\$ Change FY27 Budget to FY26 Preliminary Year-end Actual	% Change FY27 Budget to FY26 Preliminary Year-end Actual	Preliminary Year-end Actual 2025-26	Year-end Actual 2024-25
Operating Revenues (Expenses)					
Operating Revenues	102,857,002	8,168,470	9%	94,688,532	80,292,723
Operating Expenses	<u>(93,236,249)</u>	<u>(8,733,001)</u>	<u>10%</u>	<u>(84,503,249)</u>	<u>(75,757,106)</u>
Operating Income (Loss)	9,620,753	(564,531)	-6%	10,185,283	4,535,617
Non-Operating Revenues (Expenses)					
Investment Income	600,000	45,749	8%	554,251	609,015
Realized/Unrealized Gains (Losses)	<u>-</u>	<u>(12,285,780)</u>	<u>-100%</u>	<u>12,285,780</u>	<u>6,147,789</u>
Net Non-Operating Revenues	<u>600,000</u>	<u>(12,240,031)</u>	<u>-95%</u>	<u>12,840,031</u>	<u>6,756,803</u>
Income (Loss) Before Transfers	<u>10,220,753</u>	<u>(12,804,562)</u>	<u>-56%</u>	<u>23,025,315</u>	<u>11,292,420</u>
Transfers					
Transfer from Other Funds	-	(0)	0%	0	2,388,985
Transfer to Other Funds	<u>(10,079,000)</u>	<u>17,725,661</u>	<u>-64%</u>	<u>(27,804,661)</u>	<u>(4,213,899)</u>
Net Transfers	<u>(10,079,000)</u>	<u>17,725,661</u>	<u>-64%</u>	<u>(27,804,661)</u>	<u>(1,824,914)</u>
Change in Net Assets	\$ 141,753	\$ 4,921,099	-103%	\$ (4,779,347)	\$ 9,467,506
Beginning Net Assets - Operating	31,124,801 *	(4,779,347)	-13%	35,904,147	32,282,983
Ending Net Assets - Operating	\$ 31,266,554	\$ 141,753	0%	\$ 31,124,801	\$ 41,750,488

*See attached narrative report

ACTION ITEM

- 1. REPORT BY:** Chair of the Finance Committee Chip Robertson
- 2. SUBJECT:** Student Fee Increases for 2027-28
General Enrollment Fee - Resident and Nonresident

3. RECOMMENDATION:

That the Board of Directors approves the following fees for the 2027-28 academic year:

- a. General Enrollment Fee of \$56,867 representing an increase of \$2,187 (4%)
- b. Nonresident Tuition of \$ 10,511 representing an increase of \$956 (10%)

4. BACKGROUND:

The College's by-laws provide that the Finance Committee considers and makes recommendations to the Board concerning the assessment of registration fees, educational fees, compulsory student activity fees, housing and parking charges, and all other fees.

Student fees are the primary source of revenue supporting the College's educational mission. State appropriations are also a major revenue source and helped offset the adverse revenue impact of the General Enrollment Fee being flat from 2012-13 through 2021-22. After this ten-year period of fee stability, increases were necessary to assure resources were available to maintain a high-quality academic program. These are summarized below:

- 2022-23: 3.0% increase
- 2023-24: 5.0% increase
- 2024-25: 5.0% increase
- 2025-26: 7.5% increase
- 2026-27: 3.0% increase
- 2027-28: 4.0% increase

Major Cost/State Funding Factors for 2027-28

UC Law SF continues to confront fiscal challenges comparable to law schools and state and local agencies throughout the State of California. Looking to the future, state funding levels are uncertain as California continues to grapple with “boom or bust” economic cycles.

- Faculty compensation – Over the last decade, UC Law SF has slipped in adequately investing in its faculty as evidenced by differentials between pay scales and other compensation measures when compared to the UC system. In recent years, salary savings from faculty turnover have been realized and now most ladder-rank positions are filled; the College's faculty hiring plan still requires significant additional funding increases.

- Non-represented staff compensation – Similarly, investment in supporting the College’s non-represented employees is an important institutional objective. The need to remain salary competitive is evidenced by difficulties in filling vacant positions and turnover.
- Represented staff – Bargaining for successor agreements between UC Law SF and unions representing staff and librarians commenced in the 2023-24 fiscal year; settlements with AFT and UAW represented employees has been achieved. The AFSCME agreement expired on June 30, 2024, and negotiations are ongoing. A new contract was recently signed with AFT-Librarians and added costs have been incurred.
- Inflation - As noted later in this analysis, inflation continues to put financial stress on the College.
- State Funding – For 2026-27, UC Law SF submitted to the Department of Finance a Budget Change Proposal seeking \$2.45 million representing a 3% workload budget adjustment to help fund core cost growth. This request was not included in the Governor’s spending plan. Instead, the final budget included a \$1 million allocation to help offset security costs.
- Operating Budget Cost Items — Various factors are contributing to the need to increase student fees for the upcoming year:
 - Information Technology – Cost containment efforts have limited necessary investments in IT infrastructure. Needs include significant resources over the next 3-4 years to upgrade the current Ellucian Colleague operating system, the ERP software used by Fiscal Services, Purchasing, the Registrar’s Office, Financial Aid, and Grants.
 - Employee Compensation – The continuation of a 3% compensation adjustment pool for career faculty and staff, effective January 1, 2027, is estimated to cost \$1.07 million in salaries and benefits in 2026-27 (including union-represented staff).

Academic Year 2026-27: Current-year Fee Structure

The current-year (2026-27) fee structure at UC Law SF consists of the following charges and assessments:

- General Enrollment Fee – The General Enrollment Fee represents the primary fee at UC Law SF and is its main revenue source. This fee is analogous to the Tuition Fee, Student Services Fee, and Professional Degree Supplemental Tuition Fee (i.e., mandatory system-wide fees) charged by the University of California. The General Enrollment Fee is currently \$54,680.
- Nonresident Tuition – The establishment of nonresident tuition is based on state policy

guidelines developed by the California Postsecondary Education Commission (CPEC). Students typically achieve residency status after their first year of attendance. Nonresident Tuition is currently \$9,555.

- **Health Services Fee** – UC Law SF operated a health clinic until 2020. For the current year, student primary care services will be provided by Carbon Health. Consistent with the policy adopted by the Board, healthcare services are required to be self-supporting. This fee provides the revenue necessary to fund all direct costs, including support staff and a student care advocate. The Health Services Fee is \$965.
- **Activity Fee and MBE Support Fee** – Mandatory fees are charged to support student-related functions. These fees include the \$157 Student Activity fee and the \$120 Multi-State Bar Exam preparation fee, which are used to provide each student with bar preparation software.
- **UCSHIP Accident and Sickness Insurance Plan** – UC Law SF participates in the UC Graduate SHIP managed by the University of California. This allows students and their spouses and/or children to purchase health coverage at competitive rates by achieving economies of scale by virtue of the program’s system-wide character. For 2026-27, the premium and program fee is \$6,895. This fee is waivable upon presentation of proof of alternative equivalent coverage.

For 2026-27, total mandatory resident fees (inclusive of campus fees) are \$62,817. Nonresidents pay an additional \$9,555, for a total of \$72,372. These figures include UCSHIP health insurance, although these premiums are waivable.

Law School Fees for the JD program assessed at other comparable law schools

For 2026-27, UC Law SF fees are lower than the average charged by other UC law schools; the average resident fee for four of the UC law schools listed below is \$73,364. UC Law SF’s fee is 14% lower. Similarly, UC Law SF Nonresident Tuition is lower than the average nonresident fee charged by UC, a 16% differential. The summarized data is shown below:

UC Law Schools - JD Student Fees for 2026-27			
2026-27 Fees			
	Resident	Nonresident	
UC Law SF	\$ 62,817	\$	72,372
UC Davis	\$ 71,456	\$	83,701
UC Irvine	\$ 71,923	\$	84,168
UCLA	\$ 72,264	\$	84,509
UC Berkeley	\$ 77,758	\$	92,682

More granular detail is provided in Exhibit 1, which displays fees by category for resident and

nonresident students. Please note that this data shows current year (2026-27) fees and includes campus-based fees and student health insurance premiums.

JD Fee Summary – Proposed UC Law SF 2027-28 to Current 2026-2027 UC Fees

For UC Law SF, the application of a 4% increase for the General Enrollment Fee for 2027-28 will bring that fee to \$56,867 (or \$2,187 increase per JD student). Even with this escalation, UC Law SF's fees will remain the lowest in the UC system with a fee for next year 11% below average UC charges in the current year. To assist with this comparison, it should be noted that fee growth at the other UC law schools typically increases between 4-5% annually.

UC Law Schools - Fee Comparison					
	2026-27 Mandatory System-wide Resident Fees (Actual)	2027-28 Projected System- wide Resident Fees	% Change (Proj.)	2028-29 Projected System- wide Resident Fees	% Change (Proj.)
UC Berkeley	66,928	69,605	4.0%	72,389	4.0%
UC Davis	61,490	63,950	4.0%	66,508	4.0%
UC Irvine	63,306	65,838	4.0%	68,472	4.0%
UCLA	63,306	65,838	4.0%	68,472	4.0%
Average	\$ 63,758	\$ 66,308	4.0%	\$ 68,960	4.0%

UC Law SF will continue to provide a high-quality legal education at the lowest possible cost to minimize financial barriers to access and limit student debt burdens to the greatest extent possible.

Other Benchmark Law Schools

The following table summarizes the total fees charged in 2026-27 by national public and private law schools.

	<u>Tuition & Fees</u>
Boston University	\$ 74,582
American University	\$ 71,851
George Washington	\$ 78,060
New York University	\$ 90,638
Wake Forest University	\$ 62,124
*Excludes health insurance.	

California private institutions are summarized below:

	Tuition & Fees
University of San Francisco	\$ 61,720
Loyola Marymount	\$ 73,548
Pepperdine	\$ 76,120
California Western School of Law	\$ 67,840
University of San Diego	\$ 70,091
USC	\$ 88,134
Stanford University	\$ 82,122
*Excludes health insurance.	

Information regarding the inflation or deflation reflected in CPI

Inflationary pressures in the general economy are significant and projected to continue. The Department of Finance regularly publishes data measuring price changes. The Consumer Price Index for Urban Consumers (CPI-U) for California for the period ending on June 30, 2025, was 2.2%, and in the current year (the period ending June 30, 2026), an additional 3.0% increase is predicted. For 2026-27 and 2027-28, the Department of Finance projects an additional 3.9% and 3.2% respectively.

Nonresident Tuition

Like other public universities, UC Law SF charges nonresident students more than resident students. UC Law SF nonresidents pay Nonresident Tuition in addition to the charges paid by resident students. The additional charge means that California's investment in its public higher education system directly supports California students.

The establishment of Nonresident Tuition is based on state policy guidelines developed some time ago by the California Postsecondary Education Commission (CPEC). As California's public postsecondary education segments annually adjust the level of nonresident tuition they charge out-of-state students, the nonresident tuition methodologies they develop and use are to take into consideration, at a minimum, the following two factors: (1) the total nonresident charges imposed by each of their public comparison institutions and (2) the full average cost of instruction. In addition, each segment should endeavor to maintain that increases in the level of nonresident tuition are gradual, moderate, and predictable, by providing nonresident students with a minimum of a 10-month notice of tuition increases. Each governing board is directed to develop its own methodology for adjusting the level of nonresident tuition, but those methodologies should be consistent with this recommendation and existing statutes.

The proposed Nonresident Tuition for 2027-28 conforms to the provision that nonresident fees be adjusted based on two considerations: fees charged at benchmark institutions and cost recovery.

SUMMARY

- **JD Program**

Based on these considerations, the following fee structure is proposed for 2027-28:

	Authorized	Proposed		
	<u>2026-27</u>	<u>2027-28</u>	<u>Change</u>	<u>Percent</u>
General Enrollment Fee	54,680	56,867	2,187	4.0%
Nonresident Tuition	9,555	10,511	956	10.0%
Health Services Fee*	965	965	-	-
Activity Fee*	157	157	-	-
MBE Support Fee	120	120	-	-
UCSHIP Insurance Premium*	6,895	6,895	-	-
Total Resident	62,817	65,330	2,513	4.0%
Total Nonresident	72,372	75,840	3,468	4.8%
 *Actual cost unknown until June 2027.				

The General Enrollment Fee increase will result in \$2.5 million in gross revenue, assuming 1,125 FTE JD students. The added surcharge for nonresident students will generate \$124,000, assuming 130 FTE nonresident JD students. Of the revenue derived from the General Enrollment Fee increase, one-third (\$820,000) is earmarked for need- and merit-based financial aid to mitigate any adverse impact on accessibility. After setting this aside, net revenue of \$1.6 million will be available to support the College's priorities.

5. **PROPOSED RESOLUTION*:**

RESOLVED, that the Board of Directors approval of the fees outlined below for the 2027-28 academic year:

- a. General Enrollment Fee of \$56,867 representing an increase of \$2,187 (4%)
- b. Nonresident Tuition of \$10,511 representing an increase of \$956 (10%)

**Nothing in this document constitutes a contract, an offer of a contract, or a promise that any tuition or fees ultimately authorized by the Board of Directors will be limited by any term or provision of this policy. The Board of Directors expressly reserves the right and option, in its absolute discretion, to establish tuition or fees at any level it deems appropriate based on a full consideration of the circumstances, and nothing herein shall be a basis for any party to rely on tuition or fees of a specified level or based on a specified formula.*

Exhibit 1

UC Law Schools - JD Student Fees for 2026-27												
	UCLA		UC Davis		UC Berkeley		UC Irvine		UC Law SF: 2025-26		UC Law SF: 2026-27	
	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident	Resident	Nonresident
MANDATORY SYSTEMWIDE FEES												
General Enrollment Fee	-	-	-	-	-	-	-	-	53,087	53,087	54,680	54,680
Prof. Degree Supplementary Tuition	48,240	48,240	46,424	46,424	51,862	54,570	48,240	48,240	-	-	-	-
Student Services Fee (Reg. Fee)	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	-	-	-	-
Tuition (Educational Fee)	13,722	13,722	13,722	13,722	13,722	13,722	13,722	13,722	-	-	-	-
Nonresident Tuition	-	12,245	-	12,245	-	12,246	-	12,245	-	8,686	-	9,555
Total	\$ 63,306	\$ 75,551	\$ 61,490	\$ 73,735	\$ 66,928	\$ 81,882	\$ 63,306	\$ 75,551	\$ 53,087	\$ 61,773	\$ 54,680	\$ 64,235
CAMPUS FEES	1,448	1,448	1,146	1,146	1,810	1,810	932	932	1,242	1,242	1,242	1,242
HEALTH INSURANCE	7,517	7,517	8,820	8,820	8,206	8,206	7,772	7,772	6,834	6,834	6,895	6,895
TOTAL FEES	\$ 72,271	\$ 84,516	\$ 71,456	\$ 83,701	\$ 76,944	\$ 91,898	\$ 72,010	\$ 84,255	\$ 61,163	\$ 69,849	\$ 62,817	\$ 72,372

Notes:

1. Health Insurance premiums are waivable upon presentation of proof of alternative, comparable coverage.
2. UC Law's General Enrollment Fee is analogous to mandatory system-wide fees at other UC campuses consisting of the Student Services Fee (formerly Registration Fee), Tuition (formerly Educational Fee), and Professional Degree Supplemental Tuition.

ACTION ITEM

1. **REPORT BY:** Chair of the Finance Committee Chip Robertson
2. **SUBJECT:** Non-State Budget for 2026-27
3. **RECOMMENDATION**

That the Board of Directors approve the attached proposed non-state budget for fiscal year 2026-27.

This report is divided into the following categories of non-state funds:

- Restricted Funds
- Unrestricted Funds

RESTRICTED FUNDS

This report includes all non-state current-use funds with restrictions imposed by external sources, such as donors or granting agencies. This reflects the expenditure of grant and gift funds received and spending plans that use accumulated current-use fund balances.

Overview

The 2026-27 Proposed Budget for the Restricted Non-State Funds reflects a more conservative financial outlook than the 2025-26 preliminary year-end actual results. The proposed budget anticipates a decrease in net assets of approximately \$2.3 million, compared with a preliminary 2025-26 year-end decrease of approximately \$129,000.

The projected decrease in net assets is primarily attributable to lower non-operating revenues and transfers, rather than a deterioration in underlying operating performance. Operating revenues are budgeted at \$6.7 million, approximately \$894,000, or 12%, below 2025-26 preliminary actuals. However, operating expenses are also budgeted at \$12.3 million, approximately \$1.0 million, or 8%, below 2025-26 preliminary actuals. As a result, the projected operating loss of \$5.5 million is approximately \$112,000, or 2%, better than the 2025-26 preliminary operating loss of \$5.7 million.

The more significant change occurs in non-operating activity. Total non-operating revenues and expenses are budgeted at \$3.2 million, compared with \$5.5 million in 2025-26 preliminary actuals, a decrease of approximately \$2.3 million, or 42%. The decrease is primarily an expectation that donations will not likely match the prior year's strong performance, the absence of the \$494,000 unrealized investment gain recognized in 2025-26, and significantly lower net transfers from other funds.

Overall, the proposed budget reflects a conservative approach to restricted fund revenues, particularly by not assuming investment market gains and by budgeting lower

philanthropic support based on known or reasonably anticipated funding. The budget also includes continued funding for financial aid scholarships and academic and institutional programs supported by restricted resources. The planned deficit reflects an intentional drawdown of prior-year balances to support program activities.

Operating Revenues

Total operating revenues for 2026-27 are budgeted at \$6.7 million, representing a decrease of approximately \$894,000, or 12%, compared with 2025-26 preliminary year-end actuals of \$7.6 million.

- **Grants and Contracts**—The 2026-27 proposed budget is \$6.5 million, approximately \$900,000, or 12%, below 2025-26 preliminary actuals of \$7.4 million. The decrease primarily reflects the expected expiration or reduction of grant-funded activities that contributed to 2025-26 actual revenues. \$432,000 of the decrease is from lower anticipated private grants of C4i Arnold Pathways, and \$203,000 of the decrease is from lower anticipated federal grants for CGRS. Because restricted grant revenue is generally tied to specific program activity and qualifying expenditures, year-to-year fluctuations can occur as individual grants move through their funding periods. It includes support for Research Center projects and general support (exchange and non-exchange grants):
 - \$655,000 in federal grants;
 - \$3.1 million in private non-exchange grants
 - \$2.1 million in private exchange grants and contracts
 - \$687,000 in City and County of San Francisco grants

Operating Expenses

Total operating expenses are budgeted at approximately \$12.3 million, representing a decrease of \$1.0 million, or 8%, compared with 2025-26 preliminary actuals of \$13.3 million. The reduction is primarily concentrated in Instruction and Research program support, partially offset by higher financial aid and certain administrative and student-service expenditures.

Significant changes include:

- **Instruction and Research-Salaries and Benefits**—The 2026-27 proposed budget is approximately \$7.1 million, a decrease of \$243,000, or 3%, compared with 2025-26 preliminary actuals. The decrease reflects the completion of grant-funded positions or activities, changes in staffing levels, or the expiration of funding associated with specific restricted programs. The decrease is primarily attributed to reduced temporary help wages and benefits costs associated with the Equality Action Center downsizing.
- **Instruction and Research-Program Support**—The 2026-27 proposed budget is approximately \$1.5 million, a substantial decrease of \$1.3 million, or 46%, from 2025-26 preliminary actuals of \$2.8 million. This is the largest operating expense reduction in the proposed budget. The decrease reflects the completion or reduction

of specific grant-funded projects, lower anticipated program activity, and the expiration of one-time expenditures incurred during 2025-26. The decrease is primarily attributed to approximately \$837,000 in one-time subaward payments and UCLA School of Law moot court cybercrimes competition payments made in the prior year. The 2026-27 budget includes \$339,000 in administrative overhead expenses as indirect costs to grants and contracts, and the funds are then credited and available in unrestricted College funds.

- **Public and Professional Services-Salaries and Benefits**—The 2026-27 proposed budget increases by approximately \$149,000, or 47% from 2025-26 preliminary actuals. The increase reflects higher planned staffing in this functional area than actual spending in 2025-26, primarily for temporary help funded by the Grove Foundation Gift. It includes a \$137,000 faculty salary and benefits buyout from the state classroom budget.
- **Institutional and Building Support-Program Support**—The 2026-27 proposed budget is approximately \$20,000, representing a decrease of approximately \$114,000, or 85% from 2025-26 preliminary actuals. The reduction reflects the completion of one-time projects incurred during 2025-26 that are not expected to recur at the same level in 2026-27, primarily for the AV equipment replacement for the ARC room.
- **Financial Aid-Salaries and Benefits**—The 2026-27 proposed budget is approximately \$211,000, an increase of approximately \$100,000, or 91% from 2025-26 preliminary actuals, due to \$187,500 increased federal funding allocation for CWSP wages.
- **Financial Aid-Scholarships and Fellowships**—The 2026-27 proposed budget is approximately \$2.7 million, an increase of approximately \$427,000, or 19%, compared with 2025-26 preliminary actuals. It represents increased disbursements in line with donor-restricted scholarship availability. Public interest grants and fellowships are planned to increase over \$120,000 from existing funding, including cy pres awards. The budget includes a \$433,000 allocation for continuation scholarships, up to available cash balances. The increase reflects a continued commitment to providing student financial assistance through restricted resources. Unused funds will be carried to the following fiscal year for awards.
- **Student Organizations**—The College does not budget Student Organizations activities but instead records them as expenses upon receipt. In 2025-26, \$110,000 was expended in aggregate. The various student organizations carry cash balances with the College. They are not required to submit budgets, as activities will be funded directly from carryover balances rather than annual budget allocations.

Nonoperating Revenues and Expenses

Total non-operating revenues and expenses are budgeted at approximately \$3.2 million.

- **Donations**—The 2026-27 proposed budget is approximately \$1.2 million, a decrease of approximately \$1.4 million, or 53%, compared with 2025-26 preliminary actuals of \$2.6 million. The decrease reflects a more conservative assumption regarding philanthropic support in 2026-27. The 2025-26 actual level has included significant one-time or unanticipated contributions that are not expected to recur in the coming

year, including the one-time \$500,000 gifts for the Deb AI Fund and \$457,000 gifts for multiple restricted scholarship programs. For budgeting purposes, the proposed amount appears to recognize only donations that are reasonably expected or committed rather than assuming continuation of the higher 2025-26 level. The 2026-27 budget includes \$591,000 in general support for the Center for Gender and Refugee Studies, a \$351,000 gift for the Appellate Education Center, and a \$280,000 gift for the Leon & Esther Blum Scholarship.

- **Net Endowment Payout**—This budget category includes payouts from endowments held by the College and funds held by UC on our behalf. The 2026-27 endowment payout is 4.55%, after deducting the endowment management fee (.55%), is budgeted at approximately \$2.0 million, an increase of approximately \$36,000, or 2%, compared with 2025-26 preliminary actuals. The relatively stable endowment payout provides a more predictable source of non-operating support.
- **Unrealized Gain/Loss on Investments**—The 2026-27 proposed budget does not assume any unrealized investment gains or losses. 2025-26 preliminary actuals included approximately \$494,000 of unrealized investment gains credited to CGRS. The absence of a budgeted gain reflects a prudent approach, as unrealized investment gains are dependent on market performance and are not a reliable source of recurring funding.
- **Net Transfers to/from Other Funds**—A positive number in this category is an addition (transfer from/revenue), while a negative number is a deduction (transfer to/expense). The proposed 2026-27 budget is approximately \$20,000, compared with approximately \$506,000 net transfers from other funds in 2025-26 preliminary actuals. The significant reduction reflects the absence of one-time internal funding transfers in 2025-26 of \$500,000 from the endowed Shashi & Dipanjan Deb Fund to the current-use Shashi & DJ Deb Lex Lab Tech program.

UNRESTRICTED FUNDS

This report includes all non-state current-use funds that are not subject to restrictions imposed by external sources. These funds include gifts given without restriction, such as the UC Law SF Foundation support in the form of block grants for Institutional Advancement and Alumni Office operations. Additionally, funds generated to support the budgets of individual programs, such as research centers and conferences, are recorded here. Miscellaneous revenue sources, such as room rentals and forfeited deposits, fund programs that may not have their own income, including Student and College-wide events and administrative support funds. Designated Funds, which are restricted in use by the Board of Directors (e.g., Digardi Professorship, Hastings Chair, Shashi & Dipanjan Deb Fund), are also categorized as unrestricted current-use funds because it is within the Board's authority to remove such restrictions.

Overview

The 2026-27 Proposed Budget for the Unrestricted Non-State Fund anticipates a decrease in net assets of approximately \$6.8 million, compared with a \$12.4 million increase in 2025-26. The primary driver of this change is non-operating activity, particularly the significant reduction in net transfers from other funds and the absence of the substantial unrealized investment gains recognized in 2025-26.

In 2025-26, the fund received approximately \$10.7 million in net transfers from other funds, while the 2026-27 Proposed Budget includes approximately \$3.1 million in net transfers to other funds. Operating results also contribute to the projected decrease. Operating revenues are budgeted at \$590,000, a decrease of approximately \$1.5 million, or 71%, primarily due to the normalization of Other Income following an unusually high level of gift revenue in 2025-26. At the same time, operating expenses are budgeted at \$8.8 million, an increase of approximately \$1.6 million, or 23%, primarily reflecting higher Institutional and Building Support, Instruction and Research expenditures.

Operating Revenues

Total operating revenues are budgeted at approximately \$590,000, compared with \$2.0 million in 2025-26 preliminary actuals. This represents a decrease of approximately \$1.5 million, or 71%.

- **Dues/Memberships**—No revenue from Dues and Memberships is budgeted for 2026-27, compared with \$110,000 in 2025-26 preliminary actuals. The proposed budget does not assume continuation of the 2025-26 membership-related revenue generated by the Equality Action Center.
- **Other Income**—The 2026-27 proposed budget is approximately \$233,000, compared with \$1.6 million in 2025-26 preliminary actuals, a decrease of approximately \$1.4 million, or 86%. This is the largest operating revenue variance and is the primary reason for the decline in total operating revenues. The 2025-26 actuals included a \$1.4 million transfer from the Academic Village Finance Authority from 2024-25 net available cash flow, applied to pay supplemental annual rent pursuant to the Ground Lease. A ground lease payment for 2026-27 resulting from 2025-26 Academic Village Finance Authority operations is not currently budgeted but may occur at mid-year. Audited financial statements, with auditor certification of conformance to indenture requirements, is required prior to any such transfers.

Operating Expenses

Total operating expenses are budgeted at approximately \$8.8 million, compared with \$7.2 million in 2025-26 preliminary actuals. This represents an increase of approximately \$1.6 million, or 23%. The increase is concentrated in several areas, particularly Institutional and Building Support, Instruction and Research, and Financial Aid.

Notable variances include:

- **Instruction and Research-Salaries and Benefits**—The 2026-27 proposed budget is approximately \$750,000, an increase of \$127,000, or 20%, from 2025-26 preliminary

actuals. The increase reflects planned staffing levels and compensation costs. \$183,000 of the increase is for temporary help and benefits costs for the WLL operating program and Center for Constitutional Democracy.

- **Instruction and Research-Program Support**—The 2026-27 proposed budget is approximately \$426,000, compared with only \$82,000 in 2025-26 preliminary actuals. This represents an increase of approximately \$344,000. The significant increase indicates that FY2026-27 includes substantially more planned programmatic support for Instruction and Research, primarily for increased consultant costs for the WLL Operating program and the Center for Constitutional Democracy.
- **Academic Support-Salaries and Benefits**—The 2026-27 proposed budget is approximately \$71,000, a decrease of \$94,000, or 57%, from 2025-26 preliminary actuals. The decrease reflects lower planned personnel costs in this function. The budget decrease is primarily due to the end of a full-time Professor of Practice & Associate Director appointment for the LL.M. Program, funded by a one-time transfer from the Dean's Priorities nonstate fund.
- **Student Service-Program Support**—The proposed budget is approximately \$709,000, an increase of approximately \$177,000, or 33%, from 2025-26 preliminary actuals. The proposed increase reflects additional planned support for student-facing programs and services. \$87,000 of the increase is for the Wellness Activities program, and \$67,000 is for increased Bridge Fellow support.
- **Institutional and Building Support-Salaries and Benefits**—The 2026-27 proposed budget increases by approximately \$114,000, or 9%, reflecting anticipated personnel and compensation costs, primarily due to higher personnel costs projected in the Institutional Advancement department due to one-time vacancy savings from staff turnovers in 2025-26. \$1.36 million of the total budget is allocated to personnel costs for the Advancement department.
- **Institutional and Building Support-Program Support**—The 2026-27 proposed budget is approximately \$4.0 million, an increase of approximately \$729,000, or 22%, from 2025-26 preliminary actuals. The increase is primarily due to the \$700,000 rent subsidy for the Academe of 198 residents.
- **Financial Aid-Scholarships and Fellowships**—The 2026-27 proposed budget is approximately \$1.1 million, an increase of approximately \$235,000, or 26%, from 2025-26 preliminary actuals. The increase reflects a planned expansion and continuation of scholarship support funded through unrestricted resources.

Nonoperating Revenues and Expenses

The most significant change between 2025-26 actuals and the 2026-27 Proposed Budget occurs in non-operating activity. Total non-operating revenues and expenses are budgeted at approximately \$1.4 million, compared with \$17.5 million in 2025-26 preliminary actuals. This represents a decrease of approximately \$16.1 million, or 92%.

- **Foundation Grants and Other Donations**—The 2026-27 proposed budget is approximately \$3.4 million, relatively consistent with the prior-year actual level, with a modest decrease of approximately \$80,000, or 2%. This reflects philanthropic support remaining a significant source of unrestricted funding but does not assume

significant growth over the 2025-26 level. The 2026-27 College budget reflects the Foundation's plan to fund a block grant of \$810,000. \$1.6 million donation to the Dean's Priorities fund is projected. Gift processing fees (7% deducted from private donations) are projected to provide \$700,000 in funding, supporting the Advancement department.

- **Net Endowment Payout**—This budget category includes payouts from the College's endowments, deducting the endowment management fee. The 2026-27 unrestricted net endowment payout is projected at approximately \$607,000, an increase of approximately \$66,000, or 12% from the prior year's actuals, due to higher endowment balances.
- **Unrealized Gain/Loss on Investments**—The 2026-27 proposed budget does not assume realized or unrealized investment gains or losses. 2025-26 preliminary actuals included approximately \$2.5 million in unrealized investment gains. The absence of a corresponding budgeted gain is appropriate because unrealized investment gains are market-dependent and cannot be reliably projected as a recurring source of funding.
- **Net Transfers to/from Other Funds**—A positive number in this category is an addition (transfer from/revenue), while a negative number is a deduction (transfer to/expense). Net transfers represent the largest single driver of the overall change in the fund's financial results. 2025-26 included one-time substantial internal funding transfers of \$20 million from the Core Operations reserve, offset by a \$14.05 million transfer out for Series 2017 bond defeasance, and a \$4.7 million transfer from McAllister Tower reserves. 2026-27 proposed budget includes approximately \$3.09 million in net transfers to other funds, mainly for the \$5.1 million transfer to support the Tower renovation project from Plant Fund Reserve, offset by a \$1.6 million transfer from the projected net income generated from the Parking Garage and a \$479,000 transfer from the projected net income generated from Client Services.

Endowed Funds Spending Rate and Cost Recovery Surcharge

- **Endowment Spending Rate**—The budget for endowed funds reflects a total return spending policy permitting the expenditure of both current income and a portion of appreciation. As approved by the Board of Directors in March 2026, the spending rate for 2026-27 remains at 4.0 percent, calculated on the 12-quarter rolling average market value of all endowed funds (January 2023–December 2025).
- **Endowment Management Cost Recovery Surcharge**—A cost recovery fee is currently budgeted with a surcharge of 55 basis points (0.55 percent) applied to distributions from the General Endowment Pool for endowed funds. The funds recovered will be used, in part, to defray the cost of carrying out the terms of the endowments and provide additional resources for the fundraising effort.

4. PROPOSED RESOLUTION

Resolved that the Board of Directors approve the attached non-state proposed budget for 2026-27.

Attachments:

- Non-State Proposed Budget for 2026-27

	Proposed Budget 2026-27	Preliminary Year-end Actual 2025-26	Dollar Change from FY27 Budget to Preliminary FY26 Year-end Actual	% Change from FY27 Budget to Preliminary FY26 Year-end Actual	Year-end Actual 2024-25
REVENUES					
Grants and Contracts	6,546,100 *	7,446,284	(900,184)	-12%	7,653,917
Other Income	<u>167,250</u>	<u>160,687</u>	<u>6,563</u>	<u>4%</u>	<u>83,145</u>
TOTAL OPERATING REVENUES	\$ 6,713,350	\$ 7,606,971	\$ (893,621)	-12%	\$ 7,737,062
EXPENSES					
Instruction and Research					
Salaries and Benefits	7,135,564 *	7,378,817	(243,253)	-3%	6,788,967
Program Support	1,503,180 *	2,784,085	(1,280,905)	-46%	1,840,657
Public and Professional Services					
Salaries and Benefits	463,252 *	314,144	149,108	47%	303,383
Program Support	97,059	86,095	10,964	13%	91,197
Academic Support					
Salaries and Benefits	-	-	-	--	-
Program Support	-	-	-	--	-
Student Services					
Salaries and Benefits	13,017	-	13,017	-	-
Program Support	37,878	19,569	18,309	94%	11,194
Institutional and Building Support					
Salaries and Benefits	36,206	36,258	(52)	0%	34,238
Program Support	19,979 *	133,933	(113,954)	-85%	109,650
Financial Aid					
Salaries and Benefits	210,680 *	110,400	100,280	91%	120,467
Program Support	15,838	4,940	10,898	221%	20,739
Administrative Overhead	12,500	-	12,500	-	6,728
Scholarships and Fellowships	2,712,947 *	2,285,918	427,029	19%	1,914,051
Student Organizations					
Program Support	- *	<u>109,526</u>	<u>(109,526)</u>	<u>-100%</u>	<u>139,089</u>
TOTAL OPERATING EXPENSES	\$ 12,258,100	\$ 13,263,686	\$ (1,005,586)	-8%	\$ 11,380,358
NET OPERATIONS	\$ (5,544,750)	\$ (5,656,714)	\$ 111,964	-2%	\$ (3,643,296)
NONOPERATING REVENUES (EXPENSES)					
Donations	1,196,966 *	2,562,612	(1,365,646)	-53%	2,146,149
Investment Income	17,000	22,441	(5,441)	-24%	25,854
Net Endowment Payout	1,980,939 *	1,944,854	36,085	2%	1,786,722
Realized Gain/Loss on Sale of Investments	-	(3,089)	3,089	-100%	(211)
Unrealized Gain/Loss on Investments	- *	494,187	(494,187)	-100%	224,896
Net Transfers to/from Other Funds	<u>19,949</u> *	<u>506,379</u>	<u>(486,430)</u>	<u>-96%</u>	<u>147,636</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 3,214,854	\$ 5,527,383	\$ (2,312,529)	-42%	\$ 4,331,046
TOTAL CHANGE IN NET ASSETS	\$ (2,329,896)	\$ (129,331)	\$ (2,200,565)	1701%	\$ 687,750

UC LAW SAN FRANCISCO
Non-State Budget - 2026-27 Proposed Budget
Unrestricted Funds

9/11/2026

	Proposed Budget 2026-27	Preliminary Year-end Actual 2025-26	Dollar Change FY27 Budget to Preliminary FY26 Year-end Actual	% Change FY27 Budget to Preliminary FY26 Year-end Actual	Year-end Actual 2024-25
REVENUES					
Dues/Memberships	- *	110,000	(110,000)	-100%	145,000
Fees	304,116	278,906	25,210	9%	456,723
Private Grants and Contracts	12,500	2,800	9,700	346%	4,553
Other Income	233,398 *	1,638,147	(1,404,749)	-86%	531,327
Overhead Allowances	40,071	17,530	22,541	129%	263,445
TOTAL OPERATING REVENUES	\$ 590,085	\$ 2,047,383	\$ (1,457,298)	-71%	\$ 1,401,047
EXPENSES					
Instruction and Research					
Salaries and Benefits	749,899 *	623,200	126,699	20%	935,246
Program Support	425,879 *	81,948	343,931	420%	290,088
Public and Professional Services					
Salaries and Benefits	86,377	71,770	14,607	20%	53,573
Program Support	85,600	107,175	(21,575)	-20%	30,654
Academic Support					
Salaries and Benefits	70,690 *	164,920	(94,230)	-57%	15,000
Program Support	57,550	42,363	15,187	36%	34,261
Student Services					
Salaries and Benefits	8,473	8,125	348	4%	57,936
Program Support	708,870 *	532,219	176,651	33%	627,933
Institutional and Building Support					
Salaries and Benefits	1,435,198 *	1,320,918	114,280	9%	1,171,316
Program Support	4,046,937 *	3,317,776	729,161	22%	2,362,830
Financial Aid					
Scholarships and Fellowships	1,140,182 *	905,052	235,130	26%	1,130,533
Program Support	-	-	-	=	-
TOTAL OPERATING EXPENSES	\$ 8,815,655	\$ 7,175,466	\$ 1,640,189	23%	\$ 6,709,369
NET OPERATIONS	\$ (8,225,570)	\$ (5,128,082)	\$ (3,097,488)	60%	\$ (5,308,322)
NONOPERATING REVENUES (EXPENSES)					
Foundation Grants and Other Donations	3,379,465 *	3,459,491	(80,026)	-2%	2,801,747
Investment Income	166,895	114,428	52,467	46%	153,244
Net Endowment Payout	607,300 *	541,430	65,870	12%	505,082
Endowment Management Fee Revenue	316,901	290,809	26,092	9%	269,949
Realized Gain/Loss on Sale of Investments	-	29	(29)	-100%	819
Unrealized Gain/Loss on Investments	- *	2,454,246	(2,454,246)	-100%	1,573,001
Net Transfers to/from Other Funds	(3,094,502) *	10,655,697	(13,750,199)	-129%	(228,936)
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 1,376,059	\$ 17,516,130	\$ (16,140,071)	-92%	\$ 5,074,905
TOTAL CHANGE IN NET ASSETS	\$ (6,849,511)	\$ 12,388,048	\$ (19,237,559)	-155%	\$ (233,417)

*See attached narrative.

ACTION ITEM

- 1. REPORT BY:** Chair of the Finance Committee Chip Robertson
- 2. SUBJECT:** Contracts and Grants in Excess of \$100,000
- 3. RECOMMENDATIONS:**

That the Board of Directors authorize award of the contracts in excess of \$100,000 as described in this report. Grants over \$100,000 are presented as informational reporting.

Item: 6.4.1
Title: Furniture, Fixtures, and Equipment - McAllister Tower Remodel Project
Vendor: Foliot Furniture
Cost: \$700,000
Term: September 1, 2026 - July 31, 2027

Description: The fabrication, delivery, and installation of residential furniture for the first phase of the residential buildout at 100 McAllister. The project includes furnishing 40 units with 198, including bedrooms and associated shared living spaces. Foliot was selected through a competitive solicitation process based on its qualifications, product quality, and overall value.

Item: 6.4.2
Title: Water Damage Remediation and Repairs (Ratification)
Vendor: Restoration Management Company
Cost: \$228,227
Term: 7/6/2026 – 9/30/2026

Description: Emergency Water Damage Restoration and Repair Services in the lower-level areas of 198 McAllister affected by a leak caused by a faulty pipe coupling.

Item: 6.4.3
Title: Custom Lighting Design - McAllister Tower Remodel Project
Vendor: Phoenix Day Inc.
Cost: Not to exceed \$400,000
Term: August 21, 2026 – December 31, 2027

Description: Authority is requested to enter into an agreement with Phoenix Day Inc. for the engineering, preparation of shop drawings, custom fabrication, and delivery of lighting fixtures for the 100 McAllister Tower Remodel Project. The custom lighting fixtures have been designed to meet the project's architectural and aesthetic requirements and will be manufactured in accordance with the approved construction documents. Phoenix Day Inc. was selected through a competitive solicitation process based on its qualifications, technical expertise, and overall value.

Item: 6.4.4
Title: HVAC Repair and Maintenance Services (Ratification)
Vendor: Acco Engineered Systems, Inc.
Cost: \$130,941
Term: January 29, 2026 – September 30, 2027
Description: HVAC maintenance and repair services performed by ACCO Engineered Systems under the University of California Office of the President (UCOP) systemwide contract. The additional work addressed leaking HVAC condenser units and other related repairs.

Item: 6.4.5
Title: Change Order 198 McAllister WAP Installation (Ratification)
Vendor: Cupertino Electric, Inc.
Cost: \$132,810
Term: June 17, 2025 – December 31, 2025
Description: Ratification of a change order to the Trade Service Agreement with Cupertino Electric, Inc. for the installation of wireless access points throughout 198 McAllister. The additional work was required to support the completion of campus wireless infrastructure installation and was performed during the project. Ratification is requested to approve the change order and authorize payment for the completed work.

Item: 6.4.6
Title: Phase 2 Budget Release for the 100 McAllister Tower Remodel Project
Value: Varies, as listed below
Term: Through December 31, 2027
Description: The College has executed a Guaranteed Maximum Price (GMP) amendment with Plant Construction for the remaining work needed to complete the McAllister Tower project. To intends to release the Phase 2 project budget to the consultants and contractor to complete the remaining design, construction, and related services required for project delivery. The following are the major Phase 2 contracts. All listed contracts were previously executed to support the Phase 1 scope of the project and will be amended to include Phase 2 services:

a. General Contractor

Vendor: Plant Construction LP
Description: Construction Manager/General Contractor services (CMGC) for phase 2 of the 100 McAllister Remodel Project. Guaranteed Maximum Price (GMP) amendment increasing the contract value from \$76,500,000 for Phase 1 to \$240,900,000 total for combined Phase 1 and Phase 2

b. Design Services

Vendor: Perkins & Will, Inc.

Description: Architectural services including final design, construction documentation, and construction administration services to support project delivery. Phase 2 contract value of \$2,600,000.

c. Special Inspection Services

Vendor: Consolidated Engineering Laboratories, Inc.

Description: Independent inspection and testing services during construction to verify critical structural, geotechnical and life-safety elements are installed in accordance with approved construction documents, applicable building codes, and project specifications. Phase 2 contract value of \$1,200,000.

d. Real Estate Advisory Services

Vendor: Century Urban

Description: Support for real estate activities necessary for project implementation including acquisition strategy, negotiations, billing and cost oversight, due diligence, stakeholder engagement, and project closeout as applicable. Phase 2 contract value of \$900,000.

e. Geotechnical Services

Vendor: Langan Engineering and Environmental Services, Inc.

Description: Engineering Support during construction to verify that subsurface conditions and foundation work conform to the geotechnical requirements, approved plans, and project specifications. Phase 2 contract value of \$600,000.

f. Environmental Services

Vendor: Van Brunt Associates

Description: Support during construction to ensure compliance with applicable environmental regulations, permit conditions, and project commitments. Phase 2 contract value of \$100,000.

g. Building Survey Services

Vendor: Martin Ron Associates, Inc.

Description: Construction surveying services to support accurate project layout and verification throughout construction. Phase 2 contract value of \$100,000.

h. Building Monitoring Services

Vendor: Municon West Coast, Inc.

Description: Monitoring services during construction to measure and document construction-related vibrations and assess potential effects on adjacent structures. Phase 2 contract value of \$100,000.

PROPOSED RESOLUTION:

That the Board of Directors authorize award of the 2025-26 nonstate grants and contracts in excess of \$100,000 listed below:

- *6.4.1 Foliot 100 McAllister Tower Furniture (FF&E)
 - *6.4.2 Restoration Management Company Water Damage Remediation & Repairs (Ratification)
 - *6.4.3 Custom Lighting Design and Fabrication for the 100 McAllister Tower Remodel Project
 - *6.4.4 HVAC Repair and Maintenance Services (Ratification)
 - *6.4.5 Change Order Service Agreement for 198 McAllister WAP Installation (Ratification)
 - *6.4.6 Phase 2 - 100 McAllister Tower Remodel Project - Contract Authority Update
-

Grants – Reporting Item

Item: 6.4.7
Title: Low Income Tax Clinic (LITC) Program
Grantor: Internal Revenue Service (IRS)
Revenue: \$600,000
Term: Jan 1, 2027-Dec 31, 2029

Description: Authority is requested to enter in a three-year, \$600,00 grant agreement with the Internal Revenue Service (IRS), which would support the Tax Law Center's participation in the IRS's Low Income Tax Clinic (LITC) Program. If awarded, the grant would be led by Prof. Amy Spivey and the funding would be allocated in three annual tranches – i.e., \$200,000 for fiscal years 2027/2028/2029.

ACTION ITEM

- 1. REPORT BY:** Chair of the Finance Committee Chip Robertson
- 2. SUBJECT:** Student Health Insurance Stabilization and Student Health Services Funds – Transfer to Support a Recreational and Fitness Center

3. RECOMMENDATIONS:

That the Board of Directors authorize the transfer of residual balances from the Student Health Insurance Stabilization Fund and Student Health Services Fund to help fund the development of a recreation and fitness center in the lower level of McAllister Tower in 2026-27.

4. BACKGROUND:

Efforts are underway to raise private donations for a campus-wide recreational and fitness facility in the lower level of 100 McAllister Street. The proposed recreation and fitness center represents a significant investment in student health, wellness, and quality of life. It will create a centralized space where students can participate in community-building, physical activity, recreation, and wellness programs and will provide a long-term resource that directly benefits the student population.

Using the existing balances from these fees for the fitness center project would allow the institution to put previously collected student resources toward a permanent investment in student wellness. The proposed use is consistent with the purpose of the fees because the fitness center will provide students with ongoing opportunities to improve and maintain their physical health and overall well-being. A rendering of the project is attached. The total cost is estimated at \$5 million, if the work can commence prior to Plant Construction's demobilization. To help offset this cost, the repurposing of residual fund balances in health and fitness related accounts is proposed.

Not part of this request, but subject to consultation with UCLAS, the Wellness Activities Fund (09-14804) was established to provide a dedicated source of funding for student wellness initiatives and programs. The fee supports activities and services intended to enhance students' physical, mental, and overall well-being and to provide students with opportunities to engage in healthy lifestyles. Accumulated residual funds totaling approximately \$160,000 are projected at this fiscal year-end for repurposing.

The Student Health Insurance Stabilization Fund (11-77401) was established at a time when the financial viability of the UC Student Health Insurance Program was in doubt. Residual funds have been previously deployed to support part-time staffing costs. A total of \$93,003 is available for repurposing.

The Student Health Services Fund (09-77400) was established to provide dedicated funding to support student health services and related health and wellness needs. In past years, this was the primary source of funding for the on-campus student health clinic. The fee has supported the institution's ability to provide resources and services designed to promote and maintain student

health. Over time, the account has accrued an accumulated cash balance, and it is projected that an ending fund balance of approximately \$800,000 will exist at this fiscal year-end for repurposing.

Over time, fund balances in these accounts have accumulated from surplus operations and investment gains. As the institution evaluates its current student wellness priorities and infrastructure needs, there is an opportunity to use these existing resources for a capital investment that directly advances the original purpose of the fee.

5. PROPOSED RESOLUTION:

That the Board of Directors authorize the transfer of 2026-27 residual fund balances from the Student Health Insurance Stabilization Fund and Student Health Services Fund to be used to help fund the development of a recreation and fitness center in the lower level of McAllister Tower.

Attachment:

- Rendering of McAllister Tower recreational center, July 2026



ACTION ITEM

1. **REPORT BY:** Chair of the Finance Committee Chip Robertson
2. **SUBJECT:** Delegation of Signature Authority
3. **RECOMMENDATIONS:**

That the Board of Directors authorize the delegation of signature authority as described in the attachment.

Proposal to Delegate Contract, Purchase Order, and Tenant License Signature Authority

Proposal

To improve operational efficiency while maintaining appropriate internal controls, it is proposed that the Deputy Chief Financial Officer and Controller be delegated authority to execute contracts with a total value of up to \$100,000 on behalf of UC Law San Francisco. Contracts exceeding \$100,000 will continue to require the signature and approval of the Chief Financial Officer.

Also, it is proposed that the Director of Business Services be delegated authority to execute Purchase Orders with a total value of up to \$100,000 on behalf of UC Law San Francisco. Purchase Orders exceeding \$100,000 will continue to require the signature and approval of the Chief Financial Officer. This delegation applies only after all required approvals have been obtained. For purchases requiring a contract, the contract must be fully executed and authorized before a Purchase Order may be issued.

In addition, it is proposed that the Director of Housing be delegated authority to execute tenant licenses for campus housing. This delegation applies to new and renewed tenant licenses for occupancy of Academe at 198 and in the future for the 100 McAllister Tower apartment units. Termination of tenant licenses will continue to require the approval of the Chief Financial Officer.

Background

The Standing Orders of the Board of Directors (Standing Orders of the Board of Directors, Section 100.4, “Duties of the Chancellor and Dean of the College – Contract Authority,” subsection (k)) confer upon the Chancellor and Dean contract signature authority. This authority has been delegated to the Chief Financial Officer. Under the current approval structure, the Chief Financial Officer is the sole authorized signatory for all contracts, regardless of dollar amount, and for all Purchase Orders valued at \$5,000 or greater. While this centralized approach provides executive oversight, it also creates unnecessary administrative delays for routine transactions and places all contract and purchase order execution responsibilities on a single individual.

The Deputy Chief Financial Officer and Controller serves as a senior financial executive responsible for oversight of the institution's fiscal operations, financial reporting, internal controls, procurement oversight, and regulatory compliance. The position routinely reviews contracts for budgetary compliance, funding availability, fiscal risk, and adherence to College policies, making it well qualified to assume limited contract signature authority.

The Director of Business Services is responsible for overseeing the procurement function, including administration of the purchase order process, compliance with procurement policies, vendor management, competitive bidding requirements, and purchasing operations. The Director

ensures that purchase orders comply with College policies, applicable regulations, delegated purchasing authority, and approved funding sources before they are issued. Because the Director already provides operational oversight of the purchasing process and reviews purchase orders for compliance and accuracy, delegating signature authority for purchase orders up to \$100,000 appropriately aligns decision-making authority with existing responsibilities while improving processing efficiency.

The Director of Housing is responsible for the overall management and administration of campus housing, including the authorization and execution of tenant licenses. While the Director of Housing has historically executed tenant licenses as part of the existing housing process, this procedure formally establishes and documents that authority.

Rationale

Delegating signature authority would provide several operational benefits:

- Improve operational efficiency by reducing processing time for routine contracts and purchase orders.
- Reduce administrative bottlenecks by decreasing reliance on a single executive for all signatures.
- Ensure business continuity by providing authorized coverage during periods when the Chief Financial Officer is unavailable.
- Align signature authority with existing operational responsibilities for both the Deputy CFO and Controller and the Director of Business Services.
- Enhance customer service by allowing campus departments and external partners to receive timely execution of agreements and purchase orders.
- Allow the Chief Financial Officer to focus on strategic priorities, including long-range financial planning, capital financing, treasury management, and executive initiatives.

Internal Controls

This delegation would not diminish existing financial, procurement, or legal controls. All current review and approval processes would remain in effect, including:

- Legal review, when required.
- Procurement and competitive bidding requirements.
- Budget verification and funding approval.
- Compliance with applicable College policies and delegated authorities.
- Required Board of Directors approval, when applicable.

The delegation would apply only to signature authority after all required reviews and approvals have been completed.

Scope of Authority

Deputy Chief Financial Officer and Controller

The Deputy Chief Financial Officer and Controller would be authorized to execute contracts:

- With a total value of up to \$100,000.
- After all required institutional reviews and approvals have been completed.
- In accordance with existing College policies and delegated authority.
- That do not otherwise require higher-level approval.

Director of Business Services

The Director of Business Services would be authorized to execute Purchase Orders:

- With a total value of up to \$100,000.
- After all required procurement reviews and approvals have been completed.
- In accordance with applicable procurement policies and delegated authority.
- That do not otherwise require higher-level approval.

Contracts and Purchase Orders exceeding \$100,000, or those specifically reserved for the Chief Financial Officer under College policy or Board action, would continue to require the Chief Financial Officer's signature.

Director of Housing

The Director of Housing is authorized to execute tenant licenses for campus housing. While this reflects the current practice, this document will formally establish and authorize the procedure.

Risk Mitigation

The proposed delegation presents minimal institutional risk because:

- Both positions possess extensive experience in financial management, procurement, internal controls, contract administration, and regulatory compliance.
- Existing approval workflows and review processes remain unchanged.
- Financial commitments remain subject to budget verification, procurement oversight, and legal review, as applicable.
- Signature authority is limited by a clearly defined monetary threshold.
- The delegation affects only execution authority and does not alter existing approval, procurement, or governance requirements.

All contracts and Purchase Orders exceeding \$100,000, and any agreements otherwise reserved by College policy or Board action, shall continue to require the signature and approval of the Chief Financial Officer.

ACTION ITEM

1. **REPORT BY:** Chief Financial Officer David Seward
2. **SUBJECT:** Contracts and Grants in Excess of \$100,000
3. **RECOMMENDATIONS:**

That the Board of Directors authorize the award of the contracts in excess of \$100,000 as described in this report.

Item: 7.1.1
Title: Network Switches for 100 McAllister Tower
Vendor: ePlus Technology, Inc.
Cost: Not to exceed \$650,000
Term: September 12, 2026 - December 31, 2027

Description: The College intends to issue a Purchase Order to ePlus Technology, Inc. for the purchase and delivery of network switches required for the 100 McAllister Tower Remodel Project. The network switches will provide the core network infrastructure necessary to support data, wireless connectivity, security systems, and other technology services throughout the renovated facility.

Item: 7.1.2
Title: Wireless Access Points (WAPs) for 100 McAllister Tower
Vendor: ePlus Technology, Inc.
Value: Not to exceed \$550,000
Term: September 12, 2026 - December 31, 2027

Description: The College intends to issue a purchase order to ePlus Technology, Inc. for the procurement and delivery of wireless access points (WAPs) for the 100 McAllister Tower Remodel Project. The WAPs will provide wireless network connectivity throughout the renovated facility.

Item: 7.1.3
Title: Audio Visual Maintenance Contract
Vendor: CTi Technologies
Value: \$154,000
Term: September 1, 2026 – August 31, 2027

Description: Approval is requested to enter into a contract for ongoing maintenance and repair of the institution's audiovisual systems. The contract will support reliable operation of audiovisual equipment in classrooms, meeting rooms, and other campus spaces, minimize service disruptions, and provide timely technical support and repairs when needed.

Item: 7.1.4
Title: Ratification – CEO Search Firm

Vendor: Russell Reynolds
Value: Not to exceed \$200,000
Term: June 11, 2026 – August 31, 2027

Description: Approval is requested to enter into a contract with an executive search firm to assist in recruiting and selecting the institution's next Chancellor and Dean. The firm will provide expertise in developing the candidate profile, conducting a comprehensive national search, identifying and evaluating qualified candidates, and supporting the institution throughout the selection process.

PROPOSED RESOLUTION:

That the Board of Directors authorize the award of the contracts in excess of \$100,000 listed below:

- *7.1.1 100 McAllister Network Switches - ePlus Technology
- *7.1.2 100 McAllister Wireless Access Points - ePlus Technology
- *7.1.3 Service Contract for Audio Visual Equipment - CTi Services
- *7.1.4 Professional Service – CEO Search Firm – Russell Reynolds (Ratification)

ACTION ITEM

- 1. REPORT BY:** Chief Financial Officer David Seward
- 2. SUBJECT:** Authority to Open Bank Accounts to Support Historic Tax Credit Financing
- 3. RECOMMENDATION:**

That the Board of Directors authorize the opening of four bank accounts for the entities established in connection with the Historic Tax Credit ("HTC") financing for the 100 McAllister Tower Project. The accounts will support the receipt, administration, and disbursement of Project funds.

A separate account is required for each entity to segregate and account for Project-related funds and to comply with applicable financing, organizational, and tax credit requirements.

The accounts will be established with Wells Fargo Bank. The appropriate officers and representatives will be authorized to execute required account-opening and Project financing documents, administer the accounts, and take related actions necessary to implement the banking arrangements.

The four entities are Historic Fund Foundation, McAllister Tower Landlord, McAllister Tower Tenant, and McAllister Tower Manager.

PROPOSED RESOLUTION:

That the Board of Directors authorize the opening of four bank accounts with Wells Fargo Bank for the following entities associated with the Historic Tax Credit ("HTC") financing for the 100 McAllister Tower Project.

- Historic Fund Foundation
- McAllister Tower Landlord
- McAllister Tower Tenant
- McAllister Tower Manager

ACTION ITEM

- 1. REPORT BY:** Chief Financial Officer David Seward
- 2. SUBJECT:** Approval of certain (i) federal historic tax credit equity investment documents (the “HTC Documents”) to be made in partnership with the tax credit investor, Wells Fargo Community Investment Holdings, LLC (“Investor”), (ii) property conveyance documents (the “Conveyance Documents”) related to the 100 McAllister Tower Project (the “Project”), and (iii) loan documents (the “Bridge Loan Documents”) to secure an HTC bridge loan of up to \$30,000,000 (the “Bridge Loan”) from Lincoln Savings Bank (“Bridge Lender”)

3. RECOMMENDATION:

That the Board of Directors of the University of California College of the Law, San Francisco (“UC Law SF” or the “College”), (i) approve each of the documents, in form and substance substantially similar to the forms attached hereto as Exhibit A-1 through Exhibit A-3 (collectively, the “College Documents”), to be entered into by the College, and (ii) authorize the Chancellor & Dean, David Faigman (the “Chancellor and Dean”), on behalf of the College, to enter into, execute and deliver the College Documents and all agreements ancillary thereto.

4. BACKGROUND:

The Project, which is currently owned by the College, involves the rehabilitation and adaptive reuse of approximately 253,000 square feet into residential, academic, and administrative space. The Project is currently underway at a total cost of \$284 million, although as the Project proceeds, that amount is expected to change. The College expects to fund these costs from a combination of the grant of funds from the State of California, net proceeds of the Series 2026 Bonds, net proceeds from federal historic tax credits (“HTCs”) and UC Law SF institutional funds. Closing for the HTCs will occur in calendar year 2026 or early 2027, with 75-85% of Investor proceeds expected to be contributed by September 2027, shortly after estimated Project completion. The Bridge Loan from Bridge Lender will cover costs incurred in advance of the later HTC funding but be repaid from HTC funds. The Bridge Loan is sized as 90% of later equity installments to manage timing between current construction needs and future receipt of HTC equity installments and is expected to close by the end of September 2026. Some time prior to the closing for the HTCs and the first disbursement of the Bridge Loan, the College will transfer its fee ownership of the Project, as a charitable donation, to the UC Historic Facilities Foundation (the “Conveyance”).

5. RESOLUTION:

BE IT RESOLVED that the Board of Directors, at its meeting of September 11, 2026, resolves as follows:

1. Approval of the College Documents. The College Documents are hereby approved on terms substantially consistent with the forms attached to this memorandum, copies of which are on file with the Secretary of the Board.
2. Actions Authorized. The Chancellor and Dean is hereby authorized to enter into, execute and deliver to the Bridge Lender or the Investor, as applicable, in the name and on behalf of the College, the College Documents and any other agreements, documents, instruments, consents and certificates required by, referenced in or related to the HTC Documents, the Bridge Loan Documents and/or the Conveyance Documents and any and all other documents necessary to consummate the closing for the HTCs, the Bridge Loan and/or the Conveyance, as applicable, in each case, with such changes therein as, upon the advice of counsel, in consultation with the College's General Counsel, the CFO reasonably determines are beneficial and desirable to implement the transactions contemplated thereby and do not materially increase the liabilities or decrease the benefits to the College, the approval of the CFO so acting to be conclusively evidenced by such execution and delivery, and take any other action necessary or desirable to consummate the closing for the HTCs, the Bridge Loan and/or the Conveyance, the approval of the CFO so acting to be conclusively evidenced by such execution and delivery. The scope of documents authorized hereunder include all College Documents and ancillary documents.

For informational purposes only, attached hereto as Exhibit A-4 are HTC Documents, Bridge Loan Documents and Conveyance Documents (excluding the College Documents) that the parties thereto intend to execute in connection with the closing for the HTCs, the Bridge Loan and the Conveyance (collectively, the "Additional Documents"). The Additional Documents include the following:

1. Bridge Loan Agreement
2. Bridge Note
3. Pledge Agreement (Borrower)
4. Pledge Agreement (Master Tenant)
5. Assignment of Rights to Capital Contributions
6. Collateral Assignment of Assignment of Rights to Capital Contributions
7. Direction of Payment Agreement
8. Disbursing Agreement
9. Recognition Agreement
10. Amended and Restated Tenant Operating Agreement
11. Amended and Restated Landlord Agreement
12. HTC Lease
13. Property Management Agreement

Attachments:

- Exhibit A-1: Repayment and Completion Guaranty
- Exhibit A-2: Guaranty
- Exhibit A-3: Agreement to Convey Property and Contribute Ownership Interests
- Exhibit A-4: Additional Documents

Exhibit A-1
Repayment and Completion Guaranty

REPAYMENT AND COMPLETION GUARANTY

THIS REPAYMENT AND COMPLETION GUARANTY (“**Guaranty**”), dated as of [____], 2026, is made and given by UNIVERSITY OF CALIFORNIA COLLEGE OF LAW, SAN FRANCISCO, a California public institution of higher education, whose mailing address is [____] (“**Guarantor**”), in favor of LINCOLN SAVINGS BANK, an Iowa state banking corporation, having its principal office at 1922 Ingersoll Avenue, Des Moines, Iowa 50309 (“**Lender**”).

RECITALS

A. Lender has agreed to lend to 100 McAllister Landlord LLC, a California limited liability company (“**Borrower**”), that certain loan in the original principal amount of \$[____] (the “**Loan**”), which Loan is evidenced by a Bridge Note in the principal amount of \$[____] dated as of even date herewith, executed by Borrower in favor of Lender (the “**Note**”), which Note is the subject of a Bridge Loan Agreement of even date herewith between Borrower and Lender (the “**Loan Agreement**”) and which is secured by the Security Documents (as defined in the Loan Agreement); the Note, the Loan Agreement and the other “**Loan Documents**” (as that term is defined in the Loan Agreement) are sometimes hereinafter collectively referred to as the “**Loan Documents**.” Any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement.

B. It is a condition precedent to the obligation of Lender to make the Loan to Borrower that this Guaranty be executed and delivered by Guarantor.

NOW, THEREFORE, in consideration of the recitals, the truth and correctness of which are hereby confirmed by Guarantor, of the making of the Loan, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby covenants and agrees with Lender as follows:

Section 1. The Guaranty. Guarantor hereby primarily, absolutely, irrevocably and unconditionally guarantees to Lender the following (collectively referred to herein as the “**Obligations**”): (i) the prompt payment when due (whether at a stated maturity date or earlier by reason of acceleration or otherwise) of all indebtedness (principal, interest and other), liabilities and monetary obligations of Borrower to Lender of every kind, nature and description under the Loan Documents, which includes, but is not limited to, the Note; (ii) the prompt performance of all other covenants, obligations and agreements to be kept and performed by Borrower under the Loan Documents, including but not limited to (a) construction of the Improvements and Completion thereof on or before the Completion Date, free and clear of all mechanics’, materialmen’s and laborers’ liens and (b) compliance with all environmental covenants and indemnities set forth in the Loan Agreement; and (iii) all representations and warranties made by Borrower in the Loan Documents being true, correct and complete. This is a guaranty of payment and performance and not of collection. This Guaranty shall be a joint and several obligation of each Person who signs any guaranty of all or part of the Obligations.

Section 2. Continuing Guaranty. This Guaranty is an absolute, irrevocable, direct, primary, unconditional, complete and continuing guaranty of payment and performance of the

Obligations. The obligations of Guarantor hereunder shall not be released by any action which might, but for this provision of this Guaranty, be deemed a legal or equitable discharge of a surety or guarantor, other than irrevocable payment and performance in full of the Obligations. No notice of any renewal or extension of the Obligations need be given to Guarantor. Guarantor hereby waives (a) diligence, demand for payment, presentment, protest, notice of demand, of protest, of dishonor, of nonpayment, of default or of nonperformance of any and all of the Obligations; (b) notices of advances of Loan Proceeds; (c) all other notices and demands of any kind and description relating to the Obligations now or hereafter provided for by any agreement, statute, law, rule or regulation; and (d) all defenses of Borrower pertaining to the Obligations, except for the defense of discharge by irrevocable payment and performance. The Obligations shall constitute the direct and primary obligations of Guarantor, and the obligations of Guarantor hereunder are irrevocable. The acceptance of this Guaranty by Lender is not intended to and does not release any liability previously existing of guarantor or surety of any indebtedness of Borrower to Lender.

Section 3. Other Transactions. Lender is authorized (a) to exchange, surrender or release, with or without consideration, any collateral or security which may be placed with it by Borrower or by any other Person, or to deliver any such collateral or security directly to Borrower for collection and remittance or for credit, or to collect the same in any manner without notice to Guarantor; and (b) to amend, extend or supplement the Loan Documents other than a modification or amendment that increases the interest rate, other than as set forth in the Loan Documents, principal amount of the Loan, to waive compliance by Borrower or any other Person with the terms thereof and to settle or compromise any of the Obligations without notice to or consent of Guarantor and without affecting the liabilities of Guarantor hereunder. No invalidity, irregularity or unenforceability of all or any part of the Obligations or of any security therefor or other recourse with respect thereto shall affect, impair or be a defense to this Guaranty. The liabilities of Guarantor shall not be affected by any failure, delay, neglect or omission on the part of Lender to realize upon any of the obligations of Borrower to Lender, or upon any collateral or security for any of the Obligations, nor by the taking by Lender of (or its failure to take) any other guaranty or guaranties to secure the Obligations, nor by the taking by Lender of (or its failure to take or its failure to perfect its security interest in or other lien on) collateral or security of any kind. No act or omission of Lender, whether or not such action or failure to act varies or increases the risk, or affects the rights or remedies, of Guarantor, shall affect or impair the obligations of Guarantor hereunder. This Guaranty is in effect and binding without reference to whether this Guaranty is signed by any other Person. Possession of this Guaranty by Lender shall be conclusive evidence of due delivery hereof by Guarantor and acceptance hereof by Lender. This Guaranty shall continue in full force and effect, notwithstanding (a) the release of Borrower or any extension of time to Borrower, (b) the release of or any extension of time to any other guarantor of the Obligations or any part thereof, and/or (c) the making of any other loans by Lender to Borrower.

Section 4. Actions Not Required. Guarantor hereby waives any and all right to cause a marshalling of the assets of Borrower or any other action by any court or other governmental body with respect thereto or to cause Lender to proceed against any security for the Obligations or any other recourse which Lender may have and waives any requirement that Lender institute any action or proceeding at law or in equity, or obtain any judgment, against Borrower or any other Person, or with respect to any collateral or security for the Obligations, as a condition precedent to making demand on, or bringing an action or obtaining and/or enforcing a judgment against, Guarantor upon this Guaranty. Time is of the essence with respect to Guarantor's obligations under

this Guaranty. If any remedy or right hereby granted shall be found to be unenforceable, such unenforceability shall not limit or prevent enforcement of any other remedy or right hereby granted.

Section 5. No Subrogation. Unless and until the Obligations have irrevocably been paid in full, and notwithstanding any payment or payments made by Guarantor hereunder, Guarantor irrevocably waives all rights of subrogation to any of the rights of Lender against Borrower or any other Person liable for payment of any of the Obligations or any collateral security or guaranty or right of offset held by Lender for the payment or performance of the Obligations, and Guarantor irrevocably waives all legal and equitable rights to seek any recourse to or contribution, recovery or reimbursement from, or subrogation against, Borrower or any other Person liable for payment or performance of any of the Obligations in respect of payments or performance made by Guarantor hereunder.

Section 6. Application of Payments. Any and all payments made by Guarantor or by any other Person, and/or the proceeds of any or all collateral or security for any of the Obligations, may be applied by Lender on such items of the Obligations as Lender may elect.

Section 7. Recovery of Payment. If any payment received by Lender and applied to the Obligations is subsequently set aside, recovered, rescinded or required to be returned or repaid for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of Borrower or any other obligor), the Obligations to which such payment was applied shall for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty shall be enforceable as to such Obligations as fully as if such application had never been made. No payment shall be deemed to be irrevocable for the purpose of this Guaranty if it remains subject to any possible such set aside, recovery, rescission, return or repayment for any reason.

Section 8. Security Interest and Set-offs. To the extent the Obligations are due and payable and unpaid, and at any time thereafter, Lender is hereby authorized at any time, without notice to Guarantor (any such notice being expressly waived by Guarantor) and to the fullest extent permitted by law, to set-off and apply any and all deposits to or for the credit or the account of Guarantor against any and all of the Obligations now or hereafter existing, irrespective of whether or not Lender shall have made any demand hereunder and although such obligations may be contingent or unmatured and such deposits or indebtedness may be unmatured. Lender agrees that, as promptly as is reasonably possible after the exercise of any such setoff right, it shall notify Guarantor of its exercise of such setoff right; provided, however, that the failure of Lender to provide such notice shall not affect the validity of the exercise of such setoff rights. Notwithstanding the foregoing, the set-off rights granted to Lender hereunder should not extend to accounts which Guarantor holds in an agency or property management capacity.

Section 9. Representations and Warranties of Guarantor. Guarantor hereby represents and warrants to, and covenants with, Lender that:

A. Borrower's Financial Condition. Guarantor is familiar with the financial condition of Borrower and with all other facts and circumstances which a diligent inquiry would reveal and which would bear upon the risk of nonpayment or nonperformance of the

Obligations, and Guarantor has executed and delivered this Guaranty based on Guarantor's own judgment and not in reliance upon any statement or representation of Lender. Lender shall have no obligation to provide Guarantor with any advice or information whatsoever or to inform Guarantor at any time of Lender's actions, evaluations or conclusions on the financial condition of or any other matter concerning Borrower.

B. Organization, Standing, Etc. Guarantor is a [] duly and validly organized, existing and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority to own its properties and to carry on its business as now conducted, to enter into this Guaranty, and to perform its obligations hereunder. This Guaranty has been duly authorized by all necessary action, and except for consents, approvals, and exemptions previously obtained (copies of which have been delivered to Lender), no approval of or exemption by any Person is required in connection with Guarantor's execution, delivery, and performance of this Guaranty. To Guarantor's knowledge, the execution and delivery of this Guaranty will not constitute a default thereunder

C. Financial Statements and No Material Adverse Change. Guarantor's financial statements heretofore furnished to Lender, have been prepared in accordance with recognized accounting principles consistently applied and fairly represent Guarantor's financial condition on the date thereof. Guarantor has no material obligation, liability or asset not disclosed in such financial statements, and there has been no material adverse change in the condition of Guarantor since the dates of such financial statements.

D. Litigation. Except as previously disclosed to Lender in writing as of the date hereof, there are no actions, suits or proceedings pending or, to the knowledge of Guarantor, threatened against or affecting Guarantor which, if determined adversely to Guarantor, would have a material adverse effect on the condition of Guarantor or on the ability of Guarantor to perform the Guarantor's obligations under this Guaranty. Guarantor is not in violation of any law, statute, ordinance, code or governmental rule or regulation applicable to Guarantor where such violation could reasonably be expected to impose a material liability on Guarantor; no unsatisfied judgments have been entered against Guarantor; and no unsatisfied liens have been filed against Guarantor.

E. Taxes. Guarantor has filed all federal, state and local tax returns required to be filed and has paid or made provision for the payment of all taxes due and payable pursuant to such returns and pursuant to any assessments made against the Guarantor or any of the Guarantor's property (other than taxes, fees or charges the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been provided on the books of Guarantor).

F. Enforceability. This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms (subject, as to enforceability, to limitations resulting from bankruptcy, insolvency or other similar laws affecting creditors' rights generally).

Section 10. Financial Statements and Reports. Guarantor will furnish to Borrower such financial statements, income tax returns and other reports and information as are necessary to enable Borrower to promptly comply with the Loan Agreement.

Section 11. Remedies. All remedies afforded to Lender by this Guaranty are separate and cumulative remedies, and no one of such remedies, whether or not exercised by Lender, shall limit any of the other remedies available to Lender hereunder, under the Loan Documents, at law, in equity by statute or otherwise, and shall in no way limit or prejudice any other remedy which Lender may have. Mere delay or failure to act shall not preclude the exercise or enforcement of any such rights and remedies available to Lender.

Section 12. Bankruptcy of Borrower. The liabilities and obligations of Guarantor under this Guaranty shall not be impaired or affected by the institution by or against Borrower or any other Person of any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or any other similar proceedings for relief under any bankruptcy law or similar law for the relief of debtors. Any discharge of any of the Obligations pursuant to any such bankruptcy or similar law or other law shall not diminish, discharge or otherwise affect in any way the obligations of Guarantor under this Guaranty, and upon the institution of any of the above actions, such obligations shall be enforceable against Guarantor.

Section 13. Costs and Expenses. Guarantor shall pay or reimburse Lender on demand for all expenses (including in each case all out-of-pocket fees and expenses of counsel) incurred by Lender arising out of or in connection with the enforcement of this Guaranty against Guarantor or arising out of or in connection with any failure of Guarantor to fully and timely perform the obligations of Guarantor hereunder.

Section 14. Waivers and Amendments. This Guaranty can be waived, modified, amended, terminated or discharged only explicitly in a writing signed by Lender. A waiver so signed shall be effective only in the specific instance and for the specific purpose given.

Section 15. Transfer of Assets. Guarantor agrees not to transfer any material portion of his assets without fair and adequate consideration.

Section 16. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder will be sufficiently given if in writing and delivered in person, sent by United States certified mail, return receipt requested, postage prepaid, sent by overnight mail by a nationally recognized courier service by certified mail or by an overnight courier service to the party being given such notice at the appropriate address set forth on page 1 hereof, or to such other address as any party may give to the others in writing at least 10 days prior to the effective date of said change of address. Notices delivered in person shall be effective upon receipt; notices delivered by mail shall be effective 3 Business Days after being deposited in the United States mail; notices delivered by overnight mail shall be effective on the Business Day following delivery to the courier.

Section 17. Guarantor Acknowledgments. Guarantor acknowledges that (a) Guarantor will benefit by and from the making of the Loan by Lender to Borrower; (b) Guarantor has received legal and adequate consideration for the execution of this Guaranty and has executed and delivered

this Guaranty to Lender in good faith in exchange for reasonably equivalent value; (c) Guarantor is not presently insolvent and will not be rendered insolvent by virtue of the execution and delivery of this Guaranty; (d) Guarantor has not executed or delivered this Guaranty with actual intent to hinder, delay or defraud Guarantor's creditors; (e) Lender has agreed to make the Loan in reliance upon this Guaranty; (f) Guarantor's independent counsel has advised Guarantor in the negotiation, execution and delivery of this Guaranty; (g) Lender has no fiduciary relationship to Guarantor, their relationship being solely that of debtor and creditor; (h) no joint venture exists between Guarantor and Lender; and (i) Guarantor has received a true and correct copy of each Loan Document.

Section 18. Successors and Assigns. This Guaranty shall (a) remain in full force and effect until irrevocable payment and performance in full of the Obligations, and the expiration of the obligation, if any, of Lender to make advances to Borrower under the Loan Agreement, (b) be binding upon Guarantor and the successors and assigns of Guarantor, and (c) inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns.

Section 19. GOVERNING LAW; JURISDICTION; VENUE. THIS GUARANTY, THE RIGHTS OF THE PARTIES HEREUNDER AND THE INTERPRETATION HEREOF SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES THEREOF, BUT GIVING EFFECT TO FEDERAL LAWS OF THE UNITED STATES APPLICABLE TO NATIONAL BANKS. AT THE OPTION OF LENDER, THIS GUARANTY MAY BE ENFORCED IN ANY UNITED STATES DISTRICT COURT FOR THE DISTRICT COVERING DES MOINES, IOWA OR THE STATE COURT SITTING IN DES MOINES, IOWA; GUARANTOR CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT JURISDICTION IN SUCH FORUMS IS NOT PROPER OR THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT AN ACTION IS COMMENCED IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS GUARANTY, LENDER AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES ABOVE DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

Section 20. Severability. Whenever possible, each provision of this Guaranty and any other statement, instrument or transaction contemplated hereby or relating hereto, shall be interpreted in such manner as to be effective and valid under applicable law, but, if any provision of this Guaranty or any other statement, instrument or transaction contemplated hereby or relating hereto shall be held to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty or any other statement, instrument or transaction contemplated hereby or relating hereto.

Section 21. WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, GUARANTOR AND LENDER HEREBY JOINTLY AND SEVERALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION

OR PROCEEDING RELATING TO THIS GUARANTY, THE OBLIGATIONS HEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. GUARANTOR AND LENDER EACH REPRESENTS TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

Section 22. Counterparts. This Guaranty may be executed in any number of counterparts, whether signed by one or more Persons or by all Persons who collectively constitute Guarantor, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. The agreements, duties, liabilities and obligations of Guarantor under this Guaranty shall not be affected or impaired in any way by virtue of the fact that said Persons sign separate counterparts hereof and do not all sign the same counterpart hereof.

Section 23. General. All representations and warranties contained in this Guaranty, or in any other agreement between Guarantor and Lender, shall survive the execution, delivery and performance of this Guaranty and the creation, payment and performance of the Obligations. Captions in this Guaranty are for reference and convenience only and shall not affect the interpretation or meaning of any provision of this Guaranty.

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Exhibit A-2
Guaranty

GUARANTY

THIS GUARANTY (this “Guaranty”), is made as of September [], 2026, by the UNIVERSITY OF CALIFORNIA COLLEGE OF THE LAW, SAN FRANCISCO, a [] (“Guarantor”), for the benefit of WELLS FARGO COMMUNITY INVESTMENT HOLDINGS, LLC, a Delaware limited liability company (together with its successor and assigns, the “Investor Member”).

RECITALS

WHEREAS, Guarantor owns a building (the “Building”) and property commonly known as the William Taylor Hotel and Temple Methodist Church, which is located at 100 McAllister Street, San Francisco, CA 94102;

WHEREAS, the Building and rights appurtenant thereto, including without limitation, rights appurtenant in the land upon which the Building and other improvements are located are collectively referred to herein as the “Property”;

WHEREAS, Guarantor is rehabilitating the Building into a residential complex to contain [40] apartments and amenity space, in a manner that is expected to qualify for Historic Tax Credits (as defined in the HTC Tenant Operating Agreement identified and defined below) (such rehabilitation, the “Rehabilitation,” and the Building, following the Rehabilitation, the “Project”);

WHEREAS, it is anticipated that in or around [April, 2027] (the “Contribution Date”), (i) Guarantor will contribute the Property to UC Historic Facilities Foundation, a California nonprofit public benefit corporation (the “Foundation”), (ii) Foundation will contribute the Property to 100 McAllister Manager Inc., a California corporation (the “Managing Member”), and (iii) Managing Member will contribute the Property to 100 McAllister Landlord LLC, a California limited liability company (“HTC Landlord”), pursuant to a certain Amended and Restated Operating Agreement to be dated as of the Contribution Date (the “HTC Landlord Operating Agreement”) with Managing Member (the foregoing, contribution, collectively, the “Property Contribution”);

WHEREAS, following the Property Contribution, it is anticipated that HTC Landlord will continue to undertake the Rehabilitation;

WHEREAS, following the completion of the Rehabilitation, 100 McAllister Tenant LLC, a California limited liability company (“HTC Tenant”), will lease the Project from HTC Landlord pursuant to the terms of a certain HTC Lease to be dated as of the Contribution Date (the “HTC Lease”);

WHEREAS, under the HTC Lease, it is required that HTC Landlord will pass through the Historic Tax Credits under Section 50 of the Code arising from HTC Landlord’s rehabilitation of the Building to HTC Tenant;

WHEREAS, Investor Member has been requested to enter into that certain Amended and Restated Operating Agreement dated as of the date hereof (the “HTC Tenant Operating Agreement”) with Managing Member, and to acquire an interest in HTC Tenant;

WHEREAS, Guarantor believes it will benefit substantially, directly or indirectly, from Investor Member’s acquisition of an interest in HTC Tenant and from HTC Tenant’s leasing the Project from HTC Landlord; and

WHEREAS, as a condition of acquiring an interest in HTC Tenant, the Investor Member has required Guarantor to provide the guaranties and indemnifications as herein set forth.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby covenants and agrees as follows:

1. Guarantor, irrevocably and unconditionally:

A. fully guarantees the due, prompt and complete payment and performance of each and every one of the following obligations:

(i) the obligations of the Managing Member under the HTC Tenant Operating Agreement;

(ii) the obligations of the Managing Member under the HTC Landlord Operating Agreement; and

(iii) the obligations of HTC Landlord and HTC Tenant under the HTC Lease including, without limitation, the obligation to fund Excess Development Costs (as such term is defined in the HTC Lease).

The HTC Tenant Operating Agreement, the HTC Landlord Operating Agreement, and the HTC Lease are collectively referred to herein as the “Guaranteed Documents”, and the obligations guaranteed under this Section 1.A. are collectively referred to herein as the “Guaranteed Documents Obligations”;

B. fully guarantees the accuracy, completeness, and the performance of the certifications, representations and warranties of the Managing Member, the HTC Landlord, and the HTC Tenant, as applicable, set forth in the Guaranteed Documents and in any certificates, instruments or documents executed after the date hereof at any time and from time to time pursuant to, or otherwise relating to, the Guaranteed Documents (collectively, the “Guaranteed Representations and Warranties”);

C. fully indemnifies, defends, and holds the Investor Member harmless from and against any and all loss and/or damage suffered by the Investor Member in connection with or relating to (i) any default or breach, as applicable, of the Guaranteed Documents Obligations and the Guaranteed Representations and Warranties, and (ii) any default by the Guarantor under this Guaranty (the indemnification and hold harmless obligations of the Guarantor under this Section 1.C, collectively, the “Guaranteed Indemnifications”); and

D. fully guarantees the due, prompt and complete payment of all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by the Investor Member in connection with the enforcement of this Guaranty against Guarantor.

The Guaranteed Documents Obligations, the Guaranteed Representations and Warranties, the Guaranteed Indemnifications, and the cost and expenses guaranteed under Section 1.D, are hereinafter collectively referred to as the "Guaranteed Obligations".

Subject to the express limitations in the following paragraph, Guarantor, irrevocably and unconditionally, agrees to pay directly to the Investor Member the amount of any Guaranteed Obligations recalculated on an After-Tax Basis (as that term is hereinafter defined) promptly upon demand. "After-Tax Basis" means, with respect to any payment to be received by the Investor Member, the amount of such payment, net of any offsetting direct or allocated deduction to which the Investor Member claims as a result of the application of such payment, supplemented by a further payment or payments so that, after deducting from such payments the amount of all taxes imposed on the Investor Member by any governmental authority or other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment to be received; provided, however, for the purposes of this definition, and for purposes of any payment to be made to the Investor Member on an After-Tax Basis, it shall be assumed that taxes are payable by the Investor Member at the Applicable Tax Rate (as hereinafter defined), which rate shall be certified in writing by the Investor Member to the HTC Tenant Managing Member upon request. "Applicable Tax Rate" means the combined effective federal, state, and local income tax rate of a taxpayer applicable in any given fiscal year assuming in each case the maximum tax rate applicable to the taxpayer without regard to actual taxable income.

Section 4 of Revenue Procedure 2014-12 sets forth a "safe harbor" (the "Safe Harbor") that applies in the case of a partnership that validly claims Historic Tax Credits (a "Partnership"). Pursuant to the Safe Harbor, the IRS will not challenge a Partnership's allocations of validly claimed Historic Tax Credits if the partnership and its partners satisfy the Safe Harbor. Each of Guarantor, Managing Member, HTC Tenant, HTC Landlord and Investor Member intends that each of the requirements of the Safe Harbor will be satisfied, including, without limitation, the prohibition of "impermissible guarantees" (as described under Section 4.05(2) of the Safe Harbor, "Impermissible Guarantees"). Accordingly, this Guaranty is intended to be a "permissible guaranty" as described under Section 4.05(1) of the Safe Harbor and shall be interpreted and treated as such. In addition, in no event shall any provision of this Guaranty include for purposes hereof any direct or indirect indemnity, guaranty or other insurance of: (i) the Investor Member's ability to claim Historic Tax Credits, the cash equivalent of the Historic Tax Credits, or the repayment of any portion of the Investor Member's contribution to HTC Tenant due to inability to claim Historic Tax Credits as a result of an Excluded Event; or (ii) payment of the Investor Member's costs if the IRS challenges the Investor Member's claim of Historic Tax Credits, which shall not be considered Guaranteed Obligations. The parties hereto affirm and direct that any ambiguity in the meaning of any provision of this Guaranty shall be resolved in favor of an interpretation that would comply with the requirements of the Safe Harbor, including without limitation, that this Guaranty and the provisions set forth herein do not constitute Impermissible Guarantees.

2. Guarantor hereby grants to the Investor Member in its absolute discretion and without notice to Guarantor, the power and authority to deal in any lawful manner with the Guaranteed Obligations and the other obligations guaranteed hereby; provided, however, that no such action shall be taken without the prior written consent of Guarantor if the cumulative effect of such changes would be to materially alter or increase the burden and obligations of Guarantor from those agreed upon at the time this Guaranty was originally executed. Notwithstanding the previous sentence, Investor Member agrees to keep Guarantor reasonably apprised of each step of any Internal Revenue Service audit, should any arise with respect to HTC Tenant or HTC Landlord as a result of the Project, and to permit Guarantor the right to submit written recommendations to Investor Member concerning the reply and defense of any matters related to same and Investor Member agrees to consider such recommendations in good faith. Without limiting the generality of the foregoing, the liability of Guarantor hereunder shall not be affected, impaired or reduced in any way by any action taken by the Investor Member involving any of the following powers or authorities or pursuant to any other provision hereof, or by any delay, failure or refusal of the Investor Member to exercise any right or remedy it may have against the Managing Member or any other person, firm or corporation, including other guarantors, if any, liable for all or any part of the Guaranteed Obligations or any of the other obligations guaranteed hereby:

(a) to renew, compromise, extend, accelerate or otherwise change the time or place of payment of or to otherwise change the terms of the Guaranteed Obligations;

(b) to (i) modify any of the terms of the HTC Tenant Operating Agreement, the HTC Landlord Operating Agreement, the HTC Lease, and/or any other obligations guaranteed hereby (in the manner provided for in such agreements or as the parties thereto shall otherwise agree); or (ii) waive any of the terms thereof;

(c) to take and hold security (except for the Property) for the payment of the Guaranteed Obligations and/or performance of the other obligations guaranteed hereby and to impair, exhaust, exchange, enforce, waive or release any such security;

(d) to direct the order or manner of sale of any such security (except for the Property) as the Investor Member, in its discretion, may determine;

(e) to grant any indulgence, forbearance or waiver with respect to the Guaranteed Obligations or any of the other obligations guaranteed hereby;

(f) to sell or assign all or a portion of its Interest in the HTC Tenant; and/or

(g) to agree to any valuation by the Investor Member of any collateral securing payment of any of the Guaranteed Obligations in any proceedings under the United States Bankruptcy Code concerning the Investor Member or Guarantor.

3. With respect to any Guaranteed Obligation which can be satisfied with the payment of money, Guarantor agrees that if any of the Guaranteed Obligations is not fully and timely paid or performed in accordance with the terms of the document under which such Guaranteed Obligations arises, whether by acceleration or otherwise, Guarantor shall immediately upon receipt of written demand therefor from the Investor Member pay all such Guaranteed Obligations not timely paid or performed and hereby guaranteed in like manner as if the Guaranteed Obligations

constituted the direct and primary obligation of Guarantor. In addition, if the agreement giving rise to a Guaranteed Obligation does not provide Guarantor with the ability to cure such default, then Guarantor shall have thirty (30) days from the earlier of (i) Guarantor's discovery of such default or (ii) receipt of written notice of such default from the Investor Member, to cure such default before payment may be demanded by Investor Member. Guarantor shall not have any right of subrogation as a result of any payment made hereunder or any other payment made by Guarantor on account of the Guaranteed Obligations (except with respect to any duplication of payment), and, until the Guaranteed Obligations are satisfied in full or the Investor Member is no longer a member of HTC Tenant, Guarantor hereby waives, releases and relinquishes any claim based on any right of subrogation, any claim for unjust enrichment or any other theory that would entitle Guarantor to a claim against the Managing Member, HTC Tenant, or HTC Landlord based on any payment made hereunder or otherwise on account of the Guaranteed Obligations.

4. This Guaranty and the Guaranteed Obligations of Guarantor hereunder shall be continuing and irrevocable until the obligations have been satisfied in full. Notwithstanding the foregoing or anything else set forth herein, and in addition thereto, if at any time all or any part of any payment received by the Investor Member from Guarantor under or with respect to this Guaranty is or must be rescinded or returned for any reason whatsoever (including, but not limited to, determination that said payment was a voidable preference or fraudulent transfer under insolvency, bankruptcy or reorganization laws), then Guarantor's obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous receipt of payment by the Investor Member, and Guarantor's obligations hereunder shall continue to be effective or be reinstated as to such payment, all as though such previous payment to the Investor Member had never been made. The provisions of the foregoing sentence shall survive termination of this Guaranty, and shall remain a valid and binding obligation of Guarantor until satisfied.

5. Guarantor hereby waives notice of acceptance of this Guaranty by the Investor Member and this Guaranty shall immediately be binding upon Guarantor.

6. Guarantor hereby waives and agrees not to assert or take advantage of:

(a) any right to require the Managing Member to proceed against any other person or to proceed against or exhaust any security held by HTC Tenant, the Managing Member or HTC Landlord at any time or to pursue any other remedy in the Managing Member's, HTC Landlord's, or HTC Tenant's power before proceeding against Guarantor hereunder;

(b) any right to require the Investor Member to proceed against the HTC Tenant, the Managing Member, or HTC Landlord or any other person or to proceed against or exhaust any security held by the Investor Member at any time or to pursue any other remedy in the Investor Member's power before proceeding against Guarantor hereunder;

(c) the defense of the statute of limitations in any action hereunder or in any action for the collection of the Guaranteed Obligations or the performance of any other obligations guaranteed hereby;

(d) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of the Investor Member to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons;

(e) demand, presentment for payment, notice of non-payment, protest, notice of protest and all other notices of any kind, including, without limitation, notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of the Investor Member or any endorser or creditor of the Investor Member or Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by the Investor Member or in connection with the Guaranteed Obligations;

(f) any defense based upon an election of remedies by the Investor Member, the right of Guarantor to proceed against the Investor Member for reimbursement, or both, any rights or benefits under the bankruptcy and insolvency laws of the State of California or under Sections 364 and 1111 of the Bankruptcy Code as same may be amended or replaced from time to time;

(g) any election by the Investor Member to exercise any right or remedy it may have against HTC Tenant or any security held by the Investor Member, including, without limitation, the right to foreclose upon any such security by judicial or non-judicial sale, without affecting or impairing in any way the liability of Guarantor hereunder, except to the extent the Guaranteed Obligations have been paid, and Guarantor waives any default arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of Guarantor against HTC Tenant or any such security whether resulting from such election by the Investor Member or otherwise. Guarantor understands that if all or any part of the liability of HTC Tenant to the Investor Member for the Guaranteed Obligations is secured by real property then Guarantor shall be liable for the full amount of their liability hereunder, notwithstanding foreclosure on such real property by trustee sale or any other reason impairing Guarantor's right to proceed against HTC Tenant; and

(h) all duty or obligation on the part of the Investor Member to perfect, protect, not impair, retain or enforce any security for the payment of the Guaranteed Obligations or performance of any of the other obligations guaranteed hereby.

7. All existing and future Guaranteed Obligations of the HTC Tenant, the Managing Member, or the HTC Landlord to Guarantor or to any person controlled or owned in whole or in part by Guarantor and, the right of Guarantor to withdraw or to cause or permit any person controlled or owned in whole or in part by Guarantor to withdraw any capital invested by Guarantor or such person in the HTC Tenant, the Managing Member, or HTC Landlord, are hereby subordinated to the Guaranteed Obligations at any time after a default exists and remains uncured under the Guaranteed Obligations. Furthermore, without the prior written consent of the Investor Member, such subordinated Guaranteed Obligations shall not be paid and such capital shall not be withdrawn in whole or in part nor shall Guarantor accept or cause or permit any person controlled or owned in whole or in part by Guarantor to accept any payment of or on account of any such

subordinated Guaranteed Obligations or as a withdrawal of capital at any time after a default exists and remains uncured under the Guaranteed Obligations. Any payment received by Guarantor in violation of this Guaranty shall be received by the person to whom paid in trust for the Investor Member, and Guarantor shall cause the same to be paid to the Investor Member immediately on account of the Guaranteed Obligations. No such payment shall reduce or affect in any manner the liability of Guarantor under this Guaranty.

8. The amount of Guarantor's liability and all rights, powers and remedies of the Investor Member hereunder shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to the Investor Member under the HTC Tenant Operating Agreement, any document or agreement directly relating in any way to the terms and provisions thereof or otherwise by law. With respect to Guarantor, this Guaranty is in addition to and exclusive of the guaranty of any other person or entity which guarantees the Guaranteed Obligations and/or the other obligations guaranteed hereby.

9. The liability of Guarantor under this Guaranty shall be an absolute, direct, immediate and unconditional guarantee of payment and not of collectability, and shall not be subject to appropriations or any other similar limitations. The obligations of Guarantor hereunder are independent of the obligations of the HTC Tenant, the Managing Member, the HTC Landlord, or any other party which may be initially or otherwise responsible for performance or payment of the obligations hereunder guaranteed, and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against Guarantor, whether or not the HTC Tenant, the Managing Member, or the HTC Landlord is joined therein or a separate action or actions are brought against the HTC Tenant, the Managing Member, or HTC Landlord. The Investor Member may maintain successive actions for other defaults. The Investor Member's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless the Guaranteed Obligations have been paid in full.

10. The parties to the HTC Tenant Operating Agreement, the HTC Landlord Operating Agreement, the HTC Lease, and any document or agreement relating in any way to the terms and provisions thereof may, in their sole discretion, at any time enter into agreements to amend, modify or change such agreements in the manner provided for in such documents or as the parties thereto shall otherwise agree; or may at any time waive or release any provision or provisions thereof and, with reference thereto, may make and enter into all such agreements as they may deem proper or desirable, without any notice or further assent from Guarantor and without in any manner impairing or affecting this Guaranty or any of the rights of the Investor Member or Guarantor's obligations hereunder.

11. Guarantor hereby agrees to pay to the Investor Member, upon demand, reasonable attorneys' fees and all costs and other expenses which the Investor Member expends or incurs in collecting or compromising the Guaranteed Obligations or in enforcing this Guaranty against Guarantor whether or not suit is filed, including, without limitation, all costs, reasonable attorneys' fees, and expenses incurred by the Investor Member in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceedings involving Guarantor which in any way affect the exercise by the Investor Member of its rights and remedies hereunder. Any and all such costs, attorneys' fees and expenses not so paid shall bear interest at an annual interest rate equal to 10%, from the date Investor Member notifies Guarantor that such fees and expenses

are due, until paid by Guarantor. Notwithstanding the foregoing, if a suit is filed by Investor Member in order to collect the Guaranteed Obligations or to enforce this Guaranty, and Investor Member does not prevail in such suit, then Guarantor shall have no obligation to pay to Investor Member attorney's fees or other costs and expenses incurred or expended by Investor Member in connection with such suit.

12. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

13. No provision of this Guaranty or right of the Investor Member hereunder can be waived nor can Guarantor be released from its obligations hereunder except by a writing duly executed by the Investor Member. This Guaranty may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing duly executed by the Investor Member and Guarantor.

14. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall include any individual, company, firm, association, limited liability company, corporation, trust or other legal entity of any kind whatsoever.

15. If, at any time or from time to time, Investor Member assigns all or a portion of its equity interest in the HTC Tenant, (i) all references herein to "Investor Member" shall refer to each of the assigning Investor Member and such assignee, individually, without the need of any express assignment, (ii) Guarantor shall be bound as set forth herein to each Investor Member (the assignor and all assignees), and (iii) Investor Member shall have the right to enforce this Guaranty individually without impairment to the rights of any other Investor Member.

16. This Guaranty shall inure to the benefit of and bind the heirs, legal representatives, administrators, executors, successors and assigns of the Investor Member and Guarantor.

17. This Guaranty shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of law, except to the extent that any of such laws may now or hereafter be preempted by Federal law, in which case, such Federal law shall so govern and be controlling. Except as provided in any other written agreement now or at any time hereafter in force between Investor Member and Guarantor, this Guaranty shall constitute the entire agreement of Guarantor with Investor Member with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Investor Member or Guarantor unless expressed herein.

18. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express for next business day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

If to Investor Member: Wells Fargo Community Investment Holdings, LLC
c/o National Trust Community Investment Corporation
1155 15th Street NW, Suite 300
Washington, DC 20005
Attention: Director of Asset Management
Email: NTCICAM@ntcic.com

With a copy to: Wells Fargo Community Investment Holdings, LLC
401B Street, Suite 1100
MAC E2901-1100
San Diego, California 91201
Attention: Kathy Cotton Farruya/Tax Credit Administrator
Email: Kathy.C.Farruya@wellsfargo.com

With a copy to: Wells Fargo Bank, National Association
Wells Fargo Law Department
45 Fremont St., 26th Floor
San Francisco, CA 94105-2204
Attention: Bina Galal
Email: Bina.M.Galal@wellsfargo.com

With a copy to: Riemer & Braunstein, LLP
100 Cambridge Street, 22nd Floor
Boston, MA 02114
Attention: Jeffrey D. Gaulin, Esq.
Email: jgaulin@riemerlaw.com

If to Guarantor: University of California College of the Law, San Francisco
100 McAllister Street
San Francisco, CA 94102
Attention: []
Email: []

With a copy to: Farella Braun + Martel LLP
One Bush Street, Suite 900
San Francisco, CA 94104
Attention: Said C. Kordestani, Esq.
Email: skordestani@fbm.com

All notices, demands and requests shall be effective upon such personal delivery or upon being deposited with Federal Express or in the United States mail as required above. However, with respect to notices, demands or requests so deposited with Federal Express or in the United

States mail, the time period in which a response to any such notice, demand or request must be given shall commence to run from the next business day following any such deposit with Federal Express or, in the case of a deposit in the United States mail as provided above, the date on the return receipt of the notice, demand or request reflecting the date of delivery or rejection of the same by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least thirty (30) days' written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

19. Guarantor hereby agrees that this Guaranty, the Guaranteed Obligations and all other obligations guaranteed hereby, shall remain in full force and effect at all times hereinafter until paid and/or performed in full notwithstanding any action or undertakings by, or against, the Investor Member, Guarantor, and/or any member of the Investor Member in any proceeding in the United States Bankruptcy Court, including, without limitation, any proceeding relating to valuation of collateral, election or imposition of secured or unsecured claim status upon claims by the Investor Member pursuant to any Chapter of the Bankruptcy Code or the Rules of Bankruptcy Procedure as same may be applicable from time to time.

20. The Guaranteed Obligations hereunder shall survive the termination of the HTC Tenant Operating Agreement, the occurrence of a Critical Event thereunder, the dissolution of the HTC Tenant, or the sale, assignment or other transfer of the interest of the Investor Member in the HTC Tenant until such time as the Guaranteed Obligations have been paid or performed in full (subject to Section 4).

21. This Guaranty may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, with the same effect as if all parties hereto had signed the same signature page. Any signature page of this Guaranty may be detached from any counterpart of this Guaranty without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Guaranty identical in form hereto but having attached to it one or more additional signature pages.

22. Capitalized terms used in this Guaranty and not specifically defined herein shall have the meanings assigned to them in the HTC Tenant Operating Agreement.

23. The amount of Guarantor's liability and all rights, powers and remedies of the Investor Member hereunder shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies available to the Investor Member under the Operating Documents or otherwise by law. The liability of Guarantor under this Guaranty is independent of the obligations of any other party which may be initially or otherwise responsible for performance or payment of the obligations hereunder, and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against Guarantor, whether or not a separate action or actions are brought against any other party. The Investor Member may maintain successive actions for other defaults. The Investor Member's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such

action or by any number of successive actions until and unless the obligations indemnified hereunder has been paid in full. The Regents of the University of California, a public corporation, are not a party to or financially liable under this agreement.

24. Guarantor covenants, represents and warrants to and for the benefit of the Investor Member as follows:

(a) the execution, delivery and performance by it of this Guaranty does not and will not, to its knowledge after reasonable inquiry, contravene or conflict with any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court or tribunal having jurisdiction over it, or any contractual restriction binding on or affecting it;

(b) there are no facts or circumstances of any kind or nature whatsoever of which it is aware that could in any way materially impair or prevent it from performing its obligations under this Guaranty;

(c) Guarantor does not need the consent of any party to either execute this Guaranty or perform its obligations hereunder;

(d) any and all financial information with respect to it that it has given to the Investor Member in connection with the transactions contemplated by this Guaranty fairly and accurately present its financial condition and results of operations as of the respective dates thereof and for the respective dates indicated therein in all material respects, and, since the respective dates thereof, there has been no material adverse change in the financial condition or results of its operations;

(e) with the assistance of counsel of its choice, it has read and reviewed this Guaranty and such other documents as it and its counsel deemed necessary or desirable to read;

(f) each representation made by it in any of the documents evidencing or securing any Operating Document to which Guarantor is a party is true and correct in all material respects and the Investor Member may rely thereon;

(g) Guarantor shall not, in a single or series of transactions, (i) sell, gift or otherwise transfer all or substantially all of its assets, or (ii) transfer any funds or assets to [The UC Law San Francisco Foundation] or [The Academic Village Finance Authority]; and

(h) as soon as available and in any event not later than one hundred twenty (120) days after the end of each calendar year, Guarantor shall provide to the Investor Member audited financial statements in form and substance acceptable to Investor Member and a CPA prepared balance sheet and income statement for such calendar year for each entity Guarantor that excludes the UC Law San Francisco Foundation, the Academic Village Finance Authority, and any other entity that is not Guarantor but may be included in the audited financials; during construction, within 30 days of Investor Member request,

Guarantor shall provide to Investor Member bank and brokerage statements evidencing Guarantor liquidity as of the end of the prior calendar quarter; and

(i) Guarantor shall immediately notify the Investor Member of any change in its financial condition that adversely and materially affects its ability to perform hereunder.

(j) To the extent that Guarantor may be entitled in any jurisdiction in which any lawsuit, proceeding, arbitration, or other dispute resolution process (a “Proceeding”) may at any time be commenced with respect to this Guaranty, to claim for itself or its revenues, assets or properties any immunity from any such Proceeding, the jurisdiction of any court, attachment prior to judgement, attachment in aid of execution of a judgment, set-off, execution of a judgement or any other legal process, and to the extent that in any such jurisdiction there may be attributed such immunity (whether or not claimed), Guarantor irrevocably agrees not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.

[Remainder of Page Intentionally Left Blank]
[Signature Pages Follow]

**COUNTERPART SIGNATURE PAGE
GUARANTY**

IN WITNESS WHEREOF, the undersigned Guarantor has caused this Guaranty to be duly executed as of the date first above written.

UNIVERSITY OF CALIFORNIA COLLEGE OF
THE LAW, SAN FRANCISCO

By: _____
Name:
Title:

2926644.3

Exhibit A-3

Agreement to Convey Property and Contribute Ownership Interests

Agreement to Convey Property and Contribute Ownership Interests

This Agreement to Convey Property and Ownership Interests (the “**Agreement**”) is entered into between University of California College of the Law, San Francisco (“**UC Law**”), UC Historic Facilities Foundation, a California nonprofit public benefit corporation (the “**Charitable Foundation**”), 100 McAllister Manager Inc., a California corporation (“**Manager**”), and 100 McAllister Landlord LLC, a California limited liability company (“**McAllister Landlord**”) as of _____, 2026 (the “**Effective Date**”), in accordance with the following terms and conditions:

RECITALS

A. UC Law is in process of renovating the historic McAllister Tower located on the land 100 McAllister Street, San Francisco, California, a legal description of which is attached hereto as Exhibit A (the “**Real Property**”). As used herein, the term “Real Property” shall include all of UC Law’s right, title and interest in and to all assignable entitlements, easements, rights, mineral rights, oil and gas rights, water, water rights, air rights, development rights and privileges appurtenant thereto and all improvements and amenities located thereon.

B. To access roughly \$51,000,000 of allocated federal historic tax credits (“**HTCs**”), the Real Property must be transferred by UC Law to a for-profit entity.

C. Before the Real Property is transferred into a for-profit entity, UC Law intends to donate the Real Property, as well as all personal and intangible property associated with the Real Property (the “**Property**”), as a charitable donation to the Charitable Foundation (the “**Charitable Foundation Title Transfer**”).

D. UC Law is the only member of Charitable Foundation, and certain board members of UC Law comprise the entirety of the board of directors of the Charitable Foundation.

E. Charitable Foundation owns all of the shares (i.e., all presently issued common stock) of Manager.

F. Manager owns all of the membership interests of McAllister Landlord.

G. Some time after the Charitable Foundation Title Transfer, the Property shall be transferred from Charitable Foundation to Manager. Such transfer shall occur as an income tax-free capital contribution of the Property from Charitable Foundation to Manager in a tax-deferred transaction pursuant to Section 351 of the Internal Revenue Code (the “**Manager Title Transfer**”). The Manager Title Transfer is tax-deferred as the Charitable Foundation owns 100% the shares of Manager.

H. Some time after the Manager Title Transfer, the Property shall be transferred to McAllister Landlord. Such transfer shall occur as an income tax-free capital contribution of the Property from Manager to McAllister Landlord in a tax-deferred transaction pursuant to Section 721 of the Internal Revenue Code (the “**McAllister Landlord Title Transfer**”). The McAllister

Landlord Title Transfer is tax-deferred because Manager owns 100% the membership interests of McAllister Landlord.

I. The parties are entering into this Agreement to confirm and document the above referenced agreements and the form of documentation for such transfers of the Property.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. Conveyance of the Property to Charitable Foundation (Charitable Foundation Title Transfer).

1.1 Charitable Conveyance. Subject to the terms and conditions set forth herein, UC Law agrees to donate the Property to Charitable Foundation for no consideration in return, and Charitable Foundation hereby agrees to accept such donation from UC Law. Such conveyance of the Property to Charitable Foundation shall be without consideration being paid to UC Law, and shall be a charitable contribution from UC Law to the Charitable Foundation.

1.2 Initial Closing Date. The closing of the transaction described in Section 1.1 shall be a date in 2027 mutually agreed upon by the parties.

1.3 Terms for Transfer of the Property.

(a) Condition of Property. The Property shall be conveyed to Charitable Foundation in its “AS IS, WHERE IS” condition, with all faults, without any representations or warranties by UC Law. Based in part on the relationship between the parties and the fact that the conveyance is a charitable contribution, Charitable Foundation waives any rights or claims against UC Law regarding the condition or status of the Property, and UC Law shall have no liability to Charitable Foundation with respect to the condition or status of the Property .

(b) Procedures for Transfer of the Property. The Charitable Foundation Title Transfer shall be accomplished by (i) Charitable Foundation’s execution of the Charitable Contribution Acknowledgement Letter, in the form attached hereto as Exhibit B, (ii) UC Law’s execution, notarization, and delivery of a grant deed to Charitable Foundation, in the form attached hereto as Exhibit D, and (iii) UC Law’s execution and delivery to Charitable Foundation of the Assignment, in the form attached hereto as Exhibit E. UC Law and Charitable Foundation shall execute such other documents reasonably required to record the grant deed in the official records of the City and County of San Francisco.

2. Conveyance of the Property to Manager (Manager Title Transfer).

2.1 Conveyance. On a date in 2027 that is mutually agreeable to the parties, some time after the closing of the Charitable Foundation Title Transfer, the Charitable Foundation shall transfer the Property to Manager, and Manager shall accept such conveyance from the Charitable Foundation. As the Charitable Foundation is the sole shareholder of Manager, this donation is a tax-free contribution of property to a wholly-owned corporation of the Charitable Foundation.

2.2 Condition of Property. The Property shall be conveyed to Manager in its “AS IS, WHERE IS” condition, with all faults, without any representations or warranties by Charitable Foundation. Based in part on the relationship between the parties and the fact that the conveyance is a tax free capital contribution of the Property, Manager waives any rights or claims against Charitable Foundation regarding the condition or status of the Property, and Charitable Foundation shall have no liability to Manager with respect to the condition or status of the Property.

2.3 Procedures for Transfer of the Property. The Manager Title Transfer shall be accomplished by (i) Charitable Foundation’s and Manager’s execution of the Contribution Agreement, in the form attached hereto as Exhibit C, (ii) Charitable Foundation’s execution, notarization, and delivery of a grant deed to Manager, in the form attached hereto as Exhibit D, and (iii) Charitable Foundation’s execution and delivery to Manager of an Assignment, in the form attached hereto as Exhibit E. Charitable Foundation and Manager shall execute such other documents reasonably required to record the grant deed in the official records of the City and County of San Francisco.

3. Conveyance of the Property to McAllister Landlord (McAllister Landlord Title Transfer).

3.1 Conveyance. On a date in 2027 that is mutually agreeable to the parties, some time after the Manager Title Transfer, Manager, as the owner of all McAllister Landlord’s membership interests, shall transfer the Property to McAllister Landlord, and McAllister Landlord shall accept such conveyance from Manager.

3.2 Condition of Property. The Property shall be conveyed to McAllister Landlord in its “AS IS, WHERE IS” condition, with all faults, without any representations or warranties by Manager. Based in part on the relationship between the parties and the fact that the conveyance is a tax free capital contribution of the Property, McAllister Landlord waives any rights or claims against Manager regarding the condition or status of the Property, and Manager shall have no liability to McAllister Landlord with respect to the condition or status of the Property.

3.3 Procedures for Transfer of the Property. The McAllister Landlord Title Transfer shall be accomplished by (i) Manager’s and McAllister Landlord’s execution of the Contribution Agreement, in the form attached hereto as Exhibit C, (ii) Manager’s execution, notarization, and delivery of a grant deed to McAllister Landlord, in the form attached hereto as Exhibit D, and (iii) Manager’s execution and delivery to McAllister Landlord of an Assignment, in the form attached hereto as Exhibit E. Manager and McAllister Landlord shall execute such other documents reasonably required to record the grant deed in the official records of the City and County of San Francisco.

4. Transfer Taxes. Each of the parties to the transactions referenced above shall mutually cooperate to file such documentation as is required by the City and County of San Francisco to confirm that the Charitable Foundation Title Transfer, the Manager Title Transfer, and the McAllister Landlord Title Transfer are each exempt from the San Francisco Documentary Transfer Tax, based on the fact that one of transfers is charitable in nature with no value or consideration exchanged in return for the transfer (i.e., the Charitable Foundation Title Transfer), and the

remaining transfers are tax free capital contributions between two entities in which the proportional ownership of those entities remains the same (i.e., the Manager Title Transfer and the McAllister Landlord Title Transfer), and/or are transfers to a division or agency of the State of California (i.e., all entities involved are controlled and/or owned by UC Law), each in accordance with Article 12-C San Francisco Business and Tax Regulations Code and other applicable provisions of governing law.

5. General Provisions.

5.1 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. Facsimile, .pdf, or other electronically-transmitted signatures (including signatures generated using electronic signature technology (e.g., DocuSign or similar technology)) shall be deemed effective as originals, and such electronic signatures shall, for purposes of validity, enforceability and admissibility, be deemed to be valid, binding and effective signatures of the parties so signing to the same effect as if such signing party signed and delivered a handwritten original signature.

5.2 Amendment. No provision of this Agreement may be modified, waived, amended or added to except by mutual agreement of the parties.

5.3 Incorporation of Exhibits. All exhibits attached hereto and referred to herein are incorporated in this Agreement as though fully set forth herein.

5.4 Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated, and the parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

5.5 Governing Law. This Agreement is to be governed by, and construed in accordance with, the laws of the State of California.

5.6 Waiver. The waiver by one party of the performance of any covenant, condition or promise, or of the time for performing any act, under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise or of the time for performing any other act required under this Agreement.

5.7 Assignment. This Agreement shall not be assigned by any party.

5.8 Notices. Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, (b) reputable overnight delivery service with proof of delivery, (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (d) email, provided that a copy of such notice by email is delivered either by personal delivery or by overnight courier to be received within two (2) business days after transmission, and shall be sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other

person as the addressee shall have designated by written notice sent in accordance herewith. Any notice so given shall be deemed to have been given upon receipt or refusal to accept delivery. Unless changed in accordance with the preceding provisions, the addresses for notices given pursuant to this Agreement shall be as follows:

University of California College of the Law, San Francisco
100 McAllister Street
San Francisco, CA 94102

UC Historic Facilities Foundation
c/o University of California College of the Law, San Francisco
100 McAllister Street
San Francisco, CA 94102

100 McAllister Manager Inc.
c/o University of California College of the Law, San Francisco
100 McAllister Street
San Francisco, CA 94102

100 McAllister Landlord LLC
c/o University of California College of the Law, San Francisco
100 McAllister Street
San Francisco, CA 94102

[Signatures on following page]

The parties have executed this Agreement below to confirm their acceptance and agreement to the terms and conditions in this Agreement.

UC LAW:

University of California College of the Law,
San Francisco

By: _____
Name: _____
Title: _____

CHARITABLE FOUNDATION:

UC Historic Facilities Foundation,
a California nonprofit public benefit
corporation

By: _____
Name: _____
Title: _____

MANAGER:

100 McAllister Manager Inc.,
a California corporation

By: _____
Name: _____
Title: _____

MCALLISTER LANDLORD:

100 McAllister Landlord LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of Real Property

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

PARCEL ONE:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF MCALLISTER STREET AND THE WESTERLY LINE OF LEAVENWORTH STREET; RUNNING THENCE NORTHERLY ALONG SAID LINE OF LEAVENWORTH STREET 137 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 137 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 137 FEET AND 6 INCHES TO THE NORTHERLY LINE OF MCALLISTER STREET; THENCE AT A RIGHT ANGLE EASTERLY ALONG SAID LINE OF MCALLISTER STREET 137 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING ALL OF 50 VARA LOT NO. 1163, IN BLOCK NO. 287.

PARCEL TWO:

AN EASEMENT OF RIGHT TO LIGHT AND AIR AND RIGHT OF WAY FOR INGRESS AND EGRESS APPURTENANT ONLY TO THE NORTHERLY 25 FEET OF THE EASTERLY 87 FEET AND 6 INCHES OF THE ABOVE DESCRIBED PROPERTY, OVER AND UPON A PARCEL OF LAND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF LEAVENWORTH STREET, DISTANT THEREON 120 FEET SOUTHERLY FROM THE SOUTHERLY LINE OF GOLDEN GATE AVENUE; RUNNING THENCE SOUTHERLY ALONG SAID LINE OF LEAVENWORTH STREET 17 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 137 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 17 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 137 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING A PART OF 50 VARA LOT NO. 1164, IN BLOCK NO. 287.

APN: **Lot 006, Block 0348**

EXHIBIT A

EXHIBIT B

Form of Charitable Contribution Acknowledgement

CHARITABLE CONTRIBUTION ACKNOWLEDGEMENT LETTER

UC Historic Facilities Foundation, a California nonprofit public benefit corporation

[DATE]

University of California College of the Law, San Francisco (“UC Law”)
100 McAllister Street
San Francisco, CA 94102

Dear UC Law:

Thank you for your contribution to UC Historic Facilities Foundation, a California nonprofit public benefit corporation (the “**Organization**”). This letter shall serve as confirmation of your contribution of improved real property located in San Francisco, California (as described in Exhibit A to that certain Agreement to Convey Property and Ownership Interests, entered into prior to the date of this letter between UC Law and the Organization; the “**Property**”) to the Organization. The Organization has received your contribution of the Property on [CONTRIBUTION DATE].

The Organization can confirm that no consideration (whether in cash, goods or services) was provided to UC Law in return for your contribution of the Property. The Organization also confirms to you it is a US tax-exempt charity and that it accepts your property donation “as is.” Organization acknowledges and agrees that it has fully investigated the status of the Property. Organization waives any rights or claims against UC Law regarding the condition or status of the Property, and

The Organization hereby agrees and further represents that it will undertake all reasonable steps necessary to facilitate its acceptance of your contribution of the Property.

Once again, thank you for your contribution.

Sincerely,

UC Historic Facilities Foundation, a
California nonprofit public benefit
corporation

EXHIBIT B

EXHIBIT C

Form of Contribution Agreement

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (the “**Agreement**”) is made as of the ____ day of _____, 2027, between _____, a _____ (the “**Transferor**”), and _____, a California [corporation/limited liability company] (the “**Transferee**”).

RECITALS

- A. Transferor owns fee title ownership of improved real property located in San Francisco, California (as described in Exhibit A to that certain Agreement to Convey Property and Ownership Interests, entered into prior to this Agreement; the “**Property**”).
- B. Transferor currently owns 100% of all of the ownership interests in Transferee.
- C. Transferor desires to contribute, as an income tax-free capital contribution in a tax-deferred transaction pursuant to Section [351/721] of the Internal Revenue Code, the Property to Transferee.
- D. The transfer of the Property from the Transferor to Transferee will be memorialized by the preparation and filing of a new grant deed on the Property. As Transferor already owns and will continue to own 100% of all of the interests in Transferee, there shall be no cash, property, additional ownership interests, or other consideration issued by Transferee to Transferor in exchange for the Property transfer.
- E. Transferor and Transferee desire to enter into this Agreement with each other upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals and in consideration of the mutual promises set forth in this Agreement, Transferor and Transferee agree as follows: As of the day and year first written above, Transferor hereby agrees to assign, transfer, convey and deliver to Transferee all of Transferor’s right, title and interest in and to the Property and the Transferee hereby acknowledges and agrees that Transferor is and remains the sole owner of Transferee at the time of the transfer of the Property.

[Signatures on following page]

EXHIBIT C

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TRANSFEROR:

TRANSFeree:

EXHIBIT C

EXHIBIT D

Form of Grant Deed

RECORDING REQUESTED BY:

[RUBEN, JUNIUS & ROSE, LLP]

AND WHEN RECORDED RETURN TO AND MAIL TAX
STATEMENTS TO:

[]
c/o University of California College of the Law,
San Francisco
100 McAllister Street
San Francisco, CA 94102

SPACE ABOVE THIS LINE FOR RECORDER'S USE

[Note: Add Jobs/Housing Link Cover page *[Note—what does the preceding cover page document refer to?]*,
Preliminary Change in Ownership Report, AND SF Transfer Tax Affidavit.]

THE UNDERSIGNED HEREBY DECLARES THAT THE DOCUMENTARY TRANSFER TAX IS: \$0 (No
Consideration).

THE TAX IS COMPUTED ON: Realty not sold pursuant to [R&T Code Section 11928; San Francisco Business
and Tax Regulations Code Section 1105, 1109; etc.].

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
_____ (“**Grantor**”), hereby GRANTS to _____
 (“**Grantee**”), their entire right, title, and interest in and to the real property located in the City and
County of San Francisco, State of California, described in Schedule 1 attached hereto and
incorporated herein by reference.

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed as of the day and
year indicated.

Dated: _____, [2026/27] _____

By: _____
Name: _____
Title: _____

EXHIBIT D

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

State of California)
County of San Francisco)

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

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

WITNESS my hand and official seal.

Signature _____

EXHIBIT D

SCHEDULE 1 TO
GRANT DEED

LEGAL DESCRIPTION OF THE REAL PROPERTY

[To be attached]

EXHIBIT D

EXHIBIT E

Form of Assignment

GENERAL ASSIGNMENT

Reference is hereby made to that certain property located at 100 McAllister Street, San Francisco, California (collectively, the “**Property**”).

For no consideration, _____, a _____ (“**Transferor**”), does hereby, give, grant, transfer, assign, convey and deliver to _____ (the “**Transferee**”), all of Transferor’s rights, title, and interest in and to: (i) all entitlements, licenses, approvals, applications, permits, certificates, agreements relating to the development of the Property, rights, mineral rights, oil and gas rights, water, water rights, air rights, development rights and privileges appurtenant thereto and any improvements and amenities located thereon, (ii) any and all tangible property owned by Transferor and used in connection with the ownership or operation of the Property, (iii) intangible personal property and rights in connection with the Property, including, without limitation, drawings, plans, specifications, studies and reports, (iv) all warranties, guarantees, indemnities, claims, awards and any similar rights relating to and benefiting the Property or the assets transferred hereby, (v) any construction contracts or consulting agreements concerning the Property (as that term is defined in that certain Agreement to Convey Property and Ownership Interests, between the parties hereto, entered into on or before the date of this General Assignment) , and (vi) any and all other rights, claims, and interests which Transferor may have with respect to the Property as of the date of this General Assignment (collectively, the “**Assigned Property**”).

Transferor represents and warrants to Transferee that (a) Transferor has not executed any prior assignment of the Assigned Property with respect to the Property or performed any acts or executed any other agreement or instrument that might prevent Transferee from receiving the benefit of all of the rights in the Assigned Property, and (b) Transferor has the right and authority to assign the Assigned Property.

This General Assignment shall be binding on and inure to the benefit of Transferor and Transferee, their heirs, executors, administrators, successors in interest and assigns, and shall be governed by and construed in accordance with the laws of the State of California. Transferor shall, upon written request, at no cost or liability to Transferor, execute and deliver to Transferee, its nominees, successors and/or assigns, any new or confirmatory instruments and do and perform any other acts which Transferee, its nominees, successors and/or assigns, may reasonably request in order to fully transfer possession and control of, and protect the rights of Transferee, its nominees, successors and/or assigns in the Assigned Property.

[Signature on following page]

EXHIBIT E

Dated: _____, [2026/27]

TRANSFEROR:

By: _____

Name: _____

Title: _____

EXHIBIT E

Exhibit A-4
Additional Documents

ASSIGNMENT OF RIGHTS TO CAPITAL CONTRIBUTIONS

THIS ASSIGNMENT OF RIGHTS TO CAPITAL CONTRIBUTIONS (this “**Assignment**”) is made as of [____], 2026, by 100 MCALLISTER TENANT LLC, a California limited liability company (“**Assignor**”), in favor of 100 MCALLISTER LANDLORD LLC, a California limited liability company (“**Assignee**”).

RECITALS

- A. Assignee proposes to borrow from Lincoln Savings Bank, an Iowa state banking corporation (“**Lender**”), pursuant to the terms of that certain Bridge Loan Agreement of even date herewith between Lender and Assignee (the “**Loan Agreement**”), the original principal amount of \$[____] (the “**Loan**”) evidenced by that certain Bridge Note in the principal amount of \$[____] dated as of even date herewith, executed by Assignee in favor of Lender (the “**Note**”), for the purpose of rehabilitating a historic building located on the real property in San Francisco, California, as more fully described in the Loan Agreement. The Loan is secured by, among other things, this Assignment.
- B. 100 Mcallister Manager Inc., a California corporation (“**Managing Member**”), and Assignor have entered into that certain [Amended and Restated Operating Agreement] of Assignee dated on or about the date hereof (the “**Borrower Operating Agreement**”), pursuant to which, Assignor has agreed to make certain capital contributions to Assignee in the approximate amount of \$[____] (collectively, the “**Master Tenant Capital Contributions**”), which excludes an initial capital contribution in the amount of \$[____], as such amounts may be adjusted pursuant to the Borrower Operating Agreement.
- C. Managing Member and Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company (“**Federal Tax Credit Investor**”), have entered into that certain [Amended and Restated Operating Agreement] of Assignor dated on or about the date hereof (the “**Master Tenant Operating Agreement**”), pursuant to which, among other things, Federal Tax Credit Investor has agreed to make certain capital contributions to Assignor in the approximate amount of \$[____] (collectively, the “**Federal Investor Capital Contributions**”), which excludes an initial capital contribution in the amount of \$[____], as such amounts may be adjusted pursuant to the Master Tenant Operating Agreement.
- D. As a condition to making the Loan, Lender has required that the parties hereto enter into this Assignment.
- E. Capitalized terms which are defined in the foregoing recitals or other provisions of this Assignment shall have the meaning given those terms in such recitals or other provisions.

NOW, THEREFORE, in consideration of Lender making the Loan, Assignor hereby agrees as follows:

1. Assignor hereby assigns, grants, transfers and sets over to Assignee all of Assignor's right, title and interest in and to the proceeds of the Federal Investor Capital Contributions that Assignor is entitled to receive pursuant to the Master Tenant Operating Agreement. The foregoing assignment of rights is intended to secure the payment of the Loan. Assignor hereby irrevocably agrees, upon receipt from Assignee of written notice from Assignee that so much of the Federal Investor Capital Contributions as is equal to the amount then due and payable to Assignee under the Loan Documents should be paid directly to Assignee, to direct Federal Tax Credit Investor to pay when due the proceeds of the Federal Investor Capital Contributions directly to Assignee. Notwithstanding the foregoing, Assignor shall have the right under a license which is hereby granted to Assignor by Assignee to enforce performance by Federal Tax Credit Investor of the Federal Investor Capital Contributions and to receive portions of the Federal Investor Capital Contributions as permitted by this Assignment; provided that such license may be revoked by Assignee at Assignee's sole discretion, as a secured party under the California Uniform Commercial Code following the occurrence and during the continuance of an Event of Default under the Loan Agreement. Without limiting the preceding sentences, Assignor hereby grants to Assignee a security interest in the Federal Investor Capital Contributions pursuant to the Uniform Commercial Code, as in effect in the State of California.
2. In making the foregoing Assignment, Assignor hereby represents and warrants to Assignee that, as of the date hereof:
 - 2.1 Federal Tax Credit Investor and Managing Member are the sole holders and owners of all rights, title and interest in and to the Master Tenant Operating Agreement and Assignor is the sole holder and owner of all rights, title and interest in and to the Federal Investor Capital Contributions, in each case subject to the terms of the Master Tenant Operating Agreement; and Assignor has the right to make this Assignment;
 - 2.2 Assignor has not heretofore assigned or pledged its interest in the Federal Investor Capital Contributions, and Assignor will not further pledge or assign its interest in the Federal Investor Capital Contributions; and
 - 2.3 The Master Tenant Operating Agreement is in full force and effect. Neither Federal Tax Credit Investor nor Managing Member are in default under the Master Tenant Operating Agreement, and no event has occurred which with the passage of time will be a default by Federal Tax Credit Investor or Managing Member thereunder.
3. Assignor will indemnify Assignee and Assignee's successors and assigns against and hold Assignee and Assignee's successors and assigns free and harmless from any and all claims, demands, lawsuits, judgments, awards, costs and expenses, including, but not limited to, reasonable attorney fees, arising by reason of any loss or impairment of the availability of the Federal Investor Capital Contributions pursuant to the Master Tenant Operating Agreement, except to the extent such claims, demands, lawsuits, judgments, awards, costs and expenses have been incurred due to the gross negligence or willful misconduct of Assignee; provided, however, the foregoing indemnification obligation shall in no event

include any consequential, incidental, special, exemplary, treble or punitive damages, lost profits, diminution in value or other indirect damages, whether or not foreseeable.

4. For so long as the Loan is outstanding, Assignor hereby covenants and agrees:
 - 4.1 Not to execute any other assignment of Assignor's interest in the Federal Investor Capital Contributions it is entitled to pursuant to the Master Tenant Operating Agreement;
 - 4.2 Not to alter, amend or modify its rights to the Federal Investor Capital Contributions pursuant to the Master Tenant Operating Agreement without the prior written consent of Assignee, which consent Assignee may give or withhold in its sole discretion;
 - 4.3 Not to release or forego Assignor's right to the Federal Investor Capital Contributions pursuant to the Master Tenant Operating Agreement without the prior written consent of Assignee, which consent Assignee may give or withhold in Assignee's sole discretion; and
 - 4.4 To promptly deliver to Assignee true and correct copies of all material notices or other material documents or communications received by Assignor with regard to or relating in any way to the Master Tenant Operating Agreement or the Federal Investor Capital Contributions.
5. This Assignment is irrevocable and shall remain in full force and effect until such time as the Loan has been paid in full in accordance with the Loan Agreement, at which time this Assignment shall automatically terminate without further action by any party. Upon such payment in full, Assignee shall promptly execute and deliver any termination or release documents reasonably requested by Assignor and shall cooperate with Assignor in filing and, if necessary, re-filing any UCC termination statements reasonably necessary to evidence the termination and release of the security interest granted under this Assignment.
6. Assignee shall have and possess with respect to the Federal Investor Capital Contributions and any notes, instruments or proceeds as to which a security interest is granted to Assignee pursuant to this Assignment, a security interest in such collateral, which security interest shall include, without limitation, any and all rights and remedies of a secured party under the California Uniform Commercial Code, or otherwise provided by law. Assignor shall execute any and all other documents necessary or desirable to perfect Assignee's security interest under this Assignment.
7. This Assignment, together with the agreements, covenants and warranties contained in this Assignment, shall inure to the benefit of Assignee and any subsequent holder of this Assignment by virtue of Assignee's assignment of any rights of Assignee hereunder, and shall be binding upon Assignor and any subsequent owner of any membership interest in Assignor.

8. This Assignment may be executed in any number of counterparts by the parties to this Assignment. Each of said counterparts shall be deemed to be an original, and all such counterparts shall constitute but one and the same instrument.
9. This Assignment and the transactions contemplated under this Assignment shall be governed by and construed in accordance with the laws of the State of California.
10. The parties agree that the electronic signature of a party to this Assignment shall be as valid as an original signature of such party and shall be effective to bind such party to this Assignment. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message.

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IN WITNESS WHEREOF, Assignor has executed this Assignment as of the date first above written.

ASSIGNOR:

100 MCALLISTER TENANT LLC, a
California limited liability company

By: 100 McAllister Manager Inc., a
California corporation, its
Managing Member

By: _____
David Seward
Treasurer

CONSENT AND AGREEMENT

Dated: [_____]

100 McAllister Manager Inc., a California corporation (“**Managing Member**”) and Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company (“**Federal Tax Credit Investor**” and, together with Managing Member, the “**Members**”), are collectively the 100% owners of 100 McAllister Tenant LLC, a California limited liability company (“**Assignor**”). Each Member hereby consents to the assignment by Assignor of all of Assignor’s right, title and interest in and to the Federal Investor Capital Contributions. Subject to the terms and conditions of the Master Tenant Operating Agreement, Federal Tax Credit Investor shall deposit the Federal Investor Capital Contributions into a bank account provided by Lender to be used to repay amounts outstanding under the Loan, as set forth in that certain Direction of Payment Agreement of even date herewith, by and among, among others, Managing Member, Federal Tax Credit Investor, Assignor and Assignee.

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MANAGING MEMBER:

100 MCALLISTER MANAGER INC., a
California corporation

By: _____
Name: _____
Its: _____

INVESTOR:

**WELLS FARGO COMMUNITY
INVESTMENT HOLDINGS, LLC, a**
Delaware limited liability company

By: _____
Name: _____
Its: _____

BRIDGE LOAN AGREEMENT

This Bridge Loan Agreement (this “Agreement”) is entered into as of the [] day of [], 2026, by and between 100 MCALLISTER LANDLORD LLC, a [California] limited liability company (“Borrower”), and LINCOLN SAVINGS BANK, an Iowa state banking corporation (“Lender”).

ARTICLE I

DEFINITIONS

The following terms as used herein will have the following meanings:

Section 1.1. Affiliate. Any controlling parent of Borrower, any subsidiary of Borrower, or any entity controlled by or under common control with Borrower or with Guarantor.

Section 1.2. Anti-Money Laundering Laws. The USA Patriot Act of 2001, the Bank Secrecy Act, as amended through the date hereof, Executive Order 1 3324—Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended through the date hereof, and other federal laws and regulations and executive orders administered by OFAC which prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals (such individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanction and embargo programs), and such additional laws and programs administered by OFAC which prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on any of the OFAC lists.

Section 1.3. Architect. Perkins + Will, Inc. or such other firm as may be engaged by Borrower

Section 1.4. Architect Certificate. That certain letter certificate by Architect addressed to Lender, in which Architect, among other things, represents and certifies that the completion of the Improvements in accordance with the Plans will satisfy the Historic Credit Conditions.

Section 1.5. Assignment of Capital Contributions. The Assignment of Rights to Capital Contributions, in the form attached hereto as Exhibit F, whereby Master Tenant, as assignor, shall assign to Borrower, all of Master Tenant’s right, title and interest in and to the Federal Investor Capital Contributions.

Section 1.6. Borrower Operating Agreement. Either (i) the Operating Agreement of Borrower dated on or about the date hereof, executed by Managing Member, or (ii) from and after the execution thereof, the Amended and Restated Operating Agreement of Borrower to be executed by Managing Member and Master Tenant on or about the date of the First Disbursement (the “A&R Borrower Operating Agreement”), as applicable, and as amended from time to time.

Section 1.7. Business Day. Any day other than a Saturday, a Sunday, or a legal holiday on which Lender is not open for business.

Section 1.8. Collateral Assignment of Capital Contributions. The Collateral Assignment of Assignment of Rights to Capital Contributions, in the form attached hereto as Exhibit G, whereby Borrower shall assign to Lender as security for Borrower's payment of the Loan and for payment and performance of Borrower's obligations under the Note, this Agreement and the other Loan Documents, all of Borrower's right, title, and interest in and to the Assignment of Capital Contributions and the Master Tenant Capital Contributions.

Section 1.9. Capital Contributions. Collectively, the Master Tenant Capital Contributions and Federal Investor Capital Contributions.

Section 1.10. Completion. Completion of the construction of the Improvements in accordance with the Plans; completion of the Improvements shall be deemed to have occurred when Borrower has furnished to Lender (i) a certificate of substantial completion of the Improvements signed by Borrower, the Architect and the general contractor, as having been completed in accordance with Historic Credit Conditions and Historic Preservation Certificate Standards, (ii) a final (or temporary) certificate or certificates of occupancy (or local equivalent) for the Premises from the local governmental authority, and (iii) other evidence reasonably satisfactory to Lender evidencing that the Improvements comply with all applicable zoning ordinances, building and use regulations and codes and all requirements with respect to licenses, permits and agreements necessary for the lawful use and operation of the Improvements.

Section 1.11. Completion Date. October 27, 2027, as equitable extended for Force Majeure Event.

Section 1.12. Default Rate. The Default Rate as defined in Section 2.3 hereof.

Section 1.13. Direction of Payment Letter. The Direction of Payment Agreement, in the form attached hereto as Exhibit H, to be executed by and among Federal Tax Credit Investor, Master Tenant, Borrower and Lender.

Section 1.14. Disbursing Agreement. The Disbursing Agreement of even date herewith by and among Lender, Title Company and Borrower.

Section 1.15. Draw Request. A statement from Borrower in the form of the attached Exhibit C, together with (if applicable) affidavits and waivers of lien and certificates from the contractors as required by this Agreement.

Section 1.16. Extended Maturity Date. The earlier of (i) the date that is six (6) months after the Original Maturity Date, or (ii) receipt of sufficient proceeds from the Master Tenant Capital Contributions to pay the Loan in full.

Section 1.17. Federal Investor Capital Contributions. The aggregate sum of approximately \$[____], which the Federal Tax Credit Investor has committed to contribute to the capital of Master Tenant in accordance with the terms and conditions set forth in the Master Tenant Operating Agreement, which excludes the first [and second] installment of capital contributions in the amount of \$[____].

Section 1.18. Federal Tax Credit Investor. Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company, and its successors and assigns.

Section 1.19. Financial Projections. The Financial Projections prepared by [] and attached hereto as Exhibit E.

Section 1.20. First Disbursement. The first disbursement of Loan Proceeds made by Lender to Borrower hereunder.

Section 1.21. General Contractor. Plant Construction Company, L.P., or such other contractor as may be engaged by Borrower.

Section 1.22. Guaranty. The Repayment and Completion Guaranty of even date herewith guaranteeing all the obligations of Borrower under the Loan Documents, executed by Guarantor in favor of the Lender.

Section 1.23. Guarantor. University of California College of Law, San Francisco, a California public institution of higher education.

Section 1.24. Historic Consultant. Page and Turnbull or such other consultant as may be engaged by Borrower and approved by Lender.

Section 1.25. Historic Consultant Certificate. That certain letter certificate by Historic Consultant addressed to Lender, in which Historic Consultant, among other things, represents and certifies that the completion of the Improvements in accordance with the Plans will satisfy the Historic Credit Conditions.

Section 1.26. Historic Credit Approvals. Those certain approvals to be obtained from the Technical Preservation Services Branch of the Department of the Interior, National Park Service, relating to the Historic Preservation Certification Application (Parts I, II and III) for the Premises.

Section 1.27. Historic Credit Conditions. Any and all conditions, requirements and restrictions including, but not limited to, any and all conditions enumerated on the Historic Credit Approvals, any applicable federal, state and local laws, rules and regulations, which must be complied with in order for the Premises to qualify for the Historic Tax Credits or to avoid an event of recapture in respect of the Historic Tax Credits, including but not limited to the requirements of Section 47 of the Internal Revenue Code of 1986, as amended, as in effect from time to time and the Historic Preservation Certificate Standards.

Section 1.28. Historic Preservation Certification Application. Those certain Historic Preservation Certification Applications, Part 1, and those certain Historic Preservation Certification Applications, Part 2, and corresponding approvals related to the Premises.

Section 1.29. Historic Preservation Certificate Standards. The Standards of Rehabilitation established by the U.S. Department of the Interior as set forth in 36 C.F.R. Part 67, as amended.

Section 1.30. Historic Tax Credits. The federal tax credits for certified historic structures pursuant to Section 47(a) of the Internal Revenue Code of 1986, as amended, as in effect from time to time.

Section 1.31. Improvements. The rehabilitation of the Premises, according to the Plans and in a manner that qualifies for the Historic Tax Credits.

Section 1.32. Inspecting Architect. [_____].

Section 1.33. Interest Rate. As defined in Section 2.3 hereof.

Section 1.34. Interest Reserve Holdback. A portion of the Loan equal to \$[_____], which shall be held back by Lender and be disbursed by Lender to itself as payment in satisfaction of interest accruing under the Loan when due, as provided in Section 2.5 of this Agreement.

Section 1.35. Loan Documents. As defined in Section 4.1 hereof.

Section 1.36. Loan. A bridge loan in the original principal amount of \$[_____] from Lender to Borrower.

Section 1.37. Loan Proceeds. The proceeds of the Loan disbursed or to be disbursed under the Note pursuant to this Agreement and the Disbursing Agreement.

Section 1.38. Managing Member. 100 McAllister Manager Inc., a [California] corporation.

Section 1.39. Master Lease. That certain [HTC Lease] for the Premises executed between Borrower, as landlord, and Master Tenant, as tenant, dated on or about the date of the First Disbursement.

Section 1.40. Master Tenant. 100 McAllister Tenant LLC, a [California] limited liability company.

Section 1.41. Master Tenant Capital Contributions. The aggregate sum of approximately \$ [_____] which the Master Tenant has committed to contribute to the capital of Borrower in accordance with the terms and conditions set forth in the Borrower Operating Agreement, which excludes the initial [and second] capital contribution by Master Tenant to Borrower in the amount of \$[_____].

Section 1.42. Master Tenant Operating Agreement. The [Amended and Restated Operating Agreement] of Master Tenant dated on or about the date hereof, executed by Managing Member and Federal Tax Credit Investor, as amended from time to time

Section 1.43. Maturity Date. The Original Maturity Date, or, if the Option to Extend under Section 2.8 hereof is timely exercised by Borrower, the Extended Maturity Date.

Section 1.44. Note. The Bridge Note of even date herewith, executed by Borrower payable to Lender in the original principal amount of \$[_____], evidencing the Loan.

Section 1.45. OFAC. The United States Department of the Treasury, Office of Foreign Assets Control.

Section 1.46. OFAC Prohibited Person. A country, territory, individual or person (i) listed on, included within or associated with any of the countries, territories, individuals or entities referred to on The Office of Foreign Assets Control's List of Specially Designated Nationals and Blocked Persons or any other prohibited person lists maintained by governmental authorities, or otherwise included within or associated with any of the countries, territories, individuals or entities referred to in or prohibited by OFAC or any other Anti-Money Laundering Laws, or (ii) which is obligated or has any interest to pay, donate, transfer or otherwise assign any property, money, goods, services, or other benefits from the Real Estate directly or indirectly, to any countries, territories, individuals or entities on or associated with anyone on such list or in such laws.

Section 1.47. Original Maturity Date. [_____ - 36 MONTHS].

Section 1.48. Permitted Encumbrances. The liens, charges and encumbrances, if any, on title to the Premises listed on the attached Exhibit B.

Section 1.49. Permitted Transfer. Each of the following: (i) the contribution (through one or a series of transaction steps) of the Premises from University of California College of the Law, San Francisco, to Borrower, and (ii) the admission of Master Tenant as a member of Borrower.

Section 1.50. Person. Any natural person, firm, partnership, corporation, limited liability company, governmental authority or agency and any other public or private legal entity.

Section 1.51. Plans. The final plans and specifications for the construction of the Improvements on the Premises, which have been submitted to and approved by Lender, and all amendments and modifications thereof made in accordance with this Agreement.

Section 1.52. Pledge Agreement (Borrower). The Pledge Agreement (Borrower) of even date herewith whereby Managing Member pledges to Lender all of its right, title and interest in and to its membership interests in Borrower as security for payment of the Loan and for payment and performance of Borrower's obligations under the Note, this Agreement and the other Loan Documents.

Section 1.53. Pledge Agreement (Master Tenant). The Pledge Agreement (Master Tenant) of even date herewith whereby Managing Member pledges to Lender all of its right, title and interest in and to its membership interests in Master Tenant as security for payment of the Loan and for payment and performance of Borrower's obligations under the Note, this Agreement and the other Loan Documents.

Section 1.54. Premises. The Real Estate, all of the buildings and improvements thereon and all personal property of Borrower now or hereafter located on and used or intended to be used in connection with or with the operation of the Real Estate, the buildings or improvements thereon or in connection with the construction of the Improvements.

Section 1.55. Real Estate. The real estate located in San Francisco, California, as legally described on the attached Exhibit A.

Section 1.56. Security Documents. The Assignment of Capital Contributions, the Collateral Assignment of Capital Contributions, the Pledge Agreement (Borrower) and the Pledge Agreement (Master Tenant).

Section 1.57. Sworn Construction Cost Statement. The detailed hard and soft cost budget for the costs of acquiring the Real Estate and constructing the Improvements, a copy of which is attached as Exhibit D.

Section 1.58. Title Company. [_____].

In addition to the terms defined above, other capitalized terms used herein shall have the meanings given such terms below.

ARTICLE II

THE LOAN

Section 2.1. Use and Purposes. Borrower agrees to borrow from Lender, and Lender agrees to lend to Borrower, the Loan Proceeds; such Loan Proceeds shall be used by Borrower for the purposes and subject to all of the terms, provisions and conditions of this Agreement. The Loan is a non-revolving multiple advance Loan to be disbursed pursuant to this Agreement and the Disbursing Agreement.

Section 2.2. Expenses and Advances Secured by the Security Documents. The principal balance, interest and all amounts owing by the Borrower to the Lender pursuant to the Loan Documents will be secured by the Security Documents.

Section 2.3. Interest. Subject to Section 2.8, interest on each advance of the Note shall accrue at a fixed per annum rate equal to [_____] percent ([_____]%) - PRIME RATE + 0.50%, FLOOR OF 7.25%] (the "Interest Rate").

Interest on the unpaid principal balance shall be computed on the basis of a 360 day year, but shall be charged for the actual number of days interest is unpaid (actual ÷ 360).

If the Loan has not been repaid on or before the Maturity Date, or if an Event of Default occurs, then the unpaid principal balance shall thereafter accrue interest at an annual rate of four percent (4.00%) per annum in excess of the Interest Rate (the "Default Rate") until the unpaid principal balance is paid in full or such Event of Default is cured.

If for any reason whatsoever the interest and other consideration payable to Lender under the Loan Documents exceeds the limit prescribed by any applicable usury statute or any other applicable law, then such interest and other consideration shall be reduced to the limit provided in such statute or law, so that in no event shall such interest and other consideration be in excess of such limit. If any payments of interest or other consideration have been made to Lender in excess of such limits, such excess amount shall be applied to the principal balance or, if the Loan has been fully paid, refunded to Borrower.

Section 2.4. Payments. The principal balance and accrued interest on the Note shall be payable as follows and in the following order:

(a) Interest accruing on the Note through the end of each calendar month shall be payable on the first day of the following calendar month, commencing on the month following the closing of the Loan.

(b) At such time as Borrower receives from Master Tenant any portion of the Master Tenant Capital Contributions, an equivalent amount of principal of the Loan shall immediately become due and payable by Borrower to Lender, it being expressly understood and agreed that Borrower shall be obligated to apply such Master Tenant Capital Contributions towards the pay-down of the Loan until such time as the Loan is paid in full.

(c) The entire unpaid principal balance and all accrued interest on the Note shall be due and payable in full on the Maturity Date.

All payments shall be applied first to accrued interest, then to late payment charges and then to the payment of the principal balance; provided, however, during the continuance of, an Event of Default, Lender may elect to apply any payments in any order as it deems appropriate. Payments of principal of, and interest on, the Note and all late payment charges, fees, expenses and other obligations of Borrower under the Loan Documents which are payable to Lender shall be made to Lender without setoff or counterclaim in immediately available funds not later than 1:00 p.m. (Central Standard Time) on the due date thereof at Lender's office in Des Moines, Iowa. Funds received after such time shall be deemed to have been received on the next Business Day. Whenever any payment to be made under the Loan Documents shall be stated to be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time, in the case of a payment of principal, shall be included in the computation of any interest on such principal payment.

Section 2.5. Interest Reserve Holdback. Lender shall and is automatically authorized to make advances to itself, from time to time, from the Interest Reserve Holdback, without further order or request from Borrower, to pay interest under the terms hereof or of the Note. Lender has no obligation to disburse amounts from the Interest Reserve Holdback (i) if an Event of Default exists, or (ii) for any purpose other than the payment of accrued interest on the Loan; provided, however, notwithstanding anything herein to the contrary, Lender shall have the irrevocable right at any time an Event of Default shall have occurred and be continuing, without any obligation to do so, to make an advance to itself and directly apply the proceeds of the Interest Reserve Holdback to the satisfaction of any of Borrower's other obligations hereunder or under any of the other Loan Documents, including, without limitation, Lender's fees and any and all of the expenses due hereunder, all without receipt of any request for Loan Proceeds from Borrower. When the amounts in the Interest Reserve Holdback have been exhausted, Borrower shall be required to make monthly payments of accrued interest when due from its own funds. Lender shall not be liable for any act or omission made or taken in good faith in the disbursement or failure to timely disburse from the Interest Reserve Holdback. In the event the draw schedule for the Loan should be amended after the date hereof, Lender reserves the right to require Borrower to deposit additional funds into the Interest Reserve Holdback to the extent required to reserve for projected interest

through the Maturity Date. Notwithstanding the foregoing, Borrower shall remain obligated to make payments of all principal and accrued and unpaid interest on the Note in accordance with the terms thereof.

Section 2.6. Prepayment. Borrower may prepay the Loan in whole or in part, or at any time, without penalty or premium.

Section 2.7. Late Payment Charge. In the event that any required payment of principal or interest hereunder is not made within ten days after the due date thereof, Borrower shall pay to Lender a late payment charge equal to three percent (3.00%) of the amount of the overdue payment, for the purpose of reimbursing Lender for a portion of the expense incident to handling the overdue payment. This late payment charge shall not be prorated on a daily basis as payments are received by Lender. This provision shall not be deemed to excuse a late payment or to be a waiver of any other rights Lender may have, including the right to declare the entire unpaid principal balance and accrued interest immediately due and payable. Borrower agrees that the “late payment charge” is a provision for liquidated damages and represents a fair and estimate of the damages Lender will incur by reason of the late payment, considering all circumstances known to Borrower and Lender on the date hereof. Borrower further agrees that proof of actual damages will be difficult or impossible.

Section 2.8. Option to Extend. Borrower shall have the option to extend the term of the Loan (the “Option to Extend”) from the Original Maturity Date to the Extended Maturity Date (the “Option Period”), upon satisfaction of each of the following conditions precedent to Lender’s reasonable satisfaction:

- (a) Borrower shall provide Lender with written notice of Borrower’s request to exercise the Option to Extend, which notice shall be revocable, at Borrower’s option, not more than ninety (90) days but not less than thirty (30) days prior to the Original Maturity Date; and
- (b) As of the date of Borrower’s delivery of notice of request to exercise the Option to Extend, and as of the Original Maturity Date, no Event of Default shall have occurred and be continuing, and Borrower shall so certify in writing; and
- (c) Borrower shall execute or cause the execution of all documents reasonably required by Lender to document the Option to Extend; and
- (d) There shall have occurred no material adverse change, in the financial condition of Borrower or Guarantor that materially impairs Borrower’s ability to perform its obligations hereunder from that which existed as of the date of this Agreement; and
- (e) Either (1) Lender shall have reasonably determined that the remaining balance of the Interest Reserve Holdback is adequate to pay interest to accrue and be owing on the Loan through the Extended Maturity Date; or (2) Borrower shall have deposited with Lender, within fifteen (15) days after written notice of the projected shortfall, an amount reasonably sufficient to pay any shortfall in the interest to accrue and be owing on the Loan through the Extended Maturity Date; and

(f) Borrower shall have paid or reimbursed Lender for all reasonable, documented, out-of-pocket costs incurred by Lender in connection with the satisfaction of the foregoing conditions, including without limitation reasonable attorneys' fees; and

(g) Except as modified by this Option to Extend, the terms and conditions of this Agreement and the other Loan Documents (as previously modified and approved by Lender) shall remain unmodified and in full force and effect;

(h) The Lender shall have reasonably determined, based on then-current sources and uses that the Loan is deemed to be in balance pursuant to Section 6.8 of this Agreement; and

(i) Borrower shall have paid to Lender a fully earned, non-refundable extension fee in an amount equal to one-half percent (0.50%) of the outstanding principal balance of the Loan being extended.

ARTICLE III

WARRANTIES AND REPRESENTATIONS

To induce Lender to make the Loan, as of the date hereof, Borrower hereby represents and warrants to Lender that:

Section 3.1. Legal Status and Authority of Borrower. Borrower is a limited liability company, duly organized and validly existing under the laws of the State of California, and has all power and authority necessary to carry on its business, execute, deliver and perform the Loan Documents, and own and operate the Premises.

Section 3.2. Purpose of the Loan. The Loan shall be for business purposes to provide financing for the construction of the Improvements on the Premises and not for consumer purposes.

Section 3.3. Pending Suits. To Borrower's knowledge and except as disclosed to Lender in writing on or prior to the date hereof, there are no suits, judgments, bankruptcies or executions pending or threatened against Borrower, Guarantor, Managing Member or the Premises, which, if adversely determined against Borrower, Managing Member or Guarantor would have a material adverse effect on the financial condition of Borrower, Guarantor, Managing Member or the Premises.

Section 3.4. Financial Statements. The financial statements heretofore delivered by Borrower and Guarantor to Lender (as applicable) are true and correct in all material respects, and fairly present in all material respects the respective financial condition of the subjects thereof as of the respective dates thereof, and no material adverse change has occurred in the financial condition reflected therein since the respective dates thereof. No additional borrowings have been made by Borrower since the date of its most recent financial statements, other than the borrowings contemplated hereby and other borrowing approved by Lender in writing.

Section 3.5. No Mechanic's/Construction Liens. Borrower has obtained adequate waivers, indemnifications and other assurances to establish that no mechanics/construction liens exist on the Premise in connection with construction work conducted thereon.

Section 3.6. No Violation of Other Agreements or Laws. The execution, delivery and/or performance of the Loan Documents will not result in any breach of or constitute a default under any mortgage, deed of trust, lease, bank loan, credit agreement or other material instrument to which Borrower, any Affiliate or Guarantor is a party, or violate any applicable laws, ordinances or regulations by which Borrower, any Affiliate or Guarantor may be bound in a manner that would reasonably be expected to have a material adverse effect on Borrower or Guarantor.

Section 3.7. Permits. Borrower has obtained all licenses and permits that are required as of the date hereof for the construction of the Improvements, as contemplated by the Plans.

Section 3.8. Tax Credits. Borrower has taken or will take all required actions to qualify the Premises, and Borrower's work with respect to the Premises, for the Historic Tax Credits, including obtaining all necessary Historic Credit Approvals, with the exception of those approval documents which will only become available as construction advances or after Completion.

Section 3.9. Anti-Terrorism Laws. Borrower warrants and agrees as follows:

(a) As of the date hereof and throughout the term of the Loan: (i) Borrower; (ii) any Person controlling or controlled by Borrower; (iii) if Borrower is a privately held entity, any Person having a beneficial interest in Borrower; or (iv) any Person for whom Borrower is acting as agent or nominee in connection with this transaction, is not an OFAC Prohibited Person.

(b) To comply with applicable U.S. Anti-Money Laundering Laws and regulations, all payments by Borrower to Lender or from Lender to Borrower will only be made in Borrower's name and to and from a bank account of a bank based or incorporated in or formed under the laws of the United States or a bank that is not a "foreign shell bank" within the meaning of the U.S. Bank Secrecy Act (31 U.S.C. § 5311 et seq.), as amended, and the regulations promulgated thereunder by the U.S. Department of the Treasury, as such regulations may be amended from time to time.

(c) To provide Lender at any time and from time to time during the term of the Loan with such information as Lender reasonably determines to be necessary or appropriate to comply with the Anti-Money Laundering Laws and regulations of any applicable jurisdiction, or to respond to requests for information concerning the identity of Borrower, any Person controlling or controlled by Borrower or any Person having a beneficial interest in Borrower, from any governmental authority, self-regulatory organization or financial institution in connection with its anti-money laundering compliance procedures, or to update such information.

(d) Borrower agrees promptly to notify Lender in writing should Borrower become aware of any change in the representations and warranties set forth in this Section 3.9.

THE WARRANTIES AND REPRESENTATIONS IN THIS ARTICLE III AND ANY ADDITIONAL WARRANTIES AND REPRESENTATIONS CONTAINED HEREIN AND IN THE OTHER LOAN DOCUMENTS SHALL BE DEEMED TO HAVE BEEN RENEWED AND RESTATED BY BORROWER AT THE TIME OF EACH REQUEST BY BORROWER FOR A DISBURSEMENT OF LOAN PROCEEDS.

ARTICLE IV

REQUIREMENTS FOR THE LOAN

Unless otherwise agreed by Lender in writing, Lender will not be obligated to make the Loan unless and until all of the conditions in this Article IV have been satisfied by Borrower, but Lender's agreement to close the Loan or disburse a portion of the Loan Proceeds shall not waive its right to require satisfaction of the following conditions before any subsequent disbursement of Loan Proceeds is made.

Section 4.1. Loan Documents. Borrower shall have delivered to Lender the following executed documents (the "Loan Documents"), each in form and substance reasonably acceptable to Lender:

- (a) this Agreement;
- (b) the Bridge Note;
- (c) the Disbursing Agreement;
- (d) the Pledge Agreement (Borrower)
- (e) the Pledge Agreement (Master Tenant);
- (f) the UCC Financing Statements;
- (g) the Guaranty; and
- (h) such other papers and documents as may be required by this Agreement or as Lender may otherwise reasonably require to evidence, perfect or protect the Loan and the collateral.

Section 4.2. Closing Costs and Loan Origination Fee. Borrower shall have paid, out of cash equity, all closing costs, generally as described in Section 6.3 hereof. In addition to the foregoing, Borrower shall pay, out of cash equity, to Lender a fully earned, non-refundable origination fee in the amount of \$[____ - 2.00% OF LOAN AMOUNT] (the "Origination Fee"), which fee shall not be deemed as a repayment of the Note. The initial transaction cost deposit of \$25,000.00 paid by Borrower to Lender pursuant to the Letter of Interest dated as of February 25, 2026 and executed in connection with the transaction contemplated hereunder shall be credited against the Origination Fee paid at closing

Section 4.3. Closing Requirements. Borrower shall have delivered to Lender the following, each in form and substance acceptable to Lender:

(a) Financial Statements. To the extent required by Lender, current financial statements for Borrower and Guarantor certified to be true, correct and complete in all material respect as of the date thereof;

(b) Survey. A current survey of the Real Estate;

(c) Insurance. Evidence satisfactory to Lender that all insurance coverage required by Section 6.6 of this Agreement has been obtained and is in full force and effect.

(d) Sworn Construction Cost Statement. The Sworn Construction Cost Statement, expressly identifying the costs payable to Borrower.

(e) Plans. A set of the Plans for the Improvements, including a site plan showing the location of the Improvements;

(f) Contracts.

(i) If requested by Lender, executed copies of all contracts between Borrower and any contractors, engineers, architects or construction managers (the "Contractors"), and any supplements or amendments thereto; payment and performance bonds with respect to the general contract, from a surety reasonably acceptable to Lender and naming Lender as an additional obligee; all subcontracts between any Contractors and any of their subcontractors and suppliers for the construction of the Improvements. Upon request of Lender each Contractor shall execute a consent to the assignment of its contract and an agreement in favor of Lender which includes an obligation to perform their obligation upon request by Lender or its designee. If Lender reasonably determines that such construction contracts and subcontracts do not cover all of the work necessary for Completion, Borrower will cause to be furnished firm bids from responsible parties, or estimates and other information reasonably satisfactory to Lender, for the work not so covered, to enable Lender to ascertain the total estimated cost of all work done and to be done; and

(ii) Executed copies of all property management and leasing agreements, if any.

(g) Evidence of Compliance.

(i) the Historic Consultant Certificate and the Architect Certificate stating that the Plans, the Premises and the Improvements, when completed, and the contemplated use thereof, will be in compliance with all federal, state and municipal laws, statutes and ordinances and all rules and regulations promulgated thereunder, and restrictions of record affecting the Premises, including those dealing with building, parking, zoning, environmental impact, setbacks, Americans With Disabilities Act, wetlands, safety and pollution control, and will satisfy all Historic Credit Conditions in order for Borrower to obtain the Historic Tax Credits;

(ii) letters or other evidence from utility suppliers that there are sufficient utilities (including water, sanitary and storm sewer, electric, telephone and gas) for the Premises and the operation of the Improvements thereon; and

(iii) a letter or other evidence from the appropriate municipal officer, that the Premises are properly zoned to permit the construction and operation of the Premises and that all governmental permits, licenses and approvals for the construction of the Improvements have been obtained;

(h) Building Permits. A copy of all building permits, licenses and other governmental permits, or proof of the immediate availability of same, required to authorize the construction of the Improvements on the Premises in accordance with the Plans;

(i) Approvals. A copy of all Historic Credit Approvals, and all other approvals relating to the Historic Tax Credits, with the exception of those approval documents which only become available after completion of the Improvements;

(j) Organizational Documents. A copy of Borrower's, Managing Member's and Master Tenant's organizational documents and evidence of Borrower's, Managing Member's and Master Tenant's authority to sign this Agreement and the other Loan Documents to which each is a party;

(k) Environmental Report. An environmental report prepared by a firm acceptable to Lender;

(l) Schedules. Schedules for the construction of the Improvements, for the disbursement of the Loan Proceeds and of the contractors and subcontractors to perform work on the Improvements;

(m) Capital Contributions. Evidence that Federal Tax Credit Investor has funded its first capital contributions to Master Tenant in the amount of \$[____], and that Master Tenant has funded its first capital contributions to Borrower in the amount of \$[10,000.00];

(n) Operating Agreements. Fully executed copies of the Borrower Operating Agreement, the Master Tenant Operating Agreement and any other agreements related to the Capital Contributions, or the Historic Tax Credits, in each case, in effect as of the date hereof;

(o) UCC Search. UCC searches from the respective Secretary of State office covering the name of Managing Member and Guarantor, together with bankruptcy, judgment and state and federal tax lien searches on Managing Member and Guarantor; and

(p) Financial Projections. The Financial Projections, compiled by Novogradac & Company LLP

Section 4.4. Appraisal. Lender shall have obtained an appraisal of the Premises and the Improvements in form acceptable to Lender.

Section 4.5. Opinion of Counsel. Borrower shall have provided Lender with a legal opinion from counsel to Borrower, Managing Member and Guarantor, in form and substance reasonably acceptable to Lender.

Section 4.6. First Disbursement. With respect to the First Disbursement only, Borrower shall have delivered to Lender the following:

(a) Borrower Operating Agreement. A fully executed copy of the A&R. Borrower Operating Agreement, in substantially the form delivered to Lender prior to the date hereof;

(b) Master Lease. A fully executed copy of the Master Lease, in substantially the form delivered to Lender prior to the date hereof;

(c) Capital Contributions. Evidence that Federal Tax Credit Investor has funded its second capital contributions to Master Tenant in the amount of \$[____], and that Master Tenant has funded its first capital contributions to Borrower in the amount of \$[____]; and

(d) Loan Documents. Fully executed copies of the following:

(i) Assignment of Capital Contributions;

(ii) Collateral Assignment of Assignment of Rights to Capital Contributions; and

(iii) Direction of Payment Letter

(e) Borrower Equity. Borrower and its Affiliates shall have provided cash equity to the Improvements of at least ten percent (10.00%) of the total costs of the Improvements.

ARTICLE V

REQUIREMENTS FOR EACH DISBURSEMENT

Section 5.1. Warranties and Representations True. All warranties and representations made in the Loan Documents shall remain true and correct in all material respects as if made on the date of each disbursement and throughout the term of the Loan through the Maturity Date (which representations and warranties may be updated to reflect any change in facts and circumstances since the closing date of the Loan, provided that such change in facts and circumstances is not due to an Event of Default by Borrower under the Loan Documents).

Section 5.2. Documents to be Furnished for Each Disbursement. At least five (5) Business Days prior to each requested disbursement, Borrower shall have furnished to Lender and Inspecting Architect the documents required for a disbursement pursuant to this Agreement and the Disbursing Agreement.

Section 5.3. No Damage. No portion of the Premises shall have been materially damaged by fire or other casualty unless Lender shall have received insurance proceeds sufficient, in the sole but reasonable judgment of Lender, to effect the satisfactory restoration of the Premises and to permit the Completion of the Improvements in a manner that will qualify for the Historic Tax Credits on or before the Completion Date.

Section 5.4. No Event of Default. No Event of Default, nor any event which with the passing of time or the giving of notice would become a monetary Event of Default, shall have occurred and be continuing under the Loan Documents.

Section 5.5. Loan in Balance. The Loan shall be in balance as required by Section 6.8 hereof.

Section 5.6. Fixtures and Equipment. Prior to any disbursement of Loan Proceeds to pay for the delivery or installation of fixtures and equipment or other personal property not being provided by the general contractor, Borrower shall deliver to Lender a list of all such fixtures, equipment and other personal property which has been delivered to or installed in the Improvements, together with invoices and other evidence of Borrower's ownership thereof.

Section 5.7. Other Requirements. Borrower shall have complied with all of the other requirements, conditions and covenants of this Agreement, the other Loan Documents, including the Disbursing Agreement, and any additional requirements to receive the Historic Tax Credits in connection with the Premises.

ARTICLE VI

COVENANTS AND AGREEMENTS

Borrower covenants and agrees with Lender as follows:

Section 6.1. Using Loan Proceeds. Borrower shall use the Loan Proceeds solely to pay costs and expenses incurred by Borrower in connection with the construction of the Improvements and the equipping of the Improvements, together with such incidental costs and expenses relating thereto as may be approved from time to time in writing by Lender. No proceeds of the Loan may be used to pay any construction, management, development or contractor's fees to Borrower, Guarantor or any Affiliate.

Section 6.2. Financial Records. Borrower shall set up and maintain accurate and complete books, accounts and records as to Borrower in accordance with standard accounting principles for real estate investment activities consistently applied. Borrower will permit representatives of Lender to have reasonable access to and to inspect and copy all books, records and contracts of Borrower upon reasonable advance notice, during normal business hours, and in a manner that does not unreasonably interfere with Borrower's operations. Any such inspection by Lender and its representatives shall be for the sole benefit and protection of Lender, and Lender shall not have any obligation to disclose the results thereof to Borrower or to any third party. In addition, Borrower shall furnish the following financial information concerning Borrower, Guarantor and the Premises:

- (a) As to Borrower:

(i) within thirty (30) days of request by Lender, such information and reports concerning the financial affairs of Borrower or the Premises as Lender may reasonably request.

(b) As to Guarantor:

(i) unaudited annual financial statements, balance sheet, income statement and cash flow statement due within ninety (90) days of the fiscal year end of Guarantor; and

(ii) within thirty (30) days of request by Lender (but not more than once per calendar quarter), such information and reports concerning the financial affairs of Guarantor as Lender may reasonably request in order to verify the unrestricted liquid assets of Guarantor.

All such financial statements shall be in reasonable detail and shall be prepared in accordance with standard accounting principles consistently applied.

Section 6.3. Costs and Expenses. Borrower will pay all costs and expenses required to satisfy the conditions of this Agreement, including but not limited to all recording expenses, Lender's reasonable out-of-pocket attorneys' fees, and costs of surveys, appraisals, environmental reports, title insurance and title updates, fees of Inspecting Architect, Architect and other consultants, fees for Lender's internal appraisal review, fees for environmental review, real estate taxes, and insurance premiums to the extent required by this Agreement.

Section 6.4. Inspections. Lender is permitted to rely upon any and all reports, representations, and certificates made by the Inspecting Architect, and at Borrower's expense, to make periodic inspections of the Premises and to review all change orders relating to the Improvements. Lender may request the Inspecting Architect, Holdback), to inspect all work and materials for which payment is requested and all other work upon the Premises, approve such work and the current Draw Request and/or submit to Lender a progress inspection report. Lender may also retain such other consultants as Lender deems necessary or convenient to perform such services as may, from time to time, be required by Lender in connection with the Loan, this Agreement, the other Loan Documents or the Premises. Borrower will permit Lender and its representatives to enter upon the Premises at all reasonable times to inspect the Improvements and the construction thereof and to examine all detailed plans, shop drawings, specifications and other records which relate to the Improvements. Borrower will cooperate, and cause all contractors, subcontractors and materialmen to cooperate with Lender to enable it to perform its functions hereunder. Notwithstanding any provisions of this Agreement to the contrary, in the event that, pursuant to any third party report, Lender should determine that the work performed or the materials furnished with respect to the Improvements are, in any way, not in accordance with the Historic Credit Conditions and/or the Historic Preservation Certificate Standards, Lender shall notify Borrower of its objections thereto in reasonable detail, and, upon demand, Borrower shall have (30) days, or such longer period as is reasonably necessary if Borrower is diligently pursuing correction, to correct the conditions to which Lender objects.

Neither Borrower nor any third party shall have the right to use or rely upon the reports of the Inspecting Architect or any other reports generated by Lender or its consultants for any purpose whatsoever, whether made prior to or after commencement of construction. Borrower shall be responsible for making its own inspections of the Premises during the course of construction and shall determine to its own satisfaction that the work done and materials supplied are in accordance with applicable contracts with its contractors and the Plans. By advancing funds after any inspection of the Premises by Lender or Inspecting Architect, Lender shall not be deemed to waive any Event of Default, to waive any right to require construction defects be corrected, or to acknowledge that all construction conforms with the Plans.

Section 6.5. Construction of Improvements. Borrower will cause the construction of the Improvements to be prosecuted with due diligence and continuity so that the Completion shall occur in accordance with the Plans on or before the Completion Date, free and clear of liens or claims for liens, other than Permitted Encumbrances. Notwithstanding anything to the contrary contained in this Agreement, in the event that, pursuant to any third party report, Lender reasonably determines that the work does not comply with the Plans or the Historic Preservation Certificate Standards in all material respects, Lender shall notify Borrower of its objections thereto in reasonable detail and, upon demand, Borrower shall have thirty (30) days, or such longer period as is reasonably necessary if Borrower is diligently pursuing correction, to correct the conditions to which Lender objects.

Section 6.6. Insurance. Borrower shall maintain at a minimum:

(a) a Builders All Risk/Special Form Completed Value (Non-Reporting Form) Hazard Insurance policy, including without limitation, theft coverage and such other coverages and endorsements as Lender may reasonably require, insuring Borrower against damage to the Premises and Improvements in an amount not less than 100% of the full replacement cost at the time of completion of the Improvements. Such coverage should adequately insure any and all collateral, whether such collateral is onsite, stored offsite or otherwise. Lender and its successors and/or assigns shall be named an additional insured and Lender's loss payable; and

(b) a policy of Commercial General Liability insurance on an occurrence basis, with coverages and limits reasonably approved by Lender, insuring Lender against liability for injury and/or death to any person and/or damage to any property occurring on the Premises and/or in the Improvements. During the period of any construction Borrower may cause its Contractors and/or subcontractors to maintain in full force and effect any or all of the liability insurance required hereunder. Lender shall be named as an additional insured on any such policy. Whether Borrower employs a Contractor or performs as owner-builder, Lender may require that coverage include statutory workers' compensation insurance;

(c) All binders and policies shall contain a cancellation clause stating that the policy will not be cancelled without at least 30 days' prior written notice.

Section 6.7. Changes. No single change costing more than \$250,000.00, nor any changes costing in the aggregate more than \$1,000,000.00, nor any structural change to the Improvements shall be made in the approved Plans without Lender's prior written consent, which consent shall not be

unreasonably withheld, conditioned or delayed. Without Lender's prior written consent (not to be unreasonably withheld, conditioned or delayed), other than as set forth in this Section 6.7, Borrower may not make any change to the Sworn Construction Cost Statement or to any line item thereof and may not allocate any amounts in the contingency reserve to any other line item in the Sworn Construction Cost Statement. Lender agrees to use its best efforts to respond to Borrower's requests for changes hereunder within five (5) Business Days after receipt of any such requests.

Section 6.8. Loan in Balance.

(a) Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed that the Loan at all times shall be in balance. The Loan shall be deemed to be in balance only when all undisbursed sources as identified on the sources and uses associated with the Improvements, including sources of equity, the Loan and projected net operating income, equal or exceed the amount necessary, based on Lender's reasonable estimates, to pay all unpaid costs to complete the Improvements in accordance with the Plans and to pay the amounts necessary for operating expenses and interest expenses through the earlier of (i) stabilization and (ii) Maturity Date, all expenses necessary to satisfy the conditions to obtain the Capital Contributions, all of the expense of items set forth in Section 6.3 hereof.

(b) If for any reason the aggregate amount of such undisbursed debt sources and undisbursed owner's equity and anticipated net operating income shall at any time be or become insufficient for such purpose under (a) above, regardless of how such conditions may be caused, within ten (10) Business Days following written demand by Lender describing the insufficiency in reasonable detail, Borrower will deposit with Lender sufficient funds equal to said insufficiency in order to bring the Loan back into balance. All sums so deposited shall be disbursed to pay costs of the Improvements in the same manner as, and prior to, further disbursements of Loan Proceeds; provided that Borrower shall have an additional ten (10) Business Days to fund any insufficiency if Borrower is diligently pursuing a committed replacement source of funds (it being acknowledge and agreed that Lender shall only have approval rights (not to be unreasonably withheld, conditioned or delayed) over any such replacement funding source to the extent needed to confirm that rehabilitation of the Improvements is consistent with historic approvals).

Section 6.9. Appraisals. Borrower agrees that Lender shall have the right to obtain, at Borrower's expense, an appraisal of the Premises, prepared by an appraiser reasonably acceptable to Lender and in substantial conformance with governmental regulations applicable to Lender and reasonably approved by Lender at any time that (a) an Event of Default has occurred hereunder and is continuing, (b) any material damage or destruction of the Premises occurs, or (c) Lender determines in its reasonable opinion that the security for the Loan has been physically or financially impaired in any material manner. In the event that Lender shall elect to obtain such an appraisal, Lender may immediately commission an appraiser acceptable to Lender, at Borrower's cost and expense, to prepare the appraisal and Borrower shall reasonably cooperate with Lender and the appraiser in obtaining the necessary information to prepare such appraisal. In the event that Borrower fails to cooperate with Lender in obtaining such an appraisal or in the event that Borrower shall fail to pay for the reasonable cost of such appraisal and Lender's reasonable internal appraisal review fee within ten (10) Business Days after written demand, such failure shall

constitute an Event of Default hereunder, subject to any applicable cure periods, and Lender shall be entitled to exercise all remedies available to it hereunder.

Section 6.10. Other Indebtedness. Without the prior written consent of Lender (such consent not to be unreasonably withheld, conditioned or delayed), Borrower shall not create nor permit to remain outstanding any indebtedness or any guarantees or contingent liabilities of any sort whatsoever, other than debt which is secured by projects not financed by Lender, trade payables not past due, the Loan and loans from members in Borrower subordinated to the Loan, in form and substance reasonably acceptable to Lender, and contractual obligations to Contractors for the construction of the Improvements, and the Permitted Encumbrances.

Section 6.11. Change in Name or State of Organization. Borrower shall not change its name or the state in which it is organized without providing at least thirty (30) days' prior written notice to Lender.

Section 6.12. Distributions to Members. Notwithstanding anything to the contrary in the organizational documents of Borrower, Borrower shall not make any distributions to any member of Borrower when an Event of Default exists.

Section 6.13. Member Loans. Borrower shall not make any repayments of interest or principal under loans due to any of its members, Affiliates, or Guarantor.

Section 6.14. Single Asset Entity. Borrower shall not own any other real property, other than the Premises, nor any other asset not used solely in connection with the ownership of the Premises, nor engage in any other business other than the ownership and operation of the Premises.

Section 6.15. Compliance with other Loan Documents. Borrower shall promptly comply with all of the covenants and agreements of Borrower which are contained in the other Loan Documents and other easements, agreements and restrictions affecting the Premises.

Section 6.16. Federal Investor Capital Contributions. Pursuant to the terms and conditions of the Master Tenant Operating Agreement, Federal Tax Credit Investor has agreed to acquire a membership interest in Master Tenant, and in connection therewith to make the Federal Investor Capital Contributions, and from and after the execution of the A&R Borrower Operating Agreement, the proceeds of such Federal Investor Capital Contributions shall be used by Master Tenant to, unless otherwise reflected in the Financial Projections, make the Master Tenant Capital Contributions to Borrower pursuant to the Borrower Operating Agreement, the proceeds of which shall be used by Borrower to repay the outstanding principal balance of the Loan until all sums owing to Lender under the Note have been paid in full. Borrower shall and shall cause Master Tenant to: (a) timely do or cause to be done everything necessary to satisfy all conditions to the funding of the Federal Investor Capital Contributions; (b) not commit any material breach or default under the Master Tenant Operating Agreement; and (c) maintain the Master Tenant Operating Agreement in full force and effect until all sums owing to Lender with respect to the Loan have been paid in full. Lender shall reasonably cooperate with Borrower and Managing Member in satisfying those funding conditions, including by providing reasonable consents and executing documents reasonably requested for that purpose, so long as such cooperation does not impose material liability or cost on Lender.

Section 6.17. Proceeds of the Federal Investor Capital Contributions. None of the proceeds of the Federal Investor Capital Contributions shall be used for any purpose other than to make the Master Tenant Capital Contributions pursuant to the Borrower Operating Agreement, until all sums owing to Lender under the Note have been paid in full, unless Lender consents in writing to such other use or unless otherwise reflected in the Financial Projections. Further, Borrower covenants and agrees that so long as any amount remains outstanding hereunder, Borrower will comply and cause Master Tenant to comply with all obligations and requirements under the Master Tenant Operating Agreement necessary to cause the Federal Tax Credit Investor to timely fund all Federal Investor Capital Contributions in accordance with the terms of the Master Tenant Operating Agreement.

Section 6.18. Master Tenant Capital Contributions. Upon execution of the A&R Borrower Operating Agreement and pursuant to the terms and conditions thereof, Master Tenant has agreed to purchase a membership interest in Borrower in exchange for making the Master Tenant Capital Contributions, and the proceeds of such Master Tenant Capital Contributions shall be used by Borrower to, unless otherwise reflected in the Financial Projections, repay the outstanding principal balance of the Loan until all sums owing to Lender under the Note have been paid in full. Form and after the execution of the A&R Borrower Operating Agreement, Borrower shall: (a) timely do or cause to be done everything necessary to satisfy all conditions to the funding of the Master Tenant Capital Contributions; (b) not commit any material breach or default under the Borrower Operating Agreement; and (c) maintain the Borrower Operating Agreement in full force and effect until all sums owing to Lender with respect to the Loan have been paid in full. Lender shall reasonably cooperate with Borrower and Managing Member in satisfying the funding conditions for the Master Tenant Capital Contributions, including by providing reasonable consents and executing documents reasonably requested for that purpose, so long as such cooperation does not impose material liability or cost on Lender.

Section 6.19. Proceeds of the Master Tenant Capital Contributions. None of the proceeds of the Master Tenant Capital Contributions shall be used for any purpose other than to repay the Loan, until all sums owing the Lender under the Note have been paid in full, unless Lender consents in writing to such other use or unless otherwise reflected in the Financial Projections. Further, Borrower covenants and agrees that so long as any amount remains outstanding hereunder, Borrower will comply with all obligations and requirements under the Borrower Operating Agreement necessary to cause the Master Tenant to timely fund all Master Tenant Capital Contributions in accordance with the requirements of the Borrower Operating Agreement. Lender shall reasonably cooperate with Borrower and Managing Member in satisfying those requirements, including by providing reasonable consents and executing documents reasonably requested for that purpose, so long as such cooperation does not impose material liability or cost on Lender.

Section 6.20. Historic Credit Approvals. Borrower shall: (a) timely do or cause to be done everything necessary to satisfy all Historic Credit Conditions and all statutes and regulations governing the Historic Tax Credits, and all notifications required to be given to any state or federal agency; (b) not commit any material breach or default under the Historic Credit Conditions; (c) maintain any documents or approvals relating to the Historic Credit Conditions in full force and effect until all sums owing to Lender with respect to the Note have been paid or until all of the Federal Investor Capital Contributions have been paid to Lender under the Loan Documents as repayment of the Note.

Section 6.21. Master Lease. From and after the execution thereof, Borrower shall duly and promptly comply in all material respects with all terms and conditions required to be performed and observed by Borrower under the Master Lease, shall not terminate the Master Lease or amend or modify it without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed, and shall promptly give Lender copies of any default notices received or sent by Borrower or Master Tenant under the Master Lease or affecting the Real Estate.

Section 6.22. Historic Tax Credits Agreements. Borrower shall provide to Lender, copies of all material documentation required for compliance with the terms of the Borrower Operating Agreement, the Master Tenant Operating Agreement and the Historic Credit Conditions.

Section 6.23. Guarantor Liquidity. Within thirty (30) days after the end of each calendar quarter during the term of the Loan, Guarantor shall deliver a, covenant compliance certificate evidencing that Guarantor maintains minimum liquidity in the amount of [_____ Dollars (\$_____) – 10% OF LOAN AMOUNT].

ARTICLE VII

DEFAULT

Section 7.1. Events of Default by Borrower. The occurrence of any one or more of the following shall constitute an “Event of Default” herein and in the other Loan Documents:

(a) Borrower shall default in the payment of principal, interest, fees or other amounts payable to Lender hereunder, under the Note or under any of the other Loan Documents and such failure shall continue for a period of five (5) days;

(b) Any representation, warranty or statement made by Borrower or Guarantor in this Agreement, the Guaranty or any of the other Loan Documents proves untrue in any material respect and, if curable, remains untrue for thirty (30) days;

(c) Work on any of the Improvements shall be substantially abandoned, or shall, by reason of Borrower’s fault, be unreasonably delayed or discontinued for a period of more than forty-five (45) days, or construction shall be delayed for any reason whatsoever to the extent that Completion is not accomplished on or before the Completion Date for the Improvements unless the Completion Date cannot be achieved as a result of acts of God, fire, storm, strikes, blackouts, labor difficulties, riots, inability to obtain materials, equipment or labor, governmental restrictions, pandemic, delays caused by Lender, or any similar cause over which Borrower is unable to exercise control (“Force Majeure Events”);

(d) The reasonable disapproval by Lender at any time pursuant to any third party report of any construction work that may jeopardize the Historic Tax Credits or Capital Contributions and the failure of Borrower to cause the same to be corrected within forty-five (45) days after receipt of written notice from Lender describing the objection in reasonable detail, or such longer period as is reasonably necessary if Borrower is diligently pursuing correction completes the correction within ninety (90) days;

(e) The bankruptcy or insolvency of General Contractor or any subcontractor under contract to work on any of the Improvements and failure of Borrower to procure a contract or subcontract with a new substitute contractor or subcontractor acceptable to Lender within sixty (60) days from the date Borrower receives notice of the occurrence of such bankruptcy or insolvency;

(f) If Borrower or Guarantor files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, makes an assignment for the benefit of creditors, or seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator of Borrower or Guarantor of all or any substantial part of their properties or of the Premises;

(g) If within sixty (60) days after the commencement of any proceeding against Borrower or Guarantor seeking any reorganization, arrangement, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, such proceeding is not dismissed, or if, within sixty (60) days after the appointment, without the consent or acquiescence of Borrower of any trustee, receiver or liquidator of Borrower or Guarantor, of all or any substantial part of their properties or of the Premises, such appointment is not vacated or stayed on appeal or otherwise, or if, within 60 days after the expiration of any such stay, such appointment is not vacated;

(h) An event of default occurs and remains uncured beyond any applicable cure period under the terms of any other indebtedness of Borrower or Guarantor to Lender whether any such indebtedness is now existing or hereafter arises and whether direct or indirect, due or to become due, absolute or contingent, primary or secondary or joint or joint and several;

(i) Reserved;

(j) A judgment or judgments for the payment of money in excess of the sum of \$500,000.00 in the aggregate shall be rendered against Borrower, and Borrower shall within thirty (30) days of receipt of written notice of such judgment, and in any event prior to the execution thereof by the judgment creditor, not discharge the same, procure a stay of execution thereof, or appeal therefrom and cause the execution thereof to be stayed during such appeal, or if Borrower has commenced and diligently prosecuted discharge, stay of execution, or appeal of such judgment, said thirty (30) day period shall be extended by the period of time reasonably required to cure the same, not to exceed an additional sixty (60) days;

(k) Any execution or attachment shall be issued whereby any property of Borrower shall be taken or attempted to be taken and the same shall not have been vacated or stayed within sixty (60) days after Borrower's receipt of written notice thereof, or such

longer period as is reasonably necessary if Borrower is diligently contesting the execution or attachment;

(l) Any Loan Document shall, at any time, cease to be in full force and effect or shall be judicially declared null and void, or the validity or enforceability thereof shall be contested by Borrower and/or Guarantor, or Lender shall cease to have a valid and perfected security interest having the priority contemplated thereunder in the collateral described therein, other than by action or inaction of Lender, if any of the foregoing shall remain unremedied for sixty (60) days or more after receipt of written notice thereof by Borrower from Lender;

(m) A default occurs in the performance of Borrower's obligations in Sections 6.6, 6.8 or 6.10 hereof and Borrower fails to remedy such default within thirty (30) days after receipt of written notice by Lender, provided that if the default cannot reasonably be cured within that period, no Event of Default shall occur so long as Borrower commences cure within such period and diligently pursues cure to completion within an additional thirty (30) days;

(n) Any event occurs which is denominated as an "Event of Default" in any other section of this Agreement or in any of the other Loan Documents past expiration of any applicable notice or cure period;

(o) Borrower shall default in the performance or observance of any material agreement, covenant or condition required to be performed or observed by such Borrower under the terms of this Agreement, other than a default described in this Section 7.1 with a stated cure period, which default, if curable, is not cured within sixty (60) days after Lender gives such Borrower written notice thereof; provided that if the default cannot reasonably be cured within that period, no Event of Default shall occur so long as Borrower commences cure within such period and diligently pursues cure to completion within an additional thirty (30) days;

(p) The occurrence of any of the events specified in Sections 7.1(f) and 7.1(g) of this Agreement with respect to the Federal Tax Credit Investor;

(q) Borrower is convicted of any fraud or felony or Borrower violates any other laws if such violation would or would, in the reasonable determination of Lender, have a material adverse impact on Borrower or the Premises;

(r) Failure to remain in compliance with the Historic Credit Conditions beyond expiration of any applicable notice or cure period, and any other approvals or reservations of the Historic Tax Credits;

(s) Reserved;

(t) Reserved;

(u) The expiration, termination, failure to procure, or failure to fund any Capital Contributions (as the same may be adjusted pursuant to the terms of the Borrower

Operating Agreement), or the occurrence of a material default or breach (which is not cured within any applicable cure period) by Borrower or any member of Borrower under the Borrower Operating Agreement, or failure to satisfy any material term, covenant, or condition of the Borrower Operating Agreement in each case only after written notice to Borrower and expiration of any applicable notice or cure period and only to the extent such event materially impairs the expected funding of the Capital Contributions;

(v) (i) The recording of any claim of lien against the Premises or the service on Lender of any bonded stop notice relating to the Loan and the continuance of such claim of lien or bonded stop notice for sixty (60) days without discharge, affirmative title insurance coverage, satisfaction or provision for payment being made by Borrower in a manner reasonably satisfactory to Lender; or (ii) the condemnation, seizure or appropriation of, or occurrence of an uninsured casualty with respect to any material portion of the Premises; or (iii) the sequestration or attachment of, or any levy or execution upon any of the Premises, any other collateral provided by Borrower under any of the Loan Documents, or any substantial portion of the other assets of Borrower, which sequestration, attachment, levy or execution is not released, expunged or dismissed prior to the earlier of sixty (60) days or the sale of the assets affected thereby; or

(w) Except with respect to a Permitted Transfer, any direct or indirect ownership interest in Borrower or the Premises shall be sold, transferred, mortgaged, assigned, further encumbered or leased (except for leases in the ordinary course of business), or there shall be any change in the management of the Premises without the prior written consent of Lender, which consent shall not be unreasonably withheld, delayed or conditioned; provided that a transaction capable of being unwound or corrected shall not constitute an Event of Default if Borrower cures the same within thirty (30) days.

Section 7.2. Lender's Remedies in the Event of Default. Upon the occurrence of any Event of Default, Lender may, in its discretion, pursue any one or more of the following remedies concurrently or successively, it being the intent hereof that none of such remedies shall be to the exclusion of any other:

(a) Perform any or all of Borrower's covenants and agreements hereunder, or under any of the other Loan Documents;

(b) Declare the entire indebtedness evidenced by the Note, without demand or notice of any kind (which are hereby expressly waived), to be due and payable at once and, in such event, such indebtedness and obligations shall become immediately due and payable;

(c) Set off any sum due to or incurred by Lender against all deposits and credits of Borrower with, and any and all claims of Borrower against Lender. Such right shall exist whether or not Lender shall have made any demand hereunder or under any other Loan Document, whether or not said sums, or any part thereof, or deposits and credits held for the account of Borrower is or are matured or unmatured, and regardless of the existence or adequacy of any collateral, guaranty or any other security, right or remedy available to

Lender. Lender agrees that, as promptly as is reasonably possible after the exercise of any such setoff right, it shall notify Borrower of its exercise of such setoff right; provided, however, that the failure of Lender to provide such notice shall not affect the validity of the exercise of such setoff rights. Nothing in this Agreement shall be deemed a waiver or prohibition of or restriction on Lender to all rights of banker's lien, setoff and counterclaim available pursuant to law, and any application of payments following an Event of Default shall be made in a commercially reasonable manner; and

(d) Exercise any or all remedies specified herein and in the other Loan Documents.

Any expense incurred by Lender in the performance of any of the foregoing remedies, shall be deemed to be part of the indebtedness of Borrower pursuant to the Loan.

Section 7.3. Power of Attorney. Following the occurrence, and during the continuance, of an Event of Default, Lender shall have the right to take the following actions on behalf of Borrower, in each case to the extent reasonably necessary to protect the collateral or complete the Improvements:

(a) *Tax Credit Filings.* File with any governmental entity any documentation necessary to obtain the Historic Credit Approvals or otherwise ensure that Borrower is entitled to and receives the Historic Tax Credits;

(b) *Completion of Construction.* Enter into such contracts and change orders, and cause Borrower to perform its obligations thereunder, as Lender reasonably deems necessary in order to achieve Completion and to obtain the Historic Credit Approvals or otherwise ensure that Borrower is entitled to and receives the Historic Tax Credits, including, without limitation, contracts with construction managers, trade contractors, design and engineering professionals, historic consultants and others as Lender may reasonably determine are necessary to achieve Completion.

Any actual, out-of-pocket expense incurred by Lender in the performance of any of the foregoing remedies, shall be deemed to be part of the indebtedness of Borrower pursuant to the Loan.

ARTICLE VIII

GENERAL COVENANTS

Section 8.1. Binding Effect; Waivers; Cumulative Rights and Remedies. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, personal representatives, legal representatives, successors and assigns; provided, however, that neither this Agreement nor the proceeds of the Loan may be assigned by Borrower voluntarily, by operation of law or otherwise, without the prior written consent of Lender. No delay on the part of Lender in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder constitute such a waiver or exhaust the same, all of which shall be continuing. The rights and remedies of Lender specified in this Agreement shall be

in addition to, and not exclusive of, any other rights and remedies which Lender would otherwise have at law, in equity or by statute, and all such rights and remedies, together with Lender's rights and remedies under the other Loan Documents, are cumulative and may be exercised individually, concurrently, successively and in any order.

Section 8.2. Time of the Essence. Time is of the essence of this Agreement.

Section 8.3. No Agency. Lender is not the agent or representative of Borrower, and Borrower is not the agent or representative of Lender, and nothing in this Agreement will be construed to make Lender liable to anyone for goods delivered or services performed upon the Premises or for debts or claims accruing against Borrower.

Section 8.4. No Partnership or Joint Venture. Neither anything contained herein nor the acts of the parties hereto will be construed to create a partnership or joint venture between Borrower and Lender.

Section 8.5. No Third Party Beneficiaries. All conditions to the obligations of Lender to make advances hereunder are imposed solely and exclusively for the benefit of Lender and its assigns and no other Person will have standing to require satisfaction of such conditions or be entitled to assume that Lender will not make disbursements in the absence of strict compliance with any or all thereof, and no other Person, under any circumstances, will be deemed to be beneficiary of such conditions, any or all of which may be waived in whole or in part by Lender at any time if Lender, in its reasonable discretion, deems it advisable to do so.

Section 8.6. Waiver. No delay or omission by Lender to exercise any right or power arising from any default will impair any such right or power or be considered to be a waiver of any such default or any acquiescence therein nor shall the action or nonaction of Lender in case of default on the part of Borrower impair any right or power arising therefrom. No disbursement of the Loan hereunder shall constitute a waiver of any of the conditions to Lender's obligation to make further disbursements nor, in the event Borrower is unable to satisfy any such condition, shall any such disbursement have the effect of precluding Lender from thereafter declaring such inability to be an Event of Default as hereinabove provided.

Section 8.7. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder, or pursuant to the applicable version of the Uniform Commercial Code, will be sufficiently given if in writing and delivered in person, sent by United States certified mail, return receipt requested, postage prepaid, sent by overnight mail by a nationally recognized courier service or sent by electronic mail (provided that a copy of such electronic mail is also sent to such party on the same Business Day by certified mail or by an overnight courier service) at the appropriate address or e-mail address set forth opposite the signature of such party on the signature page to this Agreement, or to such other address or e-mail address as either party may give to the other in writing at least ten (10) days prior to the effective date of said change of address or fax number. Notices delivered in person shall be effective upon receipt; notices delivered by mail shall be effective three (3) Business Days after being deposited in the United States mail; notices delivered by overnight mail shall be effective on the Business Day following delivery to the courier; and notices sent by electronic mail shall be effective on the Business Day of the

transmission; provided the transmitting party receives an e-mail confirmation of receipt and has mailed or couriered a copy of the electronic mail to the other party as provided above.

Section 8.8. Sale of Loan or Participations. Lender may at any time sell, assign, transfer, syndicate, grant participations in or otherwise dispose of any portion of the Loan (each such interest so disposed of being herein called a “Transferred Interest”) to banks, insurance companies or other similar financial institutions (hereinafter called “Transferees”), pursuant to such assignment agreements, transfer agreements, co-lender agreements, participation agreements and/or agency agreements into which Lender and its Transferees may enter. In addition, Lender may, at any time and from time to time, in its ordinary course of business and in accordance with applicable law, (i) assign an undivided interest in the Loan to an affiliate of Lender or to any successor entity by reason of any merger affecting Lender; or (ii) pledge or assign the same to any Federal Reserve Bank in accordance with applicable law. No such assignment shall be binding upon Borrower until Lender gives written notice thereof to Borrower. Lender may divulge all information relating to Borrower, Guarantor or the Premises which Lender has to any actual or potential Transferee, provided such Transferee agrees to preserve the confidentiality of such information, and Borrower shall reasonably cooperate with Lender in connection with the transfer. Borrower agrees that each Transferee shall be entitled to the benefits hereof with respect to its Transferred Interest and that each Transferee may exercise any and all rights of banker’s lien, setoff and counterclaim as if such Transferee were a direct lender to Borrower. If Lender makes any assignment to a Transferee, then upon notice to Borrower such Transferee, to the extent of such assignment (unless otherwise provided therein) shall become a lender hereunder and shall have the rights and obligations of Lender hereunder, and Lender shall be released from its duties and obligations under this Agreement to the extent of such assignment.

Section 8.9. Partial Invalidity. In the event any one or more of the provisions contained in this Agreement shall be for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein.

Section 8.10. Entire Agreement. This Agreement, the other Loan Documents and the other documents mentioned herein set forth the entire agreement of the parties with respect to the Loan and supersede all prior written or oral understandings and agreements with respect thereto. No modification or waiver of any provision of this Agreement shall be effective unless set forth in writing and signed by the parties hereto.

Section 8.11. Publicity. Lender shall not release any articles concerning financing of the Premises without obtaining Borrower’s prior written consent, not to be unreasonably withheld. Further, after obtaining Borrower’s prior written consent (not to be unreasonably withheld), Lender may, if it so desires, provide to Borrower a sign of reasonable size, indicating that Lender is providing financing for the Premises, which Borrower shall, at its expense, erect on the Premises.

Section 8.12. Indemnity. Borrower agrees to indemnify, protect, hold harmless and defend Lender, its parent, directors, officers, employees, agents, representatives, consultants and attorneys, from and against any and all losses, liabilities, suits, actions, obligations, fines, damages, judgments, penalties, claims, causes of action, charges, costs and expenses (including attorneys’

fees, disbursements and court costs prior to trial, at trial and on appeal) actually incurred or paid by Lender by reason or on account of, or in connection with, (i) any default by Borrower or Event of Default hereunder, (ii) any material breach of any representation or covenant of Borrower in any Loan Document, (iii) the construction, reconstruction or alteration of the Premises, (iv) any gross negligence of Borrower or with respect to matters occurring at or with respect to the Premises, any negligence or willful misconduct of any occupant or invitee of the Premises or any of their respective agents, contractors, subcontractors, servants, directors, officers, employees, licensees or invitees, (v) any accident, injury, death or damage to any person or property occurring in, on or about the Premises or any street, drive, sidewalk, curb or passageway adjacent thereto, except to the extent that the same results directly from the willful misconduct or gross negligence of Lender, or (vi) [____], or (vii) any claim by any broker or agent for the payment of a commission or fee by reason of the execution of this Agreement or the disbursement of the Loan Proceeds. Notwithstanding the foregoing, Borrower shall not be liable under this Section for consequential, special, incidental, exemplary or punitive damages, lost profits, diminution in value or other indirect damages, except to the extent such damages are awarded to a third party in a claim otherwise covered by this Section. Any amount payable to Lender under this Section 8.12 shall be due and payable upon demand following receipt by Borrower of a statement from Lender setting forth in reasonable detail the amount claimed and the basis therefore. Borrower's obligations under this Section 8.12 shall not be affected by the absence or unavailability of insurance covering the same or by the failure or refusal of any insurance carrier to perform any obligation on its part under any such policy of insurance. If any claim, action or proceeding is made or brought against Lender which is subject to the indemnity set forth in this Section 8.12, Borrower shall resist or defend against the same, in its own name or, if necessary, in the name of Lender, by attorneys for Borrower's insurance carrier (if the same is covered by insurance) or otherwise by attorneys retained by Borrower and reasonably acceptable to Lender. If Lender reasonably determines that Borrower has failed to provide qualified counsel or that a conflict of interest exists, Lender, may engage its own attorneys to resist or defend, or to assist therein, and Borrower shall pay, or, on demand, shall reimburse Lender for the payment of, all fees and disbursements of said attorneys. All obligations set forth in this Section 8.12 shall survive payment of the indebtedness secured hereby.

Section 8.13. WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND LENDER HEREBY JOINTLY AND SEVERALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, TO THE NOTE AND TO ANY OF THE LOAN DOCUMENTS, THE OBLIGATIONS HEREUNDER OR THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. BORROWER AND LENDER EACH REPRESENTS TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

Section 8.14. GOVERNING LAW; JURISDICTION; VENUE. THIS AGREEMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS, THE RIGHTS OF THE PARTIES HEREUNDER AND THEREUNDER AND THE INTERPRETATION HEREOF AND THEREOF SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES THEREOF. AT THE OPTION OF

LENDER, THIS AGREEMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS MAY BE ENFORCED IN ANY UNITED STATES DISTRICT COURT FOR THE DISTRICT COVERING DES MOINES, IOWA OR THE STATE COURT SITTING IN DES MOINES, IOWA; BORROWER CONSENT TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT JURISDICTION IN SUCH FORUMS IS NOT PROPER OR THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT AN ACTION IS COMMENCED IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT, LENDER AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES ABOVE DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

Section 8.15. Counterparts. This Agreement may be executed in several counterparts, each of which when executed is an original, but all of which together shall constitute one instrument. Separate signature pages may be signed by various parties and each complete set of pages hereto, with signature pages signed by each party, shall constitute one original of this Agreement.

Section 8.16. Captions. The heading captions of the articles and sections of this Agreement are set forth for convenience only and are not to be considered in interpreting this Agreement.

Section 8.17. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message.

Section 8.18. No Oral Agreements. THIS WRITTEN AGREEMENT AND ANY WRITTEN DOCUMENTS ATTACHED HERETO AND/OR EXECUTED IN CONNECTION HERewith REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 8.19 Exculpation. Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, no shareholder, member, officer, employee, director or partner of Borrower or any Person that, directly or indirectly through one or more other partnerships, limited liability companies, corporations or other entities is a shareholder, member, officer, employee, director or partner of Borrower or owns an interest in Borrower shall have any personal liability, directly or indirectly, under or in connection with this Borrower, and Lender hereby waives any and all such personal liability.

Section 8.20 UC Regents. Lender hereby acknowledges that The Regents of the University of California, a public corporation, are not a party to or financially liable under this Agreement or any of the other Loan Documents.

EXECUTED ON THE DAY AND YEAR FIRST ABOVE WRITTEN.

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BORROWER:

100 MCALLISTER LANDLORD LLC, a
California limited liability company

By: 100 McAllister Manager Inc., a
California corporation, its
Managing Member

By: _____
David Seward
Treasurer

Address:

200 McAllister Street
San Francisco, California 94102

LENDER:

LINCOLN SAVINGS BANK, an
Iowa state banking corporation

By: _____
Bradie Chwirka
Vice President

Address:

1922 Ingersoll Avenue
Des Moines, Iowa 50309

Exhibits

Exhibit A	Real Estate
Exhibit B	Permitted Encumbrances
Exhibit C	Draw Request
Exhibit D	Sworn Construction Cost Statement
Exhibit E	Financial Projections
Exhibit F	Assignment of Capital Contributions
Exhibit G	Collateral Assignment of Capital Contributions
Exhibit H	Direction of Payment Letter

EXHIBIT A

REAL ESTATE

[]

EXHIBIT B

PERMITTED ENCUMBRANCES

The encumbrances of record identified in the Loan Policy of Title Insurance (File No. [____]), issued by [_____].

EXHIBIT C

DRAW REQUEST

[Attached]

APPLICATION AND CERTIFICATE FOR PAYMENT AIA DOCUMENT G702 (Instructions on reverse side) PAGE ONE OF PAGES

TO OWNER: PROJECT: APPLICATION NO.: Distribution to:
PERIOD TO: ☐ OWNER
PROJECT NOS.: ☐ ARCHITECT
FROM CONTRACTOR: VIA ARCHITECT: CONTRACT DATE: ☐ CONTRACTOR
☐

CONTRACT FOR:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$
2. Net change by Change Orders \$
3. CONTRACT SUM TO DATE (Line 1 + 2) \$
4. TOTAL COMPLETED & STORED TO DATE \$
(Column G on G703)
5. RETAINAGE:
a. % of Completed Work \$
(Columns D + E on G703)
b. % of Stored Material \$
(Column F on G703)
Total Retainage (Line 5a + 5b or
Total in Column I of G703) \$
6. TOTAL EARNED LESS RETAINAGE \$
(Line 4 less Line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT \$
(Line 6 from prior Certificate)
8. CURRENT PAYMENT DUE \$
9. BALANCE TO FINISH, INCLUDING RETAINAGE \$
(Line 3 less Line 6)

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS		
NET CHANGES by Change Order		

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: Date:

State of:

County of:

Subscribed and sworn to before
me this day of

Notary Public:

My Commission expires:

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.



AIA DOCUMENT G702 • APPLICATION AND CERTIFICATE FOR PAYMENT • 1992 EDITION • AIA® • ©1992 • THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C. 20005-5092 • WARNING: Unlicensed photocopying violates U.S. copyright laws and will subject the violator to legal prosecution.

G702-1992

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PAGE OF PAGES

ARCHITECT'S PROJECT NO.:

G703-1992

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EXHIBIT D

SWORN CONSTRUCTION COST STATEMENT

[Attached]

EXHIBIT E

FINANCIAL PROJECTIONS

[Attached]

EXHIBIT F

ASSIGNMENT OF CAPITAL CONTRIBUTIONS

[Attached]

EXHIBIT G

COLLATERAL ASSIGNMENT OF CAPITAL CONTRIBUTIONS

[Attached]

EXHIBIT H

DIRECTION OF PAYMENT LETTER

[Attached]

BRIDGE NOTE

\$[_____]

[____], 2026
Des Moines, Iowa

FOR VALUE RECEIVED, the undersigned, 100 MCALLISTER LANDLORD LLC, a California limited liability company (“Borrower”), whose address is 200 McAllister Street, San Francisco, California 94102, hereby promises to pay to the order of LINCOLN SAVINGS BANK, an Iowa state banking corporation (“Lender”), whose address is 1922 Ingersoll Avenue, Des Moines, Iowa 50309, the principal sum of [_____] and 00/100 Dollars (\$[____].00), together with interest thereon as hereinafter provided.

1. INTEREST; PAYMENTS:

The Bridge Loan Agreement of even date herewith between Borrower and Lender (the “Loan Agreement”) sets forth the interest rate, default rate, late payment charge, payment and prepayment provisions, the maturity date and other provisions applicable to this Bridge Note (this “Note”), all of which are incorporated herein. Unless the context otherwise indicates, any capitalized term used herein, but not defined herein, shall have the meaning given such term in the Loan Agreement.

2. SECURITY:

This Note is secured by the Security Documents and guaranteed by the Guaranty, all of even date herewith. The terms of the Security Documents are incorporated herein. Disbursements of the principal of this Note will be made pursuant to the terms of the Loan Agreement and the Disbursing Agreement.

3. DEFAULT:

If an Event of Default occurs, Lender is entitled to all of the rights and remedies provided for in the Loan Agreement, the Security Documents, the Guaranty and the other Loan Documents, including without limitation the right to declare the principal balance hereof to be immediately due and payable and any other rights and remedies of Lender at law or in equity, and Lender may enforce the covenants, agreements and undertakings of Borrower contained in this Note, in the Loan Agreement, in the Security Documents, in the Guaranty and in the other Loan Documents and may exercise the remedies provided for thereby or otherwise available in respect to this Note, the Security Documents, the Guaranty and the other Loan Documents, all in accordance with the terms thereof.

Except to the extent required by applicable law, as herein provided or as provided in the other Loan Documents, Borrower and all others who become liable for all or part of the principal balance hereof or for any obligations of Borrower to Lender or the holder hereof (a) jointly and severally, waive presentment, protest and demand, notice of protest, demand and dishonor and non-payment of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, (b) agree that the time of payment of the debt or any part thereof may be extended from time to time, upon mutual agreement of Borrower and Lender, without modifying or releasing the lien of the Security Documents or the other Loan Documents

or the liability of Borrower or any other such parties, the right of recourse against Borrower and such parties being hereby reserved by Lender, and (c) agree that time is of the essence. Borrower agrees to pay Lender's actual costs of collection as and when incurred, whether suit be brought or not, including out-of-pocket attorneys' fees and costs of suit and preparation therefor, and to perform and comply with each of the covenants, conditions, provisions and agreements of Borrower contained in this Note, the Loan Agreement, the Security Documents, the Guaranty and the other Loan Documents. It is expressly agreed by Borrower that no extensions of time for the payment of this Note, nor the failure on the part of Lender to exercise any of its rights hereunder, or under the Loan Documents, shall operate to release, discharge, modify, change or affect the original liability under this Note, the Loan Agreement, the Security Documents or the other Loan Documents, either in whole or in part.

4. SEVERABILITY:

If any provision of this Note shall be illegal or unenforceable, such provision shall be deemed canceled to the same extent as though it never had appeared herein, but the remaining provisions shall not be affected thereby.

5. NOTICES:

All notices, requests, demands and other communications required or permitted to be given hereunder will be given in the manner provided in the Loan Agreement.

6. INCORPORATION OF LOAN AGREEMENT PROVISIONS:

The provisions of the Loan Agreement waiving any right to a jury trial, providing the governing law and agreeing to jurisdiction and venue are incorporated herein and are applicable to this Note.

7. SUCCESSORS:

All rights, powers, privileges and immunities herein granted to Lender shall extend to its permitted successors and assigns and any other legal holder of this Note, with full right by Lender to assign and/or sell same in accordance with the terms and conditions of the Loan Agreement.

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Signed on the day and year first above written.

BORROWER:

100 MCALLISTER LANDLORD LLC, a
California limited liability company

By: 100 McAllister Manager Inc., a
California corporation, its
Managing Member

By: _____
David Seward
Treasurer

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before this ____ day of _____, 2026, by David Seward, the Treasurer of 100 McAllister Manager Inc., a California corporation, the Managing Member of 100 McAllister Landlord LLC, a California limited liability company, for and on behalf of said limited liability company.

Notary Public

COLLATERAL ASSIGNMENT OF ASSIGNMENT OF RIGHTS TO CAPITAL CONTRIBUTIONS

THIS COLLATERAL ASSIGNMENT OF ASSIGNMENT OF RIGHTS TO CAPITAL CONTRIBUTIONS (this “Assignment”) is made and entered into as of [____], 2026, by 100 MCALLISTER LANDLORD LLC, a California limited liability company (“Assignor”), in favor of LINCOLN SAVINGS BANK, an Iowa state banking corporation (“Assignee”).

RECITALS

- A. Assignor proposes to borrow from Assignee, pursuant to the terms of that certain Bridge Loan Agreement of even date herewith between Assignor and Assignee (the “Loan Agreement”) the original principal amount of \$[____] (the “Loan”) evidenced by that certain Bridge Note in the original principal amount of \$[____] (the “Note”), executed by Assignor and payable to Assignee for the purpose of rehabilitating that certain building and other improvements (the “Improvements”) located on the real property described in Exhibit A attached to this Agreement and by this reference made a part of it (the “Real Property”).
- B. 100 McAllister Tenant LLC, a California limited liability company (“Master Tenant”), and 100 McAllister Manager Inc., a California corporation (“Managing Member”), have executed that certain [Amended and Restated Operating Agreement] of Assignor dated as of even date herewith (the “Borrower Operating Agreement”), pursuant to which Master Tenant has committed, subject to the satisfaction of the conditions set forth in the Borrower Operating Agreement, to make certain capital contributions to Assignor of approximately \$[____], as such amount may be adjusted pursuant to the Borrower Operating Agreement (the “Master Tenant Capital Contributions”), which amount excludes the initial capital contribution in the amount of \$[____].
- C. Managing Member and Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company (the “Federal Tax Credit Investor”), have executed that certain [Amended and Restated Operating Agreement] of Master Tenant, dated as of even date herewith (the “Master Tenant Operating Agreement”), pursuant to which Federal Tax Credit Investor has committed, subject to the satisfaction of the conditions set forth in the Master Tenant Operating Agreement, to make certain capital contributions to Master Tenant of approximately \$[____], as such amount may be adjusted pursuant to the Master Tenant Operating Agreement (the “Federal Investor Capital Contributions”), which amount excludes the initial capital contribution in the amount of \$[____].
- D. To secure Master Tenant’s obligation to make the Master Tenant Capital Contributions to Assignor, Master Tenant executed and delivered to Assignor that certain Assignment of Rights to Capital Contributions dated as of even date herewith (the “Assignment of Capital Contributions”), pursuant to which Master Tenant assigned to Assignor all of Master Tenant’s right, title and interest in and to the Federal Investor Capital Contributions.

- E. As a condition to making the Loan, Assignee requires that Assignor collaterally assign all of its right, title and interest in and to the Assignment of Capital Contributions as security for the Note.

NOW, THEREFORE, in consideration of Assignee's agreement to make the Loan, Assignor hereby agrees as follows:

1. Defined Terms. Capitalized terms not defined herein shall have the meanings given them in the Loan Agreement.

2. Collateral Assignment of Pledged Documents. In order to secure payment of the Note, and each and every other debt, liability and obligation of every type and description which Assignor may now or at any time hereafter owe to Assignee under the Loan Documents (whether such debt, liability or obligation now exists or is hereafter created or incurred, whether it arises under or is evidenced by the Loan Agreement, the Note or any other present or future instrument or agreement or by operation of law, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or sole, joint, several or joint and several) (all such debts, liabilities and obligations of Assignor to Assignee herein collectively referred to as the "Secured Obligations"), Assignor hereby collaterally transfers, assigns and conveys to Assignee, without recourse or warranty except as expressly set forth herein, any and all of the right, title and interest of Assignor in and with respect to (hereinafter collectively referred to as the "Collateral"):

(a) Assignment of Capital Contributions and any other document executed in connection therewith (collectively, the "Pledged Documents"); and

(b) all proceeds of the foregoing.

3. Assignor's Covenants. Assignor agrees and covenants unto Assignee that Assignor will not, without the prior written consent of Assignee, (i) waive, or release any person from the observance or performance of, any material obligation to be performed under the terms of the Pledged Documents or otherwise do or permit anything to be done to impair the security provided hereby, or (ii) terminate, amend or modify in any way the Pledged Documents except as required by the terms of the Pledged Documents.

4. Assignee's Rights Upon Default. Upon the occurrence and during the continuance of any Event of Default by Assignor in the payment of any obligations under the Loan, (i) Assignor shall remit to Assignee, within three (3) days after receipt by Assignor of written demand from Assignee, any and all sums received in payment pursuant to the Pledged Documents, until such time as all amounts due to Assignee under the Note and the Loan Agreement have been paid in full, and (ii) Assignee may, without in any way waiving any rights under this Assignment or the Loan Agreement, upon ten (10) days' written notice to Assignor, collect and receive all payments thereafter payable under the Pledged Documents to Assignor under the Pledged Documents and Assignee may exercise any and all rights and remedies available to Assignor under the Pledged Documents until such time as all amounts due to Assignee under the Note and the Loan Agreement have been paid in full.

5. Representations and Warranties. Assignor hereby represents and warrants to Assignee that:

- (a) This Assignment and the Pledged Documents to which Assignor is a party constitute legal, valid and binding obligations of Assignor, enforceable against Assignor in accordance with their respective terms, except as such obligations may be limited by (i) bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or other similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (b) There are no set-offs or counterclaims of any kind or character against the sums due with respect to the Pledged Documents, and neither Master Tenant nor any other party thereto has any defense, either real or personal, with respect to the Pledged Documents.
- (c) The Pledged Documents have not been terminated, modified or amended.
- (d) Assignor holds its interest in the Pledged Documents, free and clear of any lien, security interest, assignment, encumbrance, participation or other interest thereon by any party except as created by this Assignment or otherwise existing in favor of Assignee. Assignor has not pledged, transferred, assigned or otherwise conveyed an interest in the Pledged Documents, except to Assignee; and the security interest granted to Assignee hereunder will give to Assignee a first priority security interest in Assignor's interest in the Pledged Documents and the proceeds thereof.
- (e) Assignor has the power and authority to execute and deliver this Assignment and to pledge, transfer and assign all of its right, title and interest in and to the Pledged Documents as contemplated under this Assignment.

The execution and delivery of this Assignment shall not be a default by Assignor under any document, instrument or agreement to which Assignor is a party or violate or conflict with any of Assignor's organizational documents.

6. Assignee's Rights and Obligations.

- (a) Assignee shall have no obligation to perform or discharge any obligation of Assignor under any of the Pledged Documents, and Assignor agrees to indemnify, defend and hold Assignee, its affiliates and their respective successors, assigns, directors, officers, employees, agents and advisors (each, an "Indemnitee") harmless against any and all liability, out-of-pocket loss or out-of-pocket damage which any Indemnitee actually incurs by reason of this Assignment and of and from all claims and demands whatsoever which are asserted against it by a third party by reason of an act of Assignee under any of the terms of this Assignment or under the Pledged Documents; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the fraud, gross negligence or intentional misconduct of such Indemnitee.

(b) The remedies herein provided shall be in addition to and not in substitution for the rights and remedies which would otherwise be vested in Assignee in the Note and the Loan Agreement or in law or equity, all of which rights and remedies are specifically reserved by Assignee. The remedies herein provided or otherwise available to Assignee shall be cumulative and may be exercised concurrently. The failure to exercise any of the remedies herein provided shall not constitute a waiver thereof, nor shall the use of any of the remedies hereby provided prevent the subsequent or concurrent exercise by Assignee of any other remedy or remedies. It is intended that this clause shall be broadly construed so that all remedies herein provided for or otherwise available to Assignee shall remain in full force and effect for the benefit of Assignee until all Secured Obligations have been paid in full and all obligations incurred by Assignor in connection with the Pledged Documents have been fully discharged without loss or damage to Assignee.

7. Recordation of Assignment. Assignee is authorized to cause any and all UCC Financing Statements and amendments thereto with respect to the Pledged Documents, to be properly recorded, filed, registered and maintained in such manner and in such places as Assignee may reasonably deem necessary or advisable for the purpose of fully protecting and perfecting the rights of Assignee hereunder; and at Assignee's request, Assignor will execute, acknowledge, and deliver all such further instruments as Assignee may reasonably deem necessary or advisable for the purpose of better assuring, granting, conveying and assigning Assignor's rights, title, interests, claims and liens arising out of the Pledged Documents to Assignee, and as may be required to perfect, preserve and protect the security interest herein granted hereby; provided, however, any such further instruments shall not increase Assignor's obligations or liability or decrease Assignor's rights, in each case, except to a de minimis extent. Any recording expenses and other expenses of Assignee incurred in connection herewith shall be borne by Assignor.

8. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with the governing law, jurisdiction and venue provisions set forth in the Loan Agreement.

9. No Waiver. Neither this Assignment nor any provision hereof may be changed, waived, discharged or terminated orally, but shall be changed, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought; provided, however, that the automatic termination provided in Section 12 shall be effective without any further instrument or signature.

10. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the parties hereto, all future beneficiaries of the Note and the Loan Agreement and their respective successors and assigns, except that Assignor shall not transfer or assign any of its rights or obligations hereunder without the prior written consent of Assignee.

11. Counterparts. This Assignment may be executed in any number of counterparts, all of which, when taken together, shall constitute one and the same instrument, and any party hereto may execute this Assignment by signing any such counterpart. Signatures may be transmitted by facsimile or other electronic methods, and such signatures shall be deemed originals.

12. Termination. Upon the payment in full of all amounts due and owing in respect of the Loan, this Assignment and the security interest and lien granted hereby shall automatically terminate without further action by Assignor. Within ten (10) days after such payment in full, Assignee shall execute and deliver to Assignor, and file or authorize Assignor to file, all UCC termination statements and other release documents reasonably necessary to evidence and effect the termination and release of the security interest and lien granted hereby.

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IN WITNESS WHEREOF, the undersigned have caused this Assignment to be executed as of the day and year-first above written.

ASSIGNOR:

100 MCALLISTER LANDLORD LLC, a
California limited liability company

By: 100 McAllister Manager Inc., a
California corporation, its
Managing Member

By: _____
David Seward
Treasurer

DIRECTION OF PAYMENT AGREEMENT

This DIRECTION OF PAYMENT AGREEMENT (this “Agreement”) is made effective as of [____], 2026, by and among 100 MCALLISTER TENANT LLC, a California limited liability company (**Master Tenant**), WELLS FARGO COMMUNITY INVESTMENT HOLDINGS, LLC, a Delaware limited liability company (“**Federal Tax Credit Investor**”), 100 MCALLISTER LANDLORD LLC, a California limited liability company (“**Borrower**”), and LINCOLN SAVINGS BANK, an Iowa state banking corporation (“**Lender**”).

WHEREAS, Lender has agreed to make that certain loan to Borrower in the original principal amount of \$[____] (the “**Loan**”) pursuant to that certain Bridge Loan Agreement dated as of even date herewith (the “**Loan Agreement**”), by and between Lender and Borrower; and

WHEREAS, the Loan is evidenced by that certain Bridge Note dated as of even date herewith, in the amount of \$[____], executed by Borrower payable to Lender (the “**Note**”); and

WHEREAS, Borrower shall use the proceeds of the Loan to provide financing for the rehabilitation of a historic structure in San Francisco, California (the “**Project**”); and

WHEREAS, the Project is expected to generate certain federal tax credits for certified historic structures pursuant to Section 47(a) of the Internal Revenue Code of 1986, as amended, as in effect from time to time (the “**Federal Tax Credits**”); and

WHEREAS, pursuant to the terms and conditions set forth in that certain [Amended and Restated Operating Agreement] of Master Tenant dated as of even date herewith (the “**Master Tenant Operating Agreement**”), Federal Tax Credit Investor has committed to make certain capital contributions to Master Tenant in the approximate amount of \$[____] (the “**Federal Investor Capital Contributions**”), which excludes the initial capital contribution in the amount of \$[____]; and

WHEREAS, pursuant to the [Amended and Restated Operating Agreement] of Borrower (the “**Borrower Operating Agreement**”) dated as of even date herewith, Master Tenant has agreed to use the proceeds of the Federal Investor Capital Contributions to make certain capital contributions to Borrower in the approximate amount of \$[____] (the “**Master Tenant Capital Contributions**”), which excludes the initial capital contribution in the amount of \$[____]; and

WHEREAS, as security for the Loan, (i) Master Tenant has executed and delivered that certain Assignment of Rights to Capital Contributions dated as of even date herewith (the “**Assignment of Rights to Capital Contributions**”), pursuant to which Master Tenant assigned to Borrower its right, title and interest in and to the Federal Investor Capital Contributions, as more fully described therein and (ii) Borrower has executed and delivered that certain Collateral Assignment of Assignment of Rights to Capital Contributions (the “**Collateral Assignment**”), pursuant to which Borrower assigned to Lender its right, title and interest in and to the Assignment of Rights to Capital Contributions and the Master Tenant Capital Contributions; and

WHEREAS, the parties hereto wish to direct certain payments and contributions into accounts held at Lender.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Subject to the terms and conditions of the Master Tenant Operating Agreement, Federal Tax Credit Investor all of the Federal Investor Capital Contributions to the following bank account in Master Tenant's name, established with, and at the direction of, Lender (the "**Master Tenant Bank Account**"):

Bank Name:	Lincoln Savings Bank
Bank Location	Des Moines, Iowa
Bank ABA#:	073905527
Bank Account Name:	
Bank Account #:	

The parties hereto agree that such deposit shall be deemed to be Federal Tax Credit Investor's contribution of the Federal Investor Capital Contributions, as required under the Master Tenant Operating Agreement. Nothing herein shall be deemed to be a waiver of any terms or conditions of the Installments as set forth in the Master Tenant Operating Agreement and Federal Tax Credit Investor shall only be obligated to advance the Federal Investor Capital Contributions as and when due under the Mater Tenant Operating Agreement.

2. Subject to the terms and conditions of the Borrower Operating Agreement, Master Tenant shall deposit all of the Master Tenant Capital Contributions to the following bank account in Borrower's name established with, and at the direction of, Lender (the "**Borrower Bank Account**" and, together with the Master Tenant Bank Account, the "**Bank Accounts**"):

Bank Name:	Lincoln Savings Bank
Bank Location	Des Moines, Iowa
Bank ABA#:	073905527
Bank Account Name:	
Bank Account #:	

The parties hereto agree that such deposit shall be deemed to be Master Tenant's contribution of its Installments, as applicable, as required under the Borrower Operating Agreement. Nothing herein shall be deemed to be a waiver of any terms or conditions of the Installments as set forth in the Borrower Operating Agreement.

3. Borrower Bank Account Proceeds. All amounts deposited into the Borrower Bank Account pursuant to this Agreement shall be used by Lender to repay amounts outstanding under the Loan, in accordance with the terms of the Loan Agreement, until such time as all amounts due under the Loan have been paid in full. Any funds remaining in the Borrower Bank Account following Lender's payment in full of all amounts due under the Loan Agreement shall immediately be disbursed to Borrower.

4. Pledge and Control. Master Tenant hereby pledges and grants a security interest to Borrower in the Master Tenant Bank Account. Borrower hereby pledges and grants a security interest to Lender in the Borrower Bank Account. The Bank Accounts shall be subject to the control and direction of Lender, Lender shall have the sole right to direct or authorize withdrawals from the Bank Accounts, and neither Borrower, Master Tenant nor any Person (as defined in the Loan Agreement) claiming on behalf of or through Borrower or Master Tenant shall have any right or authority, whether express or implied, to make use of, or withdraw any funds from, either Bank Account or give any instructions with respect to either Bank Account.
5. Successors and Assigns. This Agreement shall be binding on the parties hereto, their heirs, successors and assigns.
6. Separability of Provisions. Each provision of this Agreement shall be considered separable, and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.
7. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.
8. No Continuing Waiver. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.
9. Waiver of Jury Trial. To the extent permitted by applicable law, (a) each of the parties hereto hereby knowingly, voluntarily and intentionally, after opportunity for consultation with independent counsel, waives its right to trial by jury in any action or proceeding to enforce or defend any rights or obligations (i) under this Agreement, (ii) arising from the financial relationship between the parties existing in connection with this Agreement or (iii) arising from any course of dealing, course of conduct, statement (verbal or written) or action of the parties in connection with such financial relationship; (b) no party hereto will seek to consolidate any such action in which a jury trial has been waived with any other action in which a jury trial has not been or cannot be waived; (c) the provisions of this Section have been fully negotiated by the parties hereto, and these provisions shall be subject to no exceptions; (d) no party hereto has in any way agreed with or represented to any other party that the provisions of this Section will not be fully enforced in all instances; and (e) this Section is a material inducement for Lender to enter into this Agreement.
10. Applicable Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to principles of conflicts of laws. The parties agree and consent that venue for purposes of resolving any dispute or controversy relating to this Agreement shall be the State of California.

11. No Amendments. This Agreement shall not be revoked, amended or modified without the written consent of the parties hereto.
12. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message.

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FEDERAL TAX CREDIT INVESTOR:

**WELLS FARGO COMMUNITY
INVESTMENT HOLDING, LLC**, a Delaware
limited liability company

By: _____
Name: _____
Its: _____

BORROWER:

100 MCALLISTER LANDLORD LLC, a
California limited liability company

By: 100 McAllister Manager Inc., a
California corporation, its
Managing Member

By: _____
David Seward
Treasurer

MASTER TENANT:

100 MCALLISTER TENANT LLC, a
California limited liability company

By: 100 McAllister Manager Inc., a
California corporation, its
Managing Member

By: _____
David Seward
Treasurer

LENDER:

LINCOLN SAVINGS BANK, an
Iowa state banking corporation

By: _____
Bradie Chwirka
Vice President

DISBURSING AGREEMENT

THIS DISBURSING AGREEMENT is entered into as of [____], 2026, by and among 100 MCALLISTER LANDLORD LLC, a California limited liability company (“**Borrower**”); LINCOLN SAVINGS BANK, an Iowa state banking corporation (“**Lender**”); and CHICAGO TITLE INSURANCE COMPANY (“**Title Company**”).

WITNESSETH:

WHEREAS, Borrower and Lender have entered into that certain Bridge Loan Agreement, of even date herewith (“**Loan Agreement**”), concerning that certain bridge loan in the original principal amount of \$[_____] (the “**Loan**”) for the renovation of the Improvements upon the Real Estate; unless the context otherwise indicates, any capitalized term used herein, but not defined herein, shall have the meaning given such term in the Loan Agreement; Title Company acknowledges receipt of the Loan Agreement;

WHEREAS, Borrower and Lender have requested that Title Company supervise the disbursement of Loan Proceeds under the Loan Agreement, in accordance with the terms thereof and of this Agreement.

NOW, THEREFORE, in consideration of the premises, of Lender’s agreement to lend funds to Borrower under the Loan Agreement, and of the mutual covenants and agreements hereinafter set forth, it is agreed by and between the parties hereto as follows:

1. Sworn Construction Statement; Contractors. Borrower shall submit to Lender, Title Company and [_____] (“**Inspecting Architect**”), a copy of the Sworn Construction Statement and shall advise Lender, Title Company and Inspecting Architect of the name of each Contractor. If requested by Lender, Title Company or Inspecting Architect, Borrower shall also furnish to Lender, Title Company and Inspecting Architect a copy of each contract with each Contractor. Upon request, Borrower shall keep Lender and Title Company advised at all times of the names of all Contractors, and of the type of work, material or services and of the dollar amount covered by each of their respective contracts with Borrower. It is understood that only Contractors whose names, contract descriptions and, after a request therefor, contracts have been furnished to Lender, Title Company and Inspecting Architect shall be entitled to receive disbursements of Loan Proceeds under this Agreement.

2. Advances for Work Completed. Borrower may obtain advances for disbursement to a Contractor only to the extent of the amount of the contract work satisfactorily completed or materials actually incorporated into the Improvements by such Contractor in accordance with his or her or its contract, less any required retainage of said amount as set forth in the construction contract with the General Contractor, and Borrower agrees that all sums requested hereunder for disbursement to each Contractor shall not exceed that amount. Lender shall not be required to make the final advance for the payment of the full amount of each Contractor’s contract until Completion of the Improvements has occurred and Lender is satisfied that all requirements of the Loan Agreement to evidence Completion of the Improvements have been fully compiled with.

3. Advances to Title Company. Lender agrees that it will advance all Loan Proceeds under the Loan Agreement through Title Company as provided in this Agreement, except for payments to be made to Lender (for interest and other charges) in accordance with the Loan Agreement, which Lender may advance directly to itself.

4. Draw Requests. Whenever Borrower desires to obtain an advance of Loan Proceeds, Borrower shall submit a signed draw request in accordance with clause (a) below (a "Draw Request") to Lender, Title Company and to Inspecting Architect at least ten (10) Business Days prior to the date on which the requested advance is to be made ("Advance Date"). Borrower shall also simultaneously provide evidence to Lender and to Title Company that Borrower has satisfied the conditions for a disbursement under the Loan Agreement and shall also submit to Title Company and Inspecting Architect the following:

- (a) A Draw Request from the General Contractor, signed by the architect in charge of construction of the Improvements or by another construction supervisor approved by Lender, stating that the General Contractor has satisfactorily completed the work for which disbursement (less any required retainage) is requested in such Draw Request. Such certificate shall be in the form attached as Exhibit A.
- (b) An updated [Sworn Construction Statement] from the General Contractor, in form and substance acceptable to the Title Company.
- (c) A waiver of mechanic's lien and/or materialman's lien, executed by each Contractor, to which any portion of the immediately preceding advance ("Prior Advance") of Loan Proceeds or any Borrower's equity was paid, covering liens for all work done and materials supplied for which disbursement was made from the Prior Advance or from Borrower's equity, in the form required by Lender and/or Title Company. Such waivers shall be submitted in each case, unless Title Company determines that the Contractor's claim would not give rise to such a lien or the Title Company will provide affirmative insurance acceptable to the Federal Tax Credit Investor to provide its applicable installment of the Federal Investor Capital Contributions; provided, however, and notwithstanding anything to the contrary in the Loan Agreement or any other Loan Document, that the Lender shall not require any lien waivers from any party other than the General Contractor unless such waivers would be required by the Title Company.
- (d) Invoices and such other supporting evidence as may be requested by Title Company or Lender to establish the cost or value of the Improvements for which disbursement is to be and has been made, or as may be required by the Loan Agreement.
- (e) Any other supporting documents as may reasonably be requested by Lender to substantiate the appropriateness of the Draw Request and to receive the Capital Contributions.

Title Company shall order an updated title search and upon receipt of the completed title search, then give Lender immediate notice by telephone or e-mail if any intervening liens are disclosed, and the Title Company shall also provide a written report of such intervening lien via e-

mail. Upon demand of Lender, Borrower shall promptly cause any such liens or other matters to be satisfied of record or bonded, or shall make other arrangements with respect to the discharge thereof satisfactory to Lender.

On each Advance Date, if all the terms and conditions of the Loan Agreement and this Agreement have been complied with by Borrower to the satisfaction of Lender, if no Event of Default exists under the Loan Agreement, and if Lender has approved the Draw Request, Lender advance to Title Company and shall direct Title Company to disburse the principal amount of the requested advance (less any required retainage and less amounts payable to and advanced by Lender to itself) by delivering to each Contractor its check for, or wire transferring to the General Contractor's account, the amounts set forth in such Draw Request.

5. Other Costs. The provisions of this Agreement requiring submission of the documents specified in Paragraph 4, and the required retainage specified in Paragraph 2, shall not apply with respect to Loan Proceeds to be disbursed for the items listed below, which may be disbursed in full upon submission of a Draw Request listing such items signed by Borrower or Lender, and/or the following special documentation, if any, to Lender and Title Company (unless said disbursement is made to Lender), or as otherwise provided by the Loan Agreement:

<u>ITEM</u>	<u>SPECIAL DOCUMENTATION</u>
Lender charges (interest, fees, etc.)	None
Attorneys' fees (including Lender's counsel) and Inspecting Architect's fees	Copy of Statement
Real estate taxes on the Real Estate and Improvements	Copy of Bill
Insurance Premiums	Copy of Statement
Other indirect Costs (non-construction items)	As specified by Lender and Title Company

Subject to Lender's and Title Company's approval, if Borrower has paid certain costs of construction, Title Company may disburse Loan Proceeds advanced for payment of such construction costs directly to the operating account of Borrower with Lender, as a reimbursement for such payment; provided that all of the other requirements of this Agreement, including but not limited to the presentation of waivers of lien with respect thereto, are fulfilled.

6. Changes to Disbursement Procedures. Lender and/or Title Company may take such steps as it may deem appropriate, at its option, to verify the application of Loan Proceeds to work done and material furnished for the Improvements, and to vary the disbursement procedures herein set forth, if the same becomes necessary or desirable to assure the proper application of Loan Proceeds and/or to preserve the first lien status of the Mortgage with respect to disbursements made pursuant hereto, including but not limited to instructing Title Company to make

disbursements directly to subcontractors. However, Lender shall not be obligated to conduct any such verification or to so vary said procedures.

7. Record Keeping. Title Company shall keep records showing the names of all Contractors and other payees to whom disbursements of Loan Proceeds are made by Title Company, the date of each disbursement, and the amount of each disbursement, which records may be inspected by Borrower and Lender. Title Company shall be responsible for all record keeping and reporting requirements of applicable governmental authorities with respect to payments made by it to Borrower or any Contractor.

8. Improper Documentation. In the event that Title Company shall determine, in its reasonable judgment, that proper documentation to support a given disbursement, as required by this Agreement, has not been furnished, Title Company shall withhold payment of all or such portion of such disbursement as shall not be so supported by proper documentation, and shall promptly notify Borrower and Lender of the discrepancy in or omission of such documentation. Until such time as such discrepancy or omission is corrected to the satisfaction of Title Company, it shall withhold such amount. In the event that such discrepancy or omission is not corrected within a reasonable time, Title Company shall, upon demand of Lender, return such withheld funds to Lender, to be held in an interest-bearing escrow and advanced in accordance with the Loan Agreement before additional Loan Proceeds are advanced or, if an Event of Default occurs, at the option of Lender, applied to the outstanding balance of the Loan. All such amounts, whether withheld by Title Company or escrowed with Lender, shall continue to bear interest from the date advanced by Lender to Title Company, unless applied to the outstanding balance of the Loan.

9. Borrower to Inspect Improvements. Borrower shall be responsible for making inspections of the Improvements during the course of construction, and shall determine to its own satisfaction that the work done or material supplied by the Contractors to whom disbursements are to be made out of each advance has been properly done or supplied in accordance with applicable contracts with such Contractors. Neither Title Company, Lender nor Inspecting Architect shall be required to conduct any inspection of the Improvements.

10. Limitation on Liability. It is expressly understood and agreed that neither Lender, Title Company nor Inspecting Architect assumes any liability or responsibility for the satisfactory completion of the Improvements, for the adequacy of funds advanced or disbursed by either of them pursuant hereto and to the Loan Agreement to complete the Improvements, for inspections during construction, or for any acts on the part of Borrower or the Contractors to be performed in the construction of the Improvements.

11. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder will be sufficiently given if in writing and delivered in person, sent by United States certified mail, return receipt requested, postage prepaid, sent by overnight mail by a nationally recognized courier service or sent by electronic mail (provided that a copy of such electronic mail is also sent to such party on the same Business Day), by certified mail or by an overnight courier service to the party being given such notice at the appropriate address set forth opposite the signature of such party on the signature page to this Agreement, or if via e-mail, the e-mail address set forth in this Section 11, or to such other address as any party may give to the others in writing at least ten (10) days prior to the effective date of said change of address.

Notices delivered in person shall be effective upon receipt; notices delivered by mail shall be effective three (3) Business Days after being deposited in the United States mail; notices delivered by overnight mail shall be effective on the Business Day following delivery to the courier; and notices sent by electronic mail shall be effective on the Business Day of the transmission, provided the transmitting party receives an electronic confirmation of receipt of such electronic mail and has mailed a copy of the electronic mail to the appropriate party as provided above. Notices to Inspecting Architect are to be sent to the following address:

[_____]
[_____]
[_____]

Borrower Email: [_____]

Lender Email: bradie.chwirka@mylsb.com

12. **GOVERNING LAW.** THIS AGREEMENT, THE RIGHTS OF THE PARTIES HEREUNDER AND THE INTERPRETATION HEREOF SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES THEREOF.

13. **WAIVER OF JURY TRIAL.** TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, THE PARTIES HERETO HEREBY JOINTLY AND SEVERALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND TO ANY OF THE LOAN DOCUMENTS, THE OBLIGATIONS HEREUNDER OR THEREUNDER, ANY COLLATERAL SECURING SUCH OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. THE PARTIES HERETO EACH REPRESENTS TO THE OTHERS THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

14. **JURISDICTION; VENUE.** AT THE OPTION OF LENDER, THIS AGREEMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS MAY BE ENFORCED IN ANY UNITED STATES DISTRICT COURT COVERING DES MOINES, IOWA OR THE STATE COURT SITTING IN DES MOINES, IOWA; BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT JURISDICTION IN SUCH FORUMS IS NOT PROPER OR THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT AN ACTION IS COMMENCED IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT, LENDER AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES ABOVE DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

15. Counterparts. This Agreement may be executed in several counterparts, each of which when executed is an original, but all of which together shall constitute one instrument. Separate signature pages may be signed by various parties and each complete set of pages hereto, with a signature page signed by each party, shall constitute an original of this Agreement

16. Captions. The heading captions of the articles and sections of this Agreement are set forth for convenience only and are not to be considered in interpreting this Agreement.

17. Title Company Escrow Charges. Borrower shall pay all customary title insurance and disbursement fees as they are determined. Title Company's fee for disbursement shall be \$[] plus the costs of the title search, per draw. The Title Company will directly bill Borrower for the cost of each updated title search and the Title Company is not responsible for any delay in the receipt of the updated title search due to the Borrower's non-payment of outstanding title search invoices.

18. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BORROWER:

100 MCALLISTER LANDLORD LLC, a
California limited liability company

By: 100 McAllister Manager Inc., a
California corporation, its
Managing Member

By: _____
David Seward
Treasurer

Address:

200 McAllister Street
San Francisco, California 94102

LENDER:

LINCOLN SAVINGS BANK, an
Iowa state banking corporation

By: _____
Bradie Chwirka
Vice President

Address:

1922 Ingersoll Avenue
Des Moines, Iowa 50309

TITLE COMPANY:

[_____]

By: _____

Name: _____

Its: _____

Address:

[_____]

[_____]

EXHIBIT A

DRAW REQUEST

APPLICATION AND CERTIFICATE FOR PAYMENT AIA DOCUMENT G702 (Instructions on reverse side) PAGE ONE OF PAGES

TO OWNER: PROJECT: APPLICATION NO.: Distribution to:
PERIOD TO: ☐ OWNER
PROJECT NOS.: ☐ ARCHITECT
FROM CONTRACTOR: VIA ARCHITECT: CONTRACT DATE: ☐ CONTRACTOR
☐

CONTRACT FOR:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$
2. Net change by Change Orders \$
3. CONTRACT SUM TO DATE (Line 1 + 2) \$
4. TOTAL COMPLETED & STORED TO DATE \$
(Column G on G703)
5. RETAINAGE:
 - a. % of Completed Work \$
(Columns D + E on G703)
 - b. % of Stored Material \$
(Column F on G703)Total Retainage (Line 5a + 5b or
Total in Column I of G703) \$
6. TOTAL EARNED LESS RETAINAGE \$
(Line 4 less Line 5 Total)
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT
(Line 6 from prior Certificate) \$
8. CURRENT PAYMENT DUE \$
9. BALANCE TO FINISH, INCLUDING RETAINAGE
(Line 3 less Line 6) \$

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS		
NET CHANGES by Change Order		

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: Date:

State of:
County of:
Subscribed and sworn to before
me this day of

Notary Public:

My Commission expires:

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.



AIA DOCUMENT G702 • APPLICATION AND CERTIFICATE FOR PAYMENT • 1992 EDITION • AIA® • ©1992 • THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C. 20005-5092 • WARNING: Unlicensed photocopying violates U.S. copyright laws and will subject the violator to legal prosecution.

G702-1992

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AIA DOCUMENT G703 (Instructions on reverse side)

AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification, is attached.

APPLICATION NO.:

APPLICATION DATE:

PERIOD TO:

ARCHITECT'S PROJECT NO.:

Use Column 1 on Contracts where variable retainage for line items may apply.



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PLEDGE AGREEMENT
(Borrower)

This PLEDGE AGREEMENT (this “Agreement”), dated as of [____], 2026, is made and entered into between 100 MCALLISTER MANAGER INC., a California corporation (“**Pledgor**”), and LINCOLN SAVINGS BANK, an Iowa state banking corporation (“**Lender**”).

W I T N E S S E T H:

WHEREAS, Lender has made to 100 McAllister Landlord, a California limited liability company (“**Borrower**”), that certain bridge loan in the original principal amount of \$[____] (“**Loan**”), which Loan is evidenced by that certain Bridge Note in the original principal amount of \$[____] and dated of even date herewith (the “**Note**”), which Note is the subject of a Bridge Loan Agreement of even date herewith between Borrower and Lender (the “**Loan Agreement**”) and which is secured by Security Documents (as defined in the Loan Agreement); the Note, the Loan Agreement and the other “Loan Documents” (as that term is defined in the Loan Agreement) are sometimes hereinafter collectively referred to as the “**Loan Documents**.”

WHEREAS, Pledgor holds [90.00]% of the membership interests in Borrower (“**Pledgor’s Interests**”) and is the managing member of Borrower; and

WHEREAS, Pledgor will derive substantial benefit from Lender’s making of the Loan to Borrower; and

WHEREAS, Pledgor has agreed to pledge and assign to Lender all of Pledgor’s right, title and interest in and to Pledgor’s interests in Borrower together with the other collateral hereinafter described.

NOW, THEREFORE, for and in consideration of the premises, the direct benefits to be realized by Pledgor from the Loan, the mutual covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor hereby covenants and agrees with Lender as follows:

1. AGREEMENT.

1.1. Security Interest. Pledgor assigns, pledges and grants to Lender a security interest in and lien upon all of Pledgor’s right, title and interest in and to Pledgor’s Interests in Borrower (including without limitation, Pledgor’s rights to vote, to interim cash and property distributions, and to liquidating cash and property distributions) together with all proceeds of the same (collectively, the “Collateral”) to secure the payment and the performance of the Obligations (as hereinafter defined) pursuant to the Assignment attached hereto as Exhibit A. The foregoing security interest shall attach automatically to any interests in Borrower that Pledgor may at any time in the future acquire without any further action by either Pledgor or Lender; provided, however, as a condition to Lender’s consent to any such transfer, Lender may require Pledgor to

execute a modification to this Agreement or a supplementary collateral pledge agreement in connection therewith.

2. OBLIGATIONS. The following obligations (the “Obligations”) are secured by this Agreement:

2.1. All payment and performance duties, liabilities and obligations of Borrower to the Lender in accordance with the Note, the Loan Agreement, any other Loan Document, and any renewal, extension or amendment of any Loan Document.

2.2. All costs incurred by Lender to obtain, preserve, perfect and enforce this Agreement and security interest, collect the Obligations and maintain, preserve, collect and enforce the Collateral, including but not limited to taxes, assessments, insurance premiums, attorneys’ fees and legal expenses, and expenses of sale.

3. PLEDGOR’S REPRESENTATIONS AND WARRANTIES. Pledgor represents and warrants, solely with respect to the Pledgor and/or the Collateral as follows:

3.1. Financing Statements. No financing statement covering the Collateral is or will be on file in any public office, except the financing statements relating to this security interest.

3.2. Ownership. Pledgor owns the Collateral absolutely and free from any setoff, claim, restriction, lien, security interest or encumbrance except for the security interest hereunder and any other security interest granted to Lender.

3.3. Power and Authority. Except for any consents that may be required, or restrictions that apply, under any applicable operating agreement or loan agreement of Borrower, Pledgor has full power and authority to make and deliver this Agreement.

3.4. Right to Pledge. Except for any consents that may be required, or restrictions that apply, under any applicable operating agreement or loan agreement of Borrower, Pledgor has the unencumbered and unrestricted right to pledge the Collateral and no consent or approval of any governmental authority or other person which has not been obtained was or is necessary to the validity of this pledge or the enforcement of Lender’s rights and remedies hereunder.

3.5. Binding Agreement. This Agreement constitutes the valid and legally binding obligation of Pledgor, enforceable in accordance with its terms.

4. PLEDGOR’S COVENANTS.

4.1. Obligations and this Agreement. Pledgor shall perform promptly all of its agreements herein or in any other Loan Document.

4.2. Ownership of Collateral; Consent to Pledge. Pledgor will not transfer sell, pledge, assign or encumber any of the Collateral, other than to Lender. Pledgor hereby consents to the execution of this Agreement and the granting of the security interest contained in Section 1 hereof by Pledgor.

4.3. Distributions. If at any time prior to full and final payment of the Obligations and if an Event of Default (as defined herein) has occurred and is continuing and subject to any cure rights set forth herein, Pledgor shall directly or indirectly receive any distribution of cash or property from Borrower, Pledgor shall hold the same in trust for Lender and shall promptly deliver the same to Lender upon demand.

4.4. Lender's Costs. Pledgor, at Pledgor's expense, will defend the Collateral pledged by Pledgor hereunder against any claims or demands adverse to Lender's security interests and will promptly pay, when due, all taxes or assessments levied against Pledgor on the Collateral. Pledgor shall pay all actual and documented costs necessary to obtain, preserve, perfect, defend and enforce the security interests created by this Agreement against the Collateral pledged by Pledgor, and preserve, defend, enforce and collect such Collateral.

4.5. Liens. Pledgor shall keep the Collateral pledged by Pledgor free from all liens, claims and encumbrances and security interests except the security interest hereby created and will preserve the priority of all security interests in such Collateral in favor of Lender therefor. Lender shall have no duty to preserve such security, but may do so at the expense of Pledgor violating the foregoing covenant, without waiving such default.

4.6. Modification of Collateral. Without the express prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed, Pledgor shall not agree to, or otherwise permit, any modification of any of the terms of the certificate of organization, operating agreement or any other instrument, agreement or document pursuant to which Borrower is created, organized or operated (collectively, "Operating Documents"), that would have a material adverse effect on the Collateral, and Pledgor shall not, without the express written consent of Lender, which consent may be withheld or conditioned in Lender's sole and absolute discretion, authorize, issue, or permit the authorization or issuance of, any additional membership interests in Borrower, except as currently provided for in the Operating Documents.

4.7. Right of Lender to Notify Others. At any time during the occurrence and continuation of an Event of Default hereunder, Lender may notify persons obligated on any Collateral to make payments directly to Lender and Lender may take control of all proceeds of any Collateral. Until Lender elects to exercise such rights, Pledgor, as trustee for the benefit of Lender, shall collect and enforce all payments owed on the Collateral pledged by Pledgor.

4.8. Power of Attorney. Pledgor appoints Lender as its attorney-in-fact with full power in Pledgor's name and behalf to do every act which Pledgor is obligated to do or may be required to do hereunder; however, nothing in this section shall be construed to obligate Lender to take any action hereunder. The power of attorney hereby created is a power coupled with an interest, and shall be irrevocable. Notwithstanding the foregoing, Lender shall not exercise the foregoing power of attorney unless (i) an Event of Default shall have occurred and be continuing hereunder or under any other Loan Document, or (ii) Pledgor shall have failed to perform any act which Pledgor is obligated to do or may be required to do hereunder within ten (10) Business Days of written notice from Lender to Pledgor.

4.9. Waivers by Pledgor. Pledgor waives notice of the creation, advance, increase, existence, extension or renewal of, and of any indulgence with respect to, the Obligations; waives

presentment, demand, notice of dishonor, and protest; waives notice of the amount of the Obligations outstanding at any time, notice of any change in financial condition of any person liable for the Obligations or any part thereof, notice of any event of default, and all other notices respecting the Obligations; and agrees that maturity of the Obligations and any part thereof may be accelerated, extended or renewed one or more times by Lender in its discretion, without notice to Pledgor (including notice of intent to accelerate and notice of acceleration).

4.10. Other Parties and Other Collateral. The obligations of Pledgor under this Agreement shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against any other person or entity (including Borrower) nor against the security or liens or encumbrances available to Lender or any of its successors and assigns. Pledgor hereby waives any right to require that an action be brought against any other person or entity or to require that resort be had to any security or to any balance of any account or credit on the books of Lender in favor of any other person or entity prior to any exercise of rights or remedies hereunder. No renewal or extension of or any other indulgence with respect to the Obligations or any part thereof, no release of any security, no release of any person (including any maker, endorser, guarantor or surety) liable on the Obligations, no delay in enforcement of payment, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any security therefor or guaranty thereof or under this Agreement shall in any manner impair or affect the rights of Lender under the law, hereunder or under any other agreement pertaining to security for the Obligations. Pledgor waives any right to the benefit of or to require or control application of any other security or proceeds thereof, and agrees that Lender shall have no duty or obligation to Pledgor to apply to the Obligations any such other security or proceeds thereof.

4.11. Indemnification. In addition to any other indemnifications expressly provided for herein, Pledgor will save, indemnify and hold Lender harmless from and against all actual and documented expenses incurred, loss or damage suffered by reason of: (a) any interference by Pledgor in connection with Lender's exercise of its rights or remedies under this Agreement (it being acknowledged by Lender that if Pledgor takes no action to interfere with Lender's exercise of its rights or remedies under this Agreement, then Pledgor shall not incur any additional liabilities to Lender pursuant to this Section 4.11(a)); (b) any failure on the part of Pledgor to perform or comply in any material respect with any of Pledgor's obligations under this Agreement; or (c) any representation or warranty made by Pledgor in this Agreement or the other Loan Documents being false or misleading in any material respect as of the date such representation or warranty was made. The foregoing obligation of Pledgor to indemnify Lender shall not extend to any suit, proceeding or action arising out of the gross negligence or willful misconduct of Lender or anyone claiming by, through or under Lender. Anything herein to the contrary notwithstanding, Pledgor shall not indemnify Lender in respect of any matters arising from and after the conveyance of the Collateral pledged by Pledgor by foreclosure, deed in lieu of foreclosure or similar transaction, or the discharge of the pledge made the subject of this Agreement.

5. RIGHTS AND POWERS OF LENDER.

5.1. Voting Rights After Event of Default. Except as required by fiduciary duties owed to Borrower or any of the other members, after an Event of Default and for so long as any of the Obligations remain unpaid, Pledgor covenants and agrees that it will not, without the prior written consent of Lender, exercise any voting rights under the Operating Documents and (i) Lender may,

upon written notice to Pledgor of its intention to do so, exercise all voting rights, and all other ownership or consensual rights with respect to the Collateral, including but not limited to the calling of a special meeting to appoint a manager or managers of Borrower, but under no circumstances is Lender obligated by the terms of this Agreement to exercise such rights, (ii) Lender may perform any acts permitted Pledgor under the Operating Documents, and (iii) in addition to any other grants hereunder, Pledgor hereby appoints Lender Pledgor's true and lawful attorney-in-fact and irrevocable proxy to vote the Collateral in any manner Lender deems advisable for or against all matters submitted or which may be submitted to a vote of the members of Borrower. The power of attorney granted hereby is coupled with an interest and shall be irrevocable for so long as any of the Obligations remain unpaid.

5.2. Voting Rights Prior to Event of Default. Except as required by fiduciary duties owed to Borrower or any of the other members, prior to an Event of Default and for so long as any of the Obligations remain unpaid, Pledgor may exercise all voting rights, and all other ownership or consensual rights with respect to the Collateral; provided, however, Pledgor covenants and agrees that it will not, without the prior written consent of Lender (i) vote or take any consensual action with respect to the Collateral which would materially and adversely affect the Collateral or Lender's secured interest therein, including without limitation, accept any distributions from Borrower, (ii) vote or take any consensual action with respect to Borrower's Operating Documents, (iii) cause, permit, or allow any assets of Borrower to be leased, sold, conveyed, pledged, hypothecated, transferred, or otherwise encumbered or disposed of, except as permitted under the Loan Documents, or under the Borrower's Operating Documents, or (iv) cause, permit or allow Borrower (a) to issue any additional membership interests, or (b) to be dissolved or liquidated, or to acquire, be acquired by, merged, or consolidated into or with any other person or entity.

5.3. Security Agreement. This Agreement shall constitute a security agreement under the Uniform Commercial Code as in effect in the State of California ("UCC").

6. DEFAULT.

6.1. Events of Default. The occurrence of any one of more of the following which continues beyond all applicable notice, grace and/or cure periods shall be deemed "Events of Default" hereunder:

(a) An Event of Default shall occur and be continuing under the Note or the Loan Agreement, subject to any applicable notice and cure periods set forth therein;

(b) Default by Pledgor in the performance or observance of the terms and conditions of Pledgor's covenants in Sections 4.2, 4.3, 4.5, 4.6, 5.1 or 5.2 hereof and Pledgor has not cured such default within thirty (30) days after Lender's delivery of written notice of Pledgor's default;

(c) Default in the performance or observance of the other terms and conditions herein not described in Section 6.1(b) above, which default is not cured within thirty (30) days after written notice from Lender to Pledgor; provided, however, if within such thirty (30) day period, Pledgor has made a good faith effort to comply with the foregoing requirements but has not yet been able to complete the same and such efforts continues and

it reasonably appears that they will be successful, then the time to cure such default shall be extended by such reasonable time as Lender determines is necessary to comply with the foregoing requirements.

(d) Any representation or warranty made under this Agreement shall be incorrect or intentionally misleading in any material respect when made and shall remain untrue for thirty (30) days after written notice by Lender to Pledgor;

(e) A proceeding is instituted by a party other than Pledgor seeking a decree or order for relief in respect of Pledgor in any case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Pledgor, or for any substantial part of the property of Pledgor, or for the winding-up or liquidation of the business or affairs of Pledgor, and such proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) consecutive days, or a decree or order shall be entered granting the relief sought in such proceeding;

(f) Pledgor shall voluntarily commence proceedings under the Federal bankruptcy laws, as now or hereafter constituted, or any bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Pledgor or shall take any action consenting to or in furtherance of any of the foregoing and the same is not dismissed or otherwise discharged within sixty (60) days after written notice from Lender to Pledgor; or

(g) Levy on, seizure or attachment of the Collateral by any person or entity.

Lender agrees to accept performance by Federal Tax Credit Investor (as defined in the Loan Agreement) as though the same had been performed by Borrower.

6.2. Remedies of Lender Upon Default. Upon the occurrence of an Event of Default, or at any time thereafter during which the Event of Default continues, Lender without notice or demand may enforce payment of the Obligations then due, whether due by acceleration in whole or part or otherwise, and may exercise any rights under the Uniform Commercial Code, rights and remedies of Lender under this Agreement, or otherwise. The proceeds of any disposition of Collateral permitted by this Agreement, and subject to any applicable notice and cure periods set forth herein, shall be applied to the Obligations in such order and in such manner as Lender in its discretion shall decide in accordance with the Loan Documents. Lender may transfer, sell, or otherwise dispose of the Collateral or any portion of the Collateral at a public or private sale in accordance with the Uniform Commercial Code or make other commercially reasonable disposition of the Collateral or any portion thereof after ten (10) days' notice to Pledgor, and Lender may purchase the Collateral or any portion thereof at any public or private sale, and any such sale made in good faith by Lender shall be deemed to be "commercially reasonable." Failure of Lender to exercise any of the above rights, powers and remedies ("Rights") in the event of any default shall not constitute a waiver of the right to exercise the same in connection with such

default or any subsequent default. The aforementioned Rights are cumulative of each other; the resort to any Right or Rights shall not prevent the concurrent or subsequent employment of any other appropriate Rights and no single or partial exercise of any Right shall exhaust it, or preclude any other or further exercise thereof, and every Right may be exercised at any time and from time to time. No failure by Lender to exercise, and no delay in exercising, any Right, shall be deemed a waiver or modification of any Right.

Notwithstanding the foregoing, Lender shall not exercise any remedies hereunder to the extent that such actions cause a recapture event during the recapture period, including, without limitation, taking any action to terminate the Master Lease (as defined in the Loan Agreement).

6.3. Admittance as Member. Upon sale of the Collateral, Pledgor hereby gives its consent to the admission of the purchaser of the Collateral as a member of Borrower, notwithstanding any provision of the operating agreement of Borrower to the contrary. Subject to the terms of any applicable operating agreement, such consent shall be irrevocable so long as any of the Obligations remain unpaid.

7. GENERAL.

7.1. Parties Bound. Lender's rights and interests hereunder shall inure to the benefit of its successors and assigns, and in the event of any assignment or transfer of any of the Obligations or the Collateral, Lender thereafter shall be fully discharged from any responsibility with respect to the Collateral so assigned or transferred, but Lender shall retain all rights and powers hereby given with respect to any of the Obligations or Collateral not so assigned or transferred. All representations, warranties and agreements of Pledgor shall be binding upon the successors and assigns of Pledgor. Time is of the essence of this Agreement.

7.2. Waiver. No delay of Lender in exercising any power or right shall operate as a waiver or modification thereof; nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right. No waiver by Lender of any right hereunder or of any default by Pledgor shall be binding upon Lender unless in writing, and no failure by Lender to exercise any power or right hereunder or waiver of any default by Pledgor shall operate as a waiver of any other or further exercise of such right or power or of any further default.

7.3. Termination of Security Interest. Upon the full and indefeasible payment of all of the Obligations, Lender's security interest granted herein shall be released and upon request by Borrower, and Lender shall make any filings necessary to reflect such release.

7.4. Governing Law; Forum. The validity, enforcement and interpretation of this Agreement shall for all purposes be governed by and construed in accordance with the laws of the State of California, without regard to its conflicts of law principles, and applicable United States federal law, and is intended to be performed in accordance with, and only to the extent permitted by, such laws. Pledgor and Lender hereby irrevocably submits generally and unconditionally for Pledgor and Lender and in respect of Pledgor's property to the non-exclusive jurisdiction of any local court, or any United States federal court, sitting in or having jurisdiction for Des Moines, Iowa, over any suit, action or proceeding arising out of or relating to this Agreement. Pledgor

hereby irrevocably waives, to the fullest extent permitted by law, any objection that Pledgor may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum. Pledgor hereby agrees and consents that, in addition to any methods of service of process provided for under applicable law, all services of process in any such suit, action or proceeding in any local court, or any United States federal court, sitting in or having jurisdiction for Des Moines, Iowa, may be made by certified or registered mail, return receipt requested, directed to Pledgor at the address stated in Section 7.12, and service so made shall be complete three (3) business days after the same shall have been so mailed. Nothing herein shall affect the right of Lender to serve process in any manner permitted by law or limit the right of Lender to bring proceedings against Pledgor in any other court or jurisdiction.

7.5. Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY LAW, PLEDGOR AND LENDER HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS AGREEMENT, OR IN ANY WAY CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE DEALING OF PLEDGOR AND LENDER WITH RESPECT TO THIS AGREEMENT, OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, PLEDGOR AND LENDER HEREBY AGREE THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT LENDER OR PLEDGOR MAY FILE AN EXECUTED COPY OF THIS AGREEMENT WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF PLEDGOR AND LENDER TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTION OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY PLEDGOR, AND PLEDGOR HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY, THAT THEY HAVE BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED BY PLEDGOR OF HIS OWN FREE WILL, AND THAT THEY HAVE HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

7.6. Additional Waivers. PLEDGOR EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT BY LENDER ON THIS AGREEMENT, ANY AND EVERY RIGHT IT MAY HAVE TO (I) INTERPOSE ANY COUNTERCLAIM (OTHER THAN A COMPULSORY OR MANDATORY COUNTERCLAIM) THEREIN UNLESS UNDER THE APPLICABLE RULES OF COURT SUCH COUNTERCLAIM MUST BE ASSERTED IN SUCH PROCEEDING, OR (II) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING UNLESS UNDER THE APPLICABLE RULES OF COURT SUCH SUIT, ACTION OR PROCEEDING MUST BE CONSOLIDATED WITH THE PROCEEDING BROUGHT BY LENDER.

7.7. Modifications. No provision hereof shall be modified or limited except by a written agreement expressly referring hereto and to the provisions so modified or limited and signed by Pledgor and Lender. No modification or limitation may be accomplished by course of conduct, usage of trade, or by the law merchant.

7.8. Severability. In the event any provision (or any part of any provision) contained in this Agreement shall for any reason be finally held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision (or remaining part of the affected provision, or application of the provision to other circumstances) but this Agreement shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent it is invalid, illegal or unenforceable.

7.9. Financing Statement. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral shall be sufficient as a financing statement.

7.10. Further Assurances. Pledgor shall execute and deliver, or cause to be executed and delivered, such further assurances, including but not limited to financing statements, as Lender from time to time may reasonably request, to effect the provisions of and to carry out the intent of this Agreement provided that the same does not decrease the rights or increase the obligations of Pledgor hereunder.

7.11. Limitations of Law. If any law prohibits or limits any charge or expense provided for in this Agreement in connection with any Obligations secured hereby, such charge or expense will not be made or incurred in connection with such Obligations beyond the limits permitted by such law.

7.12. Notices. All notices or other communications required or permitted hereunder shall be (a) in writing and shall be deemed to be given when either (i) delivered in person, (ii) three (3) business days after deposit in a regularly maintained receptacle of the United States mail as registered or certified mail, postage prepaid, (iii) when received if sent by private courier service, or (iv) on the day on which the party to whom such notice is addressed refuses delivery by mail or by private courier service and (b) addressed as follows:

To Pledgor: 100 McAllister Manager Inc.

To Lender: Lincoln Savings Bank
 1922 Ingersoll Avenue
 Des Moines, Iowa 50309

or to each such party at such other addresses as such party may designate in a written notice to the other parties given at least ten (10) days prior to the date such change becomes effective.

7.13. Interpretation. The term "Lender" shall be deemed to include any subsequent holder(s) of the Note. Whenever the context of any provisions hereof shall require it, words in the

singular shall include the plural, words in the plural shall include the singular, and pronouns of any gender shall include the other gender. Captions and headings in this Agreement are for convenience only and shall not affect the construction of the Agreement. All references in this Agreement to Schedules, Articles, Sections, Subsections, paragraphs and subparagraphs refer to the respective subdivisions of this Agreement, unless such reference specifically identifies another document. The terms “herein,” “hereof,” “hereto,” “hereunder” and similar terms refer to this Agreement and not to any particular Section or subsection of this Agreement. The terms “include” and “including” shall be interpreted as if followed by the words “without limitation.” All references in this Agreement to sums denominated in dollars or with the symbol “\$” refer to the lawful currency of the United States of America, unless such reference specifically identifies another currency. For purposes of this Agreement, “person” or “persons” shall include firms, associations, partnerships (including limited partnerships), joint ventures, trusts, corporations, limited liability companies, and other legal entities, including governmental bodies, agencies, or instrumentalities, as well as natural persons. Provisions of this Agreement, unless by their terms exclusive, shall be in addition to other agreements between the parties. Unless the context indicates otherwise, definitions in the UCC apply to words and phrases in this Agreement; if UCC definitions conflict, Chapter 9 definitions apply.

7.14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. Said counterparts shall constitute but one and the same instrument and shall be binding upon, and shall inure to the benefit of, each of the undersigned individually as fully and completely as if all had signed one instrument

7.15. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message.

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IN WITNESS WHEREOF, this Pledge Agreement has been duly executed as an instrument under seal as of the date first written above.

PLEDGOR:

100 MCALLISTER MANAGER INC., a
California corporation

By: _____
Name: _____
Its: _____

LENDER:

LINCOLN SAVINGS BANK, an
Iowa state banking corporation

By: _____
Bradie Chwirka
Vice President

Exhibit A

FORM OF ASSIGNMENT

(See Attached)

CONSENT AND ASSIGNMENT

100 McAllister Manager Inc., a California corporation (“Assignor”), hereby assigns to Lincoln Savings Bank, an Iowa state banking corporation (the “Lender” or “Assignee”), all of its right, title and interest in and to its membership interest in 100 McAllister Landlord LLC, a California limited liability company (the “Borrower”), and directs that all future distributions and allocations of income or loss on account of such interest be paid or allocated to such Assignee.

Lincoln Savings Bank, as Assignee, hereby accepts said interest subject to all terms, covenants and conditions of the Borrower’s Operating Agreement in effect as of the date hereof.

Dated: [_____]

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ASSIGNOR:

100 MCALLISTER MANAGER INC., a
California corporation

By: _____
Name: _____
Its: _____

ASSIGNEE:

LINCOLN SAVINGS BANK, an
Iowa state banking corporation

By: _____
Bradie Chwirka
Vice President

PLEDGE AGREEMENT
(Master Tenant)

This PLEDGE AGREEMENT (this “Agreement”), dated as of [____], 2026, is made and entered into between 100 MCALLISTER MANAGER INC., a California corporation (“**Pledgor**”), and LINCOLN SAVINGS BANK, an Iowa state banking corporation (“**Lender**”).

W I T N E S S E T H:

WHEREAS, Lender has made to 100 McAllister Landlord LLC, a California limited liability company (“**Borrower**”), that certain bridge loan in the original principal amount of \$[____] (“**Loan**”), which Loan is evidenced by that certain Bridge Note in the original principal amount of \$[____] and dated of even date herewith (the “**Note**”), which Note is the subject of a Bridge Loan Agreement of even date herewith between Borrower and Lender (the “**Loan Agreement**”) and which is secured by Security Documents (as defined in the Loan Agreement); the Note, the Loan Agreement and the other “Loan Documents” (as that term is defined in the Loan Agreement) are sometimes hereinafter collectively referred to as the “**Loan Documents**.”

WHEREAS, Pledgor holds [1.00]% of the membership interests (“**Pledgor’s Interests**”) in 100 McAllister Master Tenant LLC, a California limited liability company (“**Master Tenant**”), and is the managing member of Master Tenant; and

WHEREAS, Pledgor will derive substantial benefit from Lender’s making of the Loan to Borrower; and

WHEREAS, Pledgor has agreed to pledge and assign to Lender all of Pledgor’s right, title and interest in and to Pledgor’s interests in Master Tenant together with the other collateral hereinafter described.

NOW, THEREFORE, for and in consideration of the premises, the direct benefits to be realized by Pledgor from the Loan, the mutual covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor hereby covenants and agrees with Lender as follows:

1. AGREEMENT.

1.1. Security Interest. Pledgor assigns, pledges and grants to Lender a security interest in and lien upon all of Pledgor’s right, title and interest in and to Pledgor’s Interests in Master Tenant (including without limitation, Pledgor’s rights to vote, to interim cash and property distributions, and to liquidating cash and property distributions) together with all proceeds of the same (collectively, the “Collateral”) to secure the payment and the performance of the Obligations (as hereinafter defined) pursuant to the Assignment attached hereto as Exhibit A. The foregoing security interest shall attach automatically to any interests in Master Tenant that Pledgor may at any time in the future acquire without any further action by either Pledgor or Lender; provided,

however, as a condition to Lender's consent to any such transfer, Lender may require Pledgor to execute a modification to this Agreement or a supplementary collateral pledge agreement.

2. OBLIGATIONS. The following obligations (the "Obligations") are secured by this Agreement:

2.1. All payment and performance duties, liabilities and obligations of Borrower to the Lender in accordance with the Note, the Loan Agreement, any other Loan Document, and any renewal, extension or amendment of any Loan Document.

2.2. All costs incurred by Lender to obtain, preserve, perfect and enforce this Agreement and security interest, collect the Obligations and maintain, preserve, collect and enforce the Collateral, including but not limited to taxes, assessments, insurance premiums, attorneys' fees and legal expenses, and expenses of sale.

3. PLEDGOR'S REPRESENTATIONS AND WARRANTIES. Pledgor represents and warrants as follows:

3.1. Financing Statements. No financing statement covering the Collateral is or will be on file in any public office, except the financing statements relating to this security interest.

3.2. Ownership. Pledgor owns the Collateral absolutely and free from any setoff, claim, restriction, lien, security interest or encumbrance except for the security interest hereunder and any other security interest granted to Lender.

3.3. Power and Authority. Except for any consents that may be required, or restrictions that apply, under any applicable operating agreement or loan agreement of Master Tenant, Pledgor has full power and authority to make and deliver this Agreement.

3.4. Right to Pledge. Except for any consents that may be required, or restrictions that apply, under any applicable operating agreement or loan agreement of Master Tenant, Pledgor has the unencumbered and unrestricted right to pledge the Collateral and no consent or approval of any governmental authority or other person which has not been obtained was or is necessary to the validity of this pledge or the enforcement of Lender's rights and remedies hereunder.

3.5. Binding Agreement. This Agreement constitutes the valid and legally binding obligation of Pledgor, enforceable in accordance with its terms.

4. PLEDGOR'S COVENANTS.

4.1. Obligations and this Agreement. Pledgor shall perform promptly all of its agreements herein or in any other Loan Document.

4.2. Ownership of Collateral; Consent to Pledge. Pledgor will not transfer sell, pledge, assign or encumber any of the Collateral, other than to Lender. Pledgor hereby consents to the execution of this Agreement and the granting of the security interest contained in Section 1 hereof by Pledgor.

4.3. Distributions. If at any time prior to full and final payment of the Obligations and if an Event of Default (as defined herein) has occurred and is continuing and subject to any cure rights set forth herein, Pledgor shall directly or indirectly receive any distribution of cash or property from Master Tenant, Pledgor shall hold the same in trust for Lender and shall promptly deliver the same to Lender upon demand.

4.4. Lender's Costs. Pledgor, at Pledgor's expense, will defend the Collateral pledged by Pledgor hereunder against any claims or demands adverse to Lender's security interests and will promptly pay, when due, all taxes or assessments levied against Pledgor on the Collateral. Pledgor shall pay all costs necessary to obtain, preserve, perfect, defend and enforce the security interests created by this Agreement against the Collateral pledged by Pledgor, and preserve, defend, enforce and collect such Collateral.

4.5. Liens. Pledgor shall keep the Collateral pledged by Pledgor free from all liens, claims and encumbrances and security interests except the security interest hereby created and will preserve the priority of all security interests in such Collateral in favor of Lender therefor. Lender shall have no duty to preserve such security, but may do so at the expense of Pledgor violating the foregoing covenant, without waiving such default.

4.6. Modification of Collateral. Without the express prior written consent of Lender, Pledgor shall not agree to, or otherwise permit, any modification of any of the terms of the certificate of organization, operating agreement or any other instrument, agreement or document pursuant to which Master Tenant is created, organized or operated (collectively, "Operating Documents"), that would have a material adverse effect on the Collateral, and Pledgor shall not, without the express written consent of Lender, which consent may be withheld or conditioned in Lender's sole and absolute discretion, authorize, issue, or permit the authorization or issuance of, any additional membership interests in Master Tenant, except as currently provided for in the Operating Documents.

4.7. Right of Lender to Notify Others. At any time upon the occurrence and continuation of an Event of Default hereunder, Lender may notify persons obligated on any Collateral to make payments directly to Lender and Lender may take control of all proceeds of any Collateral. Until Lender elects to exercise such rights, Pledgor, as trustee for the benefit of Lender, shall collect and enforce all payments owed on the Collateral pledged by Pledgor.

4.8. Power of Attorney. Pledgor appoints Lender as its attorney-in-fact with full power in Pledgor's name and behalf to do every act which Pledgor is obligated to do or may be required to do hereunder; however, nothing in this section shall be construed to obligate Lender to take any action hereunder. The power of attorney hereby created is a power coupled with an interest, and shall be irrevocable. Notwithstanding the foregoing, Lender shall not exercise the foregoing power of attorney unless (i) an Event of Default shall have occurred hereunder or under any other Loan Document, or (ii) Pledgor shall have failed to perform any act which Pledgor is obligated to do or may be required to do hereunder within ten (10) days of written notice from Lender to Pledgor.

4.9. Waivers by Pledgor. Pledgor waives notice of the creation, advance, increase, existence, extension or renewal of, and of any indulgence with respect to, the Obligations; waives presentment, demand, notice of dishonor, and protest; waives notice of the amount of the

Obligations outstanding at any time, notice of any change in financial condition of any person liable for the Obligations or any part thereof, notice of any event of default, and all other notices respecting the Obligations; and agrees that maturity of the Obligations and any part thereof may be accelerated, extended or renewed one or more times by Lender in its discretion, without notice to Pledgor (including notice of intent to accelerate and notice of acceleration).

4.10. Other Parties and Other Collateral. The obligations of Pledgor under this Agreement shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against any other person or entity (including Master Tenant) nor against the security or liens or encumbrances available to Lender or any of its successors and assigns. Pledgor hereby waives any right to require that an action be brought against any other person or entity or to require that resort be had to any security or to any balance of any account or credit on the books of Lender in favor of any other person or entity prior to any exercise of rights or remedies hereunder. No renewal or extension of or any other indulgence with respect to the Obligations or any part thereof, no release of any security, no release of any person (including any maker, endorser, guarantor or surety) liable on the Obligations, no delay in enforcement of payment, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any security therefor or guaranty thereof or under this Agreement shall in any manner impair or affect the rights of Lender under the law, hereunder or under any other agreement pertaining to security for the Obligations. Pledgor waives any right to the benefit of or to require or control application of any other security or proceeds thereof, and agrees that Lender shall have no duty or obligation to Pledgor to apply to the Obligations any such other security or proceeds thereof.

4.11. Indemnification. In addition to any other indemnifications expressly provided for herein, Pledgor will save, indemnify and hold Lender harmless from and against all expense, loss or damage suffered by reason of: (a) any interference by Pledgor in connection with Lender's exercise of its rights or remedies under this Agreement (it being acknowledged by Lender that if Pledgor takes no action to interfere with Lender's exercise of its rights or remedies under this Agreement, then Pledgor shall not incur any additional liabilities to Lender pursuant to this Section 4.11(a)); (b) any failure on the part of Pledgor to perform or comply in any material respect with any of Pledgor's obligations under this Agreement; or (c) any representation or warranty made by Pledgor in this Agreement or the other Loan Documents being false or misleading in any material respect as of the date such representation or warranty was made. The foregoing obligation of Pledgor to indemnify Lender shall not extend to any suit, proceeding or action arising out of the gross negligence or willful misconduct of Lender or anyone claiming by, through or under Lender. Anything herein to the contrary notwithstanding, Pledgor shall not indemnify Lender in respect of any matters arising from and after the conveyance of the Collateral pledged by Pledgor by foreclosure, deed in lieu of foreclosure or similar transaction, or the discharge of the pledge made the subject of this Agreement.

5. RIGHTS AND POWERS OF LENDER.

5.1. Voting Rights After Event of Default. Except as required by fiduciary duties owed to Master Tenant or any of the other members, after an Event of Default and for so long as any of the Obligations remain unpaid, Pledgor covenants and agrees that it will not, without the prior written consent of Lender, exercise any voting rights under the Operating Documents and (i) Lender may, upon written notice to Pledgor of its intention to do so, exercise all voting rights,

and all other ownership or consensual rights with respect to the Collateral, including but not limited to the calling of a special meeting to appoint a manager or managers of Master Tenant, but under no circumstances is Lender obligated by the terms of this Agreement to exercise such rights, (ii) Lender may perform any acts permitted Pledgor under the Operating Documents, and (iii) in addition to any other grants hereunder, Pledgor hereby appoints Lender Pledgor's true and lawful attorney-in-fact and irrevocable proxy to vote the Collateral in any manner Lender deems advisable for or against all matters submitted or which may be submitted to a vote of the members of Master Tenant. The power of attorney granted hereby is coupled with an interest and shall be irrevocable for so long as any of the Obligations remain unpaid.

5.2. Voting Rights Prior to Event of Default. Except as required by fiduciary duties owed to Master Tenant or any of the other members, prior to an Event of Default and for so long as any of the Obligations remain unpaid, Pledgor may exercise all voting rights, and all other ownership or consensual rights with respect to the Collateral; provided, however, Pledgor covenants and agrees that it will not, without the prior written consent of Lender (i) vote or take any consensual action with respect to the Collateral which would materially and adversely affect the Collateral or Lender's secured interest therein, including without limitation, accept any distributions from Master Tenant, (ii) vote or take any consensual action with respect to Master Tenant's Operating Documents, (iii) cause, permit, or allow any assets of Master Tenant to be leased, sold, conveyed, pledged, hypothecated, transferred, or otherwise encumbered or disposed of, except as permitted under the Loan Documents, or under the Master Tenant's Operating Documents, or (iv) cause, permit or allow Master Tenant (a) to issue any additional membership interests, or (b) to be dissolved or liquidated, or to acquire, be acquired by, merged, or consolidated into or with any other person or entity.

5.3. Security Agreement. This Agreement shall constitute a security agreement under the Uniform Commercial Code as in effect in the State of California ("UCC").

6. DEFAULT.

6.1. Events of Default. The following shall be deemed "Events of Default" hereunder:

(a) An Event of Default shall occur and be continuing under the Note or the Loan Agreement, subject to any applicable notice and cure periods set forth therein;

(b) Default by Pledgor in the performance or observance of the terms and conditions of Pledgor's covenants in Sections 4.2, 4.3, 4.5, 4.6, 5.1 or 5.2 hereof and Pledgor has not cured such default within thirty (30) days after Lender's delivery of written notice of Pledgor's default;

(c) Default in the performance or observance of the other terms and conditions herein not described in Section 6.1(b) above, which default is not cured within twenty (20) days after written notice from Lender to Pledgor;

(d) Any representation or warranty made under this Agreement shall be incorrect or misleading in any material respect when made;

(e) A proceeding is instituted by a party other than Pledgor seeking a decree or order for relief in respect of Pledgor in any case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Pledgor, or for any substantial part of the property of Pledgor, or for the winding-up or liquidation of the business or affairs of Pledgor, or a decree or order shall be entered granting the relief sought in such proceeding;

(f) Pledgor shall voluntarily commence proceedings under the Federal bankruptcy laws, as now or hereafter constituted, or any bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Pledgor or shall take any action consenting to or in furtherance of any of the foregoing; or

(g) Levy on, seizure or attachment of the Collateral by any person or entity.

Lender agrees to accept performance by Federal Tax Credit Investor (as defined in the Loan Agreement) as though the same had been performed by Master Tenant.

6.2. Remedies of Lender Upon Default. Upon the occurrence of an Event of Default, or at any time thereafter during which the Event of Default continues, Lender without notice or demand may enforce payment of the Obligations then due, whether due by acceleration in whole or part or otherwise, and may exercise any rights under the Uniform Commercial Code, rights and remedies of Lender under this Agreement, or otherwise. The proceeds of any disposition of Collateral permitted by this Agreement, and subject to any applicable notice and cure periods set forth herein, shall be applied to the Obligations in such order and in such manner as Lender in its discretion shall decide in accordance with the Loan Documents. Lender may transfer, sell, or otherwise dispose of the Collateral or any portion of the Collateral at a public or private sale in accordance with the Uniform Commercial Code or make other commercially reasonable disposition of the Collateral or any portion thereof after ten (10) days' notice to Pledgor, and Lender may purchase the Collateral or any portion thereof at any public or private sale, and any such sale made in good faith by Lender shall be deemed to be "commercially reasonable." Failure of Lender to exercise any of the above rights, powers and remedies ("Rights") in the event of any default shall not constitute a waiver of the right to exercise the same in connection with such default or any subsequent default. The aforementioned Rights are cumulative of each other; the resort to any Right or Rights shall not prevent the concurrent or subsequent employment of any other appropriate Rights and no single or partial exercise of any Right shall exhaust it, or preclude any other or further exercise thereof, and every Right may be exercised at any time and from time to time. No failure by Lender to exercise, and no delay in exercising, any Right, shall be deemed a waiver or modification of any Right.

Notwithstanding the foregoing, Lender shall not exercise any remedies hereunder to the extent that such actions cause a recapture event during the recapture period, including, without limitation, taking any action to terminate the Master Lease (as defined in the Loan Agreement).

6.3. Admittance as Member. Upon sale of the Collateral, Pledgor hereby gives its consent to the admission of the purchaser of the Collateral as a member of Master Tenant, notwithstanding any provision of the operating agreement of Master Tenant to the contrary. Subject to the terms of any applicable operating agreement, such consent shall be irrevocable so long as any of the Obligations remain unpaid.

7. GENERAL.

7.1. Parties Bound. Lender's rights and interests hereunder shall inure to the benefit of its successors and assigns, and in the event of any assignment or transfer of any of the Obligations or the Collateral, Lender thereafter shall be fully discharged from any responsibility with respect to the Collateral so assigned or transferred, but Lender shall retain all rights and powers hereby given with respect to any of the Obligations or Collateral not so assigned or transferred. All representations, warranties and agreements of Pledgor shall be binding upon the successors and assigns of Pledgor. Time is of the essence of this Agreement.

7.2. Waiver. No delay of Lender in exercising any power or right shall operate as a waiver or modification thereof; nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right. No waiver by Lender of any right hereunder or of any default by Pledgor shall be binding upon Lender unless in writing, and no failure by Lender to exercise any power or right hereunder or waiver of any default by Pledgor shall operate as a waiver of any other or further exercise of such right or power or of any further default.

7.3. Termination of Security Interest. Upon the full and indefeasible payment of all of the Obligations, Lender's security interest granted herein shall be released, and Lender shall make any filings necessary to reflect such release.

7.4. Governing Law; Forum. The validity, enforcement and interpretation of this Agreement shall for all purposes be governed by and construed in accordance with the laws of the State of California, without regard to its conflicts of law principles, and applicable United States federal law, and is intended to be performed in accordance with, and only to the extent permitted by, such laws. Pledgor hereby irrevocably submits generally and unconditionally for Pledgor and in respect of Pledgor's property to the non-exclusive jurisdiction of any local court, or any United States federal court, sitting in or having jurisdiction for Des Moines, Iowa, over any suit, action or proceeding arising out of or relating to this Agreement. Pledgor hereby irrevocably waives, to the fullest extent permitted by law, any objection that Pledgor may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum. Pledgor hereby agrees and consents that, in addition to any methods of service of process provided for under applicable law, all services of process in any such suit, action or proceeding in any local court, or any United States federal court, sitting in or having jurisdiction for Des Moines, Iowa, may be made by certified or registered mail, return receipt requested, directed to Pledgor at the address stated in Section 7.12, and service so made shall be complete three (3) business days after the same shall have been so mailed. Nothing herein shall affect the right of Lender to serve process in any manner permitted by law or limit the right of Lender to bring proceedings against Pledgor in any other court or jurisdiction.

7.5. Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY LAW, PLEDGOR AND LENDER HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS AGREEMENT, OR IN ANY WAY CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE DEALING OF PLEDGOR AND LENDER WITH RESPECT TO THIS AGREEMENT, OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, PLEDGOR AND LENDER HEREBY AGREE THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT LENDER OR PLEDGOR MAY FILE AN EXECUTED COPY OF THIS AGREEMENT WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF PLEDGOR AND LENDER TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTION OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY PLEDGOR, AND PLEDGOR HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY, THAT THEY HAVE BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED BY PLEDGOR OF HIS OWN FREE WILL, AND THAT THEY HAVE HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

7.6. Additional Waivers. PLEDGOR EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING BROUGHT BY LENDER ON THIS AGREEMENT, ANY AND EVERY RIGHT IT MAY HAVE TO (I) INTERPOSE ANY COUNTERCLAIM THEREIN UNLESS UNDER THE APPLICABLE RULES OF COURT SUCH COUNTERCLAIM MUST BE ASSERTED IN SUCH PROCEEDING, OR (II) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING UNLESS UNDER THE APPLICABLE RULES OF COURT SUCH SUIT, ACTION OR PROCEEDING MUST BE CONSOLIDATED WITH THE PROCEEDING BROUGHT BY LENDER.

7.7. Modifications. No provision hereof shall be modified or limited except by a written agreement expressly referring hereto and to the provisions so modified or limited and signed by Pledgor and Lender. No modification or limitation may be accomplished by course of conduct, usage of trade, or by the law merchant.

7.8. Severability. In the event any provision (or any part of any provision) contained in this Agreement shall for any reason be finally held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision (or remaining part of the affected provision, or application of the provision to other circumstances) but this Agreement shall be construed as if such invalid, illegal

or unenforceable provision (or part thereof) had never been contained herein, but only to the extent it is invalid, illegal or unenforceable.

7.9. Financing Statement. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral shall be sufficient as a financing statement.

7.10. Further Assurances. Pledgor shall execute and deliver, or cause to be executed and delivered, such further assurances, including but not limited to financing statements, as Lender from time to time may reasonably request, to effect the provisions of and to carry out the intent of this Agreement.

7.11. Limitations of Law. If any law prohibits or limits any charge or expense provided for in this Agreement in connection with any Obligations secured hereby, such charge or expense will not be made or incurred in connection with such Obligations beyond the limits permitted by such law.

7.12. Notices. All notices or other communications required or permitted hereunder shall be (a) in writing and shall be deemed to be given when either (i) delivered in person, (ii) three (3) business days after deposit in a regularly maintained receptacle of the United States mail as registered or certified mail, postage prepaid, (iii) when received if sent by private courier service, or (iv) on the day on which the party to whom such notice is addressed refuses delivery by mail or by private courier service and (b) addressed as follows:

To Pledgor: 100 McAllister Manager Inc.

To Lender: Lincoln Savings Bank
1922 Ingersoll Avenue
Des Moines, Iowa 50309

or to each such party at such other addresses as such party may designate in a written notice to the other parties given at least ten (10) days prior to the date such change becomes effective.

7.13. Interpretation. The term “Lender” shall be deemed to include any subsequent holder(s) of the Note. Whenever the context of any provisions hereof shall require it, words in the singular shall include the plural, words in the plural shall include the singular, and pronouns of any gender shall include the other gender. Captions and headings in this Agreement are for convenience only and shall not affect the construction of the Agreement. All references in this Agreement to Schedules, Articles, Sections, Subsections, paragraphs and subparagraphs refer to the respective subdivisions of this Agreement, unless such reference specifically identifies another document. The terms “herein,” “hereof,” “hereto,” “hereunder” and similar terms refer to this Agreement and not to any particular Section or subsection of this Agreement. The terms “include” and “including” shall be interpreted as if followed by the words “without limitation.” All references in this Agreement to sums denominated in dollars or with the symbol “\$” refer to the lawful currency of the United States of America, unless such reference specifically identifies

another currency. For purposes of this Agreement, “person” or “persons” shall include firms, associations, partnerships (including limited partnerships), joint ventures, trusts, corporations, limited liability companies, and other legal entities, including governmental bodies, agencies, or instrumentalities, as well as natural persons. Provisions of this Agreement, unless by their terms exclusive, shall be in addition to other agreements between the parties. Unless the context indicates otherwise, definitions in the UCC apply to words and phrases in this Agreement; if UCC definitions conflict, Chapter 9 definitions apply.

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7.15. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message.

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IN WITNESS WHEREOF, this Pledge Agreement has been duly executed as an instrument under seal as of the date first written above.

PLEDGOR:

100 MCALLISTER MANAGER INC., a
California corporation

By: _____
Name: _____
Its: _____

LENDER:

LINCOLN SAVINGS BANK, an
Iowa state banking corporation

By: _____
Bradie Chwirka
Vice President

Exhibit A

FORM OF ASSIGNMENT

(See Attached)

CONSENT AND ASSIGNMENT

100 McAllister Manager Inc., a California corporation (“Assignor”), hereby assigns to Lincoln Savings Bank, an Iowa state banking corporation (the “Lender” or “Assignee”), all of its right, title and interest in and to its membership interest in 100 McAllister Master Tenant LLC, a California limited liability company (the “Master Tenant”), and directs that all future distributions and allocations of income or loss on account of such interest be paid or allocated to such Assignee.

Lincoln Savings Bank, as Assignee, hereby accepts said interest subject to all terms, covenants and conditions of the Master Tenant’s Operating Agreement in effect as of the date hereof.

Dated: [_____]

[REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK]

ASSIGNOR:

100 MCALLISTER MANAGER INC., a
California corporation

By: _____
Name: _____
Its: _____

ASSIGNEE:

LINCOLN SAVINGS BANK, an
Iowa state banking corporation

By: _____
Bradie Chwirka
Vice President

**100 MCALLISTER TENANT LLC
A CALIFORNIA LIMITED LIABILITY COMPANY
AMENDED AND RESTATED OPERATING AGREEMENT**

DATED AS OF [SEPTEMBER __], 2026

100 MCALLISTER TENANT LLC

AMENDED AND RESTATED OPERATING AGREEMENT

This Amended and Restated Operating Agreement (this “Agreement”) is made and entered into as of September [], 2026 by and between 100 McAllister Manager Inc., a California corporation (the “Managing Member”), and Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company (the “Investor Member”).

RECITALS

WHEREAS, 100 McAllister Tenant LLC (the “Company”) was formed in accordance with the Act (as hereinafter defined) as more particularly described in Article I herein; and

WHEREAS, on [June 1, 2026], Managing Member entered into that certain Operating Agreement of the Company as its sole member (the “Original Agreement”).

WHEREAS, the University of California College of the Law, San Francisco, a [] (“Guarantor”) owns a building (the “Building”) and property commonly known as the William Taylor Hotel and Temple Methodist Church, which is located at 100 McAllister Street, San Francisco, CA 94102;

WHEREAS, the Building and rights appurtenant thereto, including without limitation, rights appurtenant in the land (the “Land”) upon which the Building and other improvements are located are collectively referred to herein as the “Property”;

WHEREAS, Guarantor is rehabilitating the Building into a residential complex to contain [40 apartments academic/admin shell space, and amenity space], in a manner that is expected to qualify for Historic Tax Credits (as defined below) (such rehabilitation, the “Rehabilitation,” and the Building, following the Rehabilitation, the “Project”);

WHEREAS, on the Property Contribution Date (as defined herein), which is anticipated to occur in or around [April, 2027], (i) Guarantor will contribute the Property to UC Historic Facilities Foundation, a California nonprofit public benefit corporation (the “Foundation”), (ii) Foundation will contribute the Property to 100 McAllister Manager Inc., a California corporation (the “Managing Member”), and (iii) Managing Member will contribute the Property to 100 McAllister Landlord LLC, a California limited liability company (“HTC Landlord”), pursuant to a certain [Amended and Restated Operating Agreement] to be dated as of the Property Contribution Date (the “HTC Landlord Operating Agreement”), the form of which is attached hereto as Exhibit I, with Managing Member (the foregoing, contribution, collectively, the “Property Contribution”);

WHEREAS, following the Property Contribution, it is anticipated that HTC Landlord will continue to undertake the Rehabilitation;

WHEREAS, the HTC Landlord has obtained a loan in the original principal amount of \$[30,000,000] (the “Bridge Loan”) from Lincoln Savings Bank, an Iowa state banking corporation

(“Bridge Lender”) (the Bridge Loan, collectively, with any replacements or refinancings thereof, the “Project Loans”);

WHEREAS, the Investor Member intends to make an investment in one or more installments in the Company;

WHEREAS, the Company has been formed to lease the Property, including the Project, from the HTC Landlord pursuant to the terms of that certain HTC Lease which the parties expect to execute on or about the Property Contribution Date (as defined herein), the form of which is attached hereto as Exhibit J, between the HTC Landlord, as landlord, and the Company, as tenant (the “HTC Lease”), for a term of twenty-two (22) years, and to hold, maintain, operate, and sell or otherwise dispose of its Leasehold Interest in the Property; and

WHEREAS, pursuant to the HTC Lease, the HTC Landlord will elect under Section 50(d) of the Internal Revenue Code to pass-through to the Company the Historic Tax Credits to which the HTC Landlord is otherwise entitled as a result of the rehabilitation of the Building; and

WHEREAS, the parties hereto now desire to enter into this Agreement to (i) admit Wells Fargo Community Investment Holdings, LLC, as the Investor Member of the Company; (ii) appoint 100 McAllister Manager Inc. as the Managing Member of the Company; (iii) assign Interests in the Company; (iv) amend and restate the Original Agreement in its entirety; and (v) set forth all of the provisions governing the Company.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Company pursuant to the Act, as set forth in this Agreement, which reads in its entirety as follows:

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ARTICLE 1.
FORMATION & RELATED MATTERS

1.01 Formation. On June 1, 2026, an individual as authorized person executed the Articles pursuant to the Act for the formation of the Company, which Articles were subsequently filed in the Office of the Secretary of State of the Formation State (as hereinafter defined) on June 1, 2026, pursuant to said Act. The Members hereby continue the Company as a limited liability company under the Act. This Agreement amends, restates and supersedes the Original Agreement in its entirety. The Managing Member and the Investor Member, constituting all of the Members (as hereinafter defined) of the Company, hereby enter into this Agreement to govern the Company and continue the Company as a limited liability company under the Act (as hereinafter defined). The Managing Member has filed, or shall cause to be filed with the Office of the Secretary of State of the Formation State, any amendments to the Articles as may be required under the Act.

1.02 Name. The name of the Company is 100 Mcallister Tenant LLC.

1.03 Principal Executive Offices; Agent for Service of Process. The principal executive office of the Company shall be [_____]. The Company may change the location of its principal executive office to such other place or places as may hereafter be determined by the Managing Member. The Managing Member shall promptly notify all other Members of any change in the principal office. The Company may maintain such other offices at such other place or places as the Managing Member may from time to time deem advisable.

The name and address of the Agent for service of process is [_____].

1.04 Term. The term of the Company commenced upon the filing of the Articles and shall continue until Company is dissolved by law or in accordance with the provisions of this Agreement.

1.05 Filings. The Managing Member shall take all necessary action required by law to perfect and maintain the Company as a limited liability company under the laws of the Formation State and shall register the Company under any assumed or fictitious name statute or similar law in force and effect in the State or the Formation State, as required.

1.06 Title to the Property. Legal leasehold title to the Property shall be in the name of the Company, and no Member, individually, shall have any ownership of such leasehold interest in and to the Property

1.07 Admission of Members. As of the Admission Date, the Investor Member is hereby admitted as the sole investor member.

ARTICLE 2.

DEFINED TERMS

With respect to any term herein defined by reference to the HTC Lease, prior to the execution of the HTC Lease, such term shall be defined as set forth in the HTC Lease form attached hereto as Exhibit J, and following the execution of the HTC Lease, such term shall be defined as set forth in the executed HTC Lease. In addition to the defined terms set forth in the Recitals to this Agreement, the following defined terms used in this Agreement shall have the meanings specified below:

“50(d) Income” means any income required to be reported by the Investor Member pursuant to the provisions of former Section 48(d)(5) of the Code, as incorporated by reference in current Section 50(d)(5) of the Code and Treasury Regulation Section 1.50-1 (including any successor or replacement Treasury Regulations or other law).

“Accountants” means Novogradac & Company LLP or such other firm of independent certified public accountants as may be engaged by the Managing Member with the Consent of the Investor Member.

“Act” means the California Limited Liability Company Act, as the same may be amended from time to time during the term of the Company.

“Actual Historic Tax Credits” means, for a particular year or in the aggregate, as the context may require, the total amount of Historic Tax Credits properly passed through or allocated to the Company by the HTC Landlord and properly allocable to the Investor Member under the terms of this Agreement and not subject to limitation or deferral under Section 49 of the Code, all as subsequently adjusted, if applicable, as otherwise provided for herein. Such amount shall not include Historic Tax Credits generated in connection with the QREs incurred after the Cut-Off Date.

“Adjusted Operating Expenses” means the greater of (i) the amount of Operating Expenses and HTC Landlord Operating Expenses paid within the period being tested modified as follows: with respect to any expense that relates to a period longer than a month (for example an expense paid annually for a service provided throughout an annual period or taxes and insurance paid in arrears for a particular period), such expense shall be treated as paid ratably over each month to which the expense relates (for example, for an expense paid once annually, one twelfth of the expense would be treated as paid for each month) or (ii) the underwritten amount of Operating Expenses and HTC Landlord Operating Expenses reflected in the Projections.

“Adjusted Operating Income” means the amount of Operating Income received within the period being tested modified as follows: (1) the amount of any reserves released during the period at issue will be excluded from such Operating Income, (2) to the extent the actual vacancy rate for the applicable period is less than the vacancy rate reflected in the Projections, Operating Income will be recalculated to reflect the vacancy rate reflected in the Projections, and (3) with respect to any Operating Income that relates to a period that extends beyond the period being tested, such Operating Income shall be treated as received ratably over each month to which the Operating

Income relates (for example, for a prepaid lease with an annual term, one-twelfth of the income would be treated as earned each month).

“Adjustment Year” shall have the meaning set forth in Section 6225(d) of the Code.

“Admission Date” means the date upon which this Agreement is executed and delivered by all Members.

“Adverse Change of Law” means (i) amendments to the Code; (ii) any amendment to the Treasury Regulations promulgated under the Code; or (iii) the promulgation of any new Treasury Regulations after the date of this Agreement, that results or is reasonably like to result, directly or indirectly, in a material adverse effect on the Investor Member, the Company, the Project, or the Historic Tax Credits.

“Affiliate” means, with respect to a specified Person, (i) any Person directly or indirectly controlling, controlled by or under common control with the Person specified, (ii) any Person owning or controlling 10% or more of the outstanding voting securities or beneficial interests of the Person specified, (iii) any officer, director, partner, trustee or member of the immediate family of the Person specified, (iv) if the Person specified is an officer, director, general partner, manager, managing member or trustee, any corporation, partnership, limited liability company, or trust for which that Person acts in that capacity, or (v) any Person who is an officer, director, general partner, manager, managing member, trustee or holder of 10% or more of outstanding voting securities or beneficial interests of any Person described in clauses (i) through (iv). The term “control” (including the terms “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, the Investor Member shall not be deemed an Affiliate of any Developer Entity and vice-versa.

“Affiliate Transferee” has the meaning set forth in Section [9.02(a)].

“After-Tax Basis” means, with respect to any payment to be received by the Investor Member, the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all Taxes imposed on the Investor Member by any Governmental Authority or other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment to be received; provided, however, that for the purposes of this definition, and for purposes of any payment to be made to the Investor Member on an After-Tax Basis, it shall be assumed that Taxes are payable by the Investor Member at the Applicable Tax Rate.

“Aggregate Expected Capital Contribution” has the meaning set forth in Section 5.01(c).

“Agreement” means this Amended and Restated Operating Agreement, as amended from time to time.

“Allocation Regulations” means the Treasury Regulations promulgated under Sections 704(b) and 752 of the Code, as the same may be amended or restated from time to time.

In the event that the Allocation Regulations are amended or restated subsequent to the Admission Date, references herein to sections or paragraphs of the Allocation Regulations shall be deemed to be references to the applicable sections or paragraphs of the Allocation Regulations as then in effect.

“Applicable Laws” means any provision of any federal, state, municipal or local laws, ordinances, rules, regulations, requirements, including, without limitation, Environmental Laws, or any order, judgment, decree, determination, or award of any court binding on the Company or any Developer Entity, or their assets including the Property. For avoidance of doubt, any provision in this Agreement requiring compliance with “Applicable Laws” shall not be deemed to have been violated by an IRS challenge to the income tax treatment and tax structure of the Investor Member’s Company Interest.

“Applicable Securities Laws” has the meaning set forth in Section 4.01(a)(viii).

“Applicable Tax Rate” means the combined effective federal, state, and local income tax rate of a taxpayer applicable in any given Company Fiscal Year assuming in each case the maximum tax rate applicable to the taxpayer without regard to actual taxable income, which rate will be determined by Investor Member.

“Approved Transferee” has the meaning set forth in Section [9.02(a)].

“Architect” means Perkins+Will, Inc., or such other firm as may be engaged by the HTC Landlord with the Consent of the Investor Member to provide architectural services in connection with the Rehabilitation.

“Architect’s Closing Certificate” means the certificate executed by the Architect in the form attached hereto as Exhibit D.

“Architect’s Installment Certificate” means the certificate executed by the Architect in the form attached hereto as Exhibit G.

“Articles” means the Articles of Organization of the Company, or any articles of organization or any other instrument or document which is required under the laws of the Formation State to perfect or maintain the Company as a limited liability company under the laws of the Formation State, to effect the admission, withdrawal or substitution of any Member of the Company, or to protect the limited liability of the Investor Member under the laws of the Formation State.

“Bad Acts” means (i) gross negligence, malfeasance, willful misconduct, fraud or any breach of fiduciary duty, including the duty of loyalty and the duty of care, by the Managing Member or any other Developer Entity, or (ii) conviction or pleading *nolo contendere* for any act of Moral Turpitude or any financial crime by any Key Person.

“Bankruptcy” or “Bankrupt” as to any Person means the filing of a petition for relief as to any such Person as debtor or bankrupt under the Bankruptcy Code of 1978, as amended, or like provision of law (except if such petition is contested by such Person and has been dismissed within

sixty (60) days); insolvency of such Person as finally determined by a court proceeding; filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of its assets; commencement of any proceedings relating to such Person under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided, that if such proceeding is commenced by another, such Person indicates its approval of such proceeding, consents thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within sixty (60) days.

“Bankruptcy Code” has the meaning set forth in Section 6.03(f).

“Budget” has the meaning set forth in Section 8.17.

“Building” has the meaning set forth in the Recitals.

“Business Day” means a day during which commercial banks in the State of California are open for business of the nature required for the implementation or administration of this Agreement.

“Capital Account” means the capital account of a Member as described in Section 11.05.

“Capital Contribution” means with respect to any Member the total amount of money or the fair market value of other property (net of liabilities thereon) contributed or agreed to be contributed, as the context requires, to the Company by such Member pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Member shall include the Capital Contribution made by a predecessor holder of the Interest of such Member.

“Capital Transaction” means (i) a sale, assignment, or other disposition of Company assets other than in the ordinary course of its business; (ii) a contribution, borrowing or refinancing; (iii) a casualty (where the proceeds are not to be used for reconstruction), condemnation or similar event of any part of the Leasehold Interest; (iv) the termination of the HTC Lease prior to the expiration of its term; (v) a title defect giving rise to payments to the Company under the Title Policy; (vi) any of the foregoing that occurs in connection with the HTC Landlord but only to the extent of the Company’s share, if any, of any distributions, fees, loan repayments, or other amounts arising therefrom, or (vii) any other transaction generating cash proceeds to the Company that are not includable in determining Net Cash Flow.

“Certification Application” means for the Property, the Part 1, Part 2, and Part 3 of the Historic Preservation Certification Application, and any amendments thereto, provided for in Title 36 of the Code of Federal Regulations, Part 67.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of prior or succeeding law.

“Commercial Sublease” has the meaning set forth in the HTC Lease.

“Company” has the meaning set forth in the Recitals.

“Company Adjustment” means any adjustment to any item of income, gain, loss, deduction, or credit of the Company, or any Member’s distributive share thereof, in either case as described in any applicable Treasury Regulations or other guidance prescribed by the IRS.

“Company Fiscal Year” means the fiscal and tax year of the Investor Member as provided in Section 13.06.

“Consent” means the prior unanimous written consent or approval of one or more Members, as the context may require, to do the act or thing for which the consent or approval is solicited. Unless otherwise provided herein, any Consent of the Investor Member may be provided or withheld in the Investor Member’s sole discretion.

“Construction Consultant” has the meaning set forth in the HTC Lease.

“Construction Contract” has the meaning set forth in the HTC Lease.

“Contractor” has the meaning set forth in the HTC Lease.

“Controlling Interest” means (i) the power to direct the management of any Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise or (ii) the ownership of 25% or more of the interests in any Person.

“Costs of Challenge” has the meaning set forth in Section 17.09(d).

“Counsel” or “Counsel for the Company” means such attorneys or law firm or firms upon which the Investor Member and the Managing Member shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein, or (ii) provides that counsel for the purpose described therein shall be chosen by another method or by another Person, then such designation or provision shall prevail over this general definition.

“Coverage Ratio” means, for any period of time, the ratio of (i) (A) Net Cash Flow (excluding any releases from Reserves) plus (B) Base Rent (as defined in the HTC Lease) minus (C) fees paid to a Property Manager under a Property Management Agreement to a Developer Entity to (ii) Base Rent (as defined in the HTC Lease), as calculated by the Accountants and approved by the Investor Member.

“Credit Adjustment” has the meaning set forth in Section 5.03(a)(ii).

“Credit Commencement Date” means the date on which the improvements to the Building (or any portion thereof) funded with QREs arising from the Rehabilitation of the Building achieve Placement in Service for federal income tax purposes and the applicable portion of the Rehabilitation otherwise is eligible for the Historic Tax Credit (other than the subsequent issuance of the Part 3 Approval). Solely for purposes of Section 5.03(b), for the Credit Commencement Date to have occurred in a particular taxable year, the Investor Member must have received all reports and tax returns, including, without limitation, Schedule K-1, necessary to claim the Historic Tax Credits in question on or before August 15 of the following taxable year.

“Credit Determination” has the meaning set forth in Section 5.03(a)(i).

“Credit Recovery Adjustment” means any amounts deemed to be a Credit Recovery Adjustment hereunder.

“Credit/Capital Ratio” means \$0.92.

“Critical Event” has the meaning set forth in Section 8.07(c).

“Cut-Off Date” means December 31, 2028.

“Damages Payment” has the meaning set forth in Section 8.07(c).

“Deferred Credit Date” means the date a Deferred Credit could have been claimed but for the application of Section 49 of the Code.

“Deferred Credits” means any Historic Tax Credits that are properly allocated to the Investor Member but cannot be actually claimed by Investor Member as of the Deferred Credit Date as a result of Section 49 of the Code.

“Delay Amount” has the meaning set forth in Section 5.03(b).

“Delayed Credits” means any Historic Tax Credit that is not available to be claimed by Investor Member as of the Outside Delivery Date for any reason including a delay in the Credit Commencement Date or an Adverse Change of Law. In the case of any Historic Tax Credits claimed ratably pursuant to Section 47(a) of the Code, “Delayed Credits” shall include the aggregate amount of such Historic Tax Credits.

“Depreciation” means, for each Company Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Company Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Company Fiscal Year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Company Fiscal Year or other period bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Company Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managing Member.

“Designated Individual” means the person appointed by the Partnership Representative to be the “designated individual” with the sole authority to bind the Partnership Representative pursuant to the Revised Partnership Audit Rules.

“Designated Prime Rate” means the prime commercial rate of interest as published from time to time in The Wall Street Journal, or such other source as the parties may agree, adjusted as such rate adjusts.

“Developer Entity” has the meaning set forth in the HTC Lease.

“Disbursement Deliverables” has the meaning set forth in Exhibit F.

“Draft Cost Certification” means a draft version of the Final Cost Certification.

“Election” means the election by the HTC Landlord to pass through Historic Tax Credits relating to the Building to the Company pursuant to the provisions of Section 50(d) of the Code and Section 1.48-4 of the Treasury Regulations.

“Environmental Laws” has the meaning set forth in the HTC Lease.

“Environmental Reports” has the meaning set forth in the HTC Lease.

“Excluded Event” means (a) any direct or indirect sale, transfer, conversion or other disposition or deemed disposition of the Interests of Investor Member in the Company, or any direct or indirect interest therein, or redemption or repurchase of any such direct or indirect interest, other than following the occurrence of a Critical Event, or (b) any Final Determination (unless such Final Determination is the result of a Manager Breach) that any of the transactions or the Interests or the transactional structures contemplated by this Agreement lack economic substance or a valid business purpose or are otherwise properly recharacterized for federal income tax purposes, and, as a result of any of the foregoing set forth in this clause (b), all or any portion of such transactions or the Interests or the transactional structures are disregarded or recharacterized for federal income tax purposes.

[“Expense Coverage Ratio” means for any period of time, the ratio of Adjusted Operating Income to Adjusted Operating Expenses for such period, as determined by the Accountants and as reviewed and approved by the Investor Member.]

“Fifth Installment” has the meaning set forth in Schedule B-5.

“Final Completion” means the date upon which the Company and the Investor Member have received from the HTC Landlord evidence of each of the following: (i) Substantial Completion; (ii) final lien-free completion of the Rehabilitation with no outstanding punch list items and receipt of each of the following: (A) the Application and Certificate for Payment (AIA G702) covering 100% of the contract sum, certified by the Architect; (B) General Contractor’s Affidavit of Payment and Debts and Claims (AIA G706) from each contractor; (C) General Contractor’s Affidavit of Release of Liens (AIA G706A) from each contractor; and (D) final unconditional lien waivers; (iii) receipt of any required final approvals by the Lenders as prerequisites to the disbursement of any remaining proceeds of the Project Loans except for reserves pursuant to the Projections; (iv) as built drawings for the Property, if requested by the Investor Member; (v) receipt of any capital contribution required to be made by the Managing Member to the HTC Landlord; and (vi) a project report from the Construction Consultant (at the expense of the Company) certifying as to achievement of Final Completion, each to the reasonable satisfaction of the Investor Member.

“Final Cost Certification” has the meaning set forth in the HTC Lease.

“Final Determination” means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction, which decision, judgment, decree or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted or the deadline for filing any appeal has passed), (ii) the date on which the IRS (or, if applicable, any state or local taxing authority) has entered into a binding agreement with the Company with respect to such issue or on which the IRS (or such state or local taxing authority) has reached a final administrative or judicial determination with respect to such issue which, whether by law or agreement, is not subject to appeal, (iii) the date on which the time for instituting a claim for refund has expired, or if a claim was filed the time for instituting suit with respect thereto has expired with no such suit having been filed, or (iv) the date on which the applicable statute of limitations for raising an issue regarding a federal (or, if applicable, a state or local) income tax matter with respect to the Company has expired with such issue not having been raised.

“First Installment” has the meaning set forth in Schedule B-1.

“Fixed Contribution” means 75% of the Aggregate Expected Capital Contribution; provided, that upon occurrence of the events described in Section 5.03(e), the Members, acting in good faith, shall determine in writing an updated Fixed Contribution based upon the Preliminary Cost Certification described in Section 5.03(e) and any other facts and circumstances then existing which shall be set forth in an amendment to this Agreement.

“Flip Date” means the earlier to occur of (a) the quarter-end immediately following the last to occur of (i) the end of the Recapture Period, (ii) the date on which cash distributions to the Investor Member under Sections 11.01(a)[] and [] *[these will be the priority return and excess cash flow sections]* exceed the Target Return together with any outstanding amounts owed to the Investor Member pursuant to the terms of this Agreement, plus all interest due and owing thereon, and (iii) the date on which all Unpaid Credit Recovery Adjustments, Subordinated Loans, Priority Return, Special Tax Distributions, Damages Payments and any other amounts due and owing to Investor Member have been paid to Investor Member in full together with any interest thereon; provided, however, that the Flip Date shall be deemed not to have occurred at any time that there exists any outstanding defaults under the Project Documents or an uncured Manager Breach or (b) the date on which the Damages Payment has been paid in full to Investor Member. For purposes of this definition, Priority Return and Special Tax Distribution amounts due and owing shall include current amounts (pro-rated for partial years) through and including the date of calculation.

“Formation State” means the State of California.

“Former Member” means any Person who was a Reviewed Year Member but does not hold an interest in the Company at any time during the Adjustment Year.

“Fourth Installment” has the meaning set forth in Schedule B-4.

“GAAP” has the meaning set forth in Section 13.01.

“Governmental Authority” means every governmental and quasi-governmental body or agency having jurisdiction over HTC Landlord, the Company, the Property and the Project.

“Gross Asset Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

- (i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Company;
- (ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Managing Member, as of the following times: (a) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company; and (c) the liquidation of the Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations; provided, however, that the adjustments pursuant to clauses (a) and (b) above shall be made only if the Managing Member reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;
- (iii) The Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution; and
- (iv) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Treasury Regulations and Section 11.05 hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this clause (iv) to the extent the Managing Member determines that an adjustment pursuant to clause (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section (i), (ii) or (iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits or Losses.

“Guarantor” has the meaning set forth in the HTC Lease.

“Guaranty” has the meaning set forth in the HTC Lease.

“Hazardous Substance” has the meaning set forth in the HTC Lease.

“Historic Tax Credits” has the meaning set forth in the HTC Lease.

“HTC Landlord” has the meaning set forth in the Recitals.

“HTC Landlord Operating Agreement” has the meaning set forth in the Recitals.

“HTC Landlord Operating Expenses” means all expenses of the HTC Landlord for the operation of the Property and the HTC Landlord, as incurred by the HTC Landlord, including, without limitation, tax and audit expenses, real estate taxes, replacement reserves, and any other amounts required to be funded by HTC Landlord under the HTC Lease, but in all events excluding Debt Service.

“HTC Lease” has the meaning set forth in the Recitals.

“HTC Lease Payment” means any rent, additional rent or other sums payable by the Company pursuant to the HTC Lease.

“Imputed Underpayment” shall have the meaning set forth in Section 6225 of the Code.

“Initial Closing” means the date of the funding of the First Installment. Initial Closing is expected to occur on the date hereof.

“Initial Operating Period” means the period commencing on the Admission Date and ending six months following the end of the Recapture Period.

“Installment(s)” means, as the context requires, one or more of the installments of the Investor Member’s Capital Contribution or the Managing Member’s Capital Contribution paid or payable to the Company pursuant to Section 5.01 and Schedule B-1 through Schedule B-5, or as otherwise provided herein.

“Interest” or “Company Interest” means the ownership interest of a Member of the Company at any particular time, including the right of such Member to any and all benefits to which such Member may be entitled as a Member of the Company as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and of said Act. Such Interest of each Member shall, except as otherwise specifically provided herein, be that percentage of the aggregate of such benefit or obligation specified by Section 5.01 as such Member’s Percentage Interest. In the case of a non-member manager of the Company, the term “Interest” means all rights and obligations of such Person with respect to the Company in such Person’s capacity as a manager of the Company.

“Investor Member” means Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company, and its successors and assigns, and in the event of more than one Investor Member, Investor Member means, collectively, all such Investor Members.

“Investor Member Put” has the meaning set forth in Section 14.01(a).

“Investor Member Put Closing Date” has the meaning set forth in Section 14.01(c).

“Investor Member Put Option Commencement Date” has the meaning set forth in Section 14.01(a).

“Investor Member Put Price” has the meaning set forth in Section 14.01(b).

“IRS” means the Internal Revenue Service.

“Key Person” means the Chancellor and Chief Financial Officer.

“Land” has the meaning set forth in the Recitals.

“Leasehold Interest” means the Company’s interest in the Property under the HTC Lease.

“Leasehold Lender” means any lender of a Leasehold Loan, in such Person’s capacity as such, or its successor and assigns in such capacity.

“Leasehold Loan” means any loan to the Company, including any loan secured by a Leasehold Mortgage, but excluding any loan made by a Developer Entity.

“Leasehold Mortgage” means any mortgage or deed of trust granted by the Company and secured in whole or in part by the Leasehold Interest.

“Lender’s Estoppel Certificate” has the meaning set forth in Schedule B-2.

“Lenders” means, collectively, Bridge Lender, any other Project Lender, together with any Leasehold Lender.

“Liquidator” means the Managing Member or, if there are none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Company upon its dissolution.

“Manager Breach” means (i) Bad Acts; (ii) material breach of or default under this Agreement or any other Operating Document by the Managing Member or any other Developer Entity, or (iii) material breach of any of the representations, warranties, or covenants by Managing Member or any other Developer Entity in the Operating Documents.

“Managing Member” means 100 McAllister Manager, Inc., a California corporation, and its successor(s) pursuant to this Agreement, including particularly the provisions of Sections 6.03, 8.01 and 8.13.

“Managing Member’s Certificate” has the meaning set forth in Section 5.01(c).

“Member” means any or each Person who is a member of the Company as the context shall require.

“Moral Turpitude” means a criminal act of baseness, vileness, or depravity in the private and social duties owed to one’s fellow man or woman that seriously violates accepted moral standards in the City of San Francisco and which, in the reasonable judgment of Investor Member, has or may reasonably be expected to have a material adverse effect on the Company’s, Investor Member’s or its members’ business reputations or investor relations.

“National Park Service” has the meaning set forth in the HTC Lease.

“Negative Credit Adjustment” has the meaning set forth in Section 5.03(a)(iii).

“Net Cash Flow” means for each Company Fiscal Year the sum of (i) Operating Income and (ii) any other funds deemed available for distribution by the Managing Member with the approval of the Lenders, if required (excluding loans, condemnation and casualty proceeds, Capital Transaction proceeds, and tenant security deposits, and interest thereon, unless forfeited to the Company), less the sum of all Operating Expenses and all other cash expenditures (whether or not such expenditure are deducted, amortized or capitalized for tax purposes). Net Cash Flow shall be determined separately for each Company Fiscal Year, commencing on the day after Final Completion and shall not be cumulative.

“Net Interim Income” means the amount by which the sum of Operating Income attributable to the Property Development Period, even if actually received after such period, exceeds the sum of any Operating Expense attributable to the Property Development Period.

“Notice” means a writing containing the information required by this Agreement to be communicated and either given by U.S. registered or certified mail, return receipt requested, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or sent by e-mail promptly confirmed in writing, or sent by personal delivery by a nationally recognized courier service for next day delivery; provided, however, that any written communication containing such information actually received shall constitute Notice for all purposes of this Agreement.

“Operating Deficit” means for any period, the amount by which Operating Income for such period of time is exceeded by Operating Expenses. For purposes of this definition, all expenses shall be deemed payable on a sixty (60) day current basis.

“Operating Deficit Loans” means the loans made by the Managing Member to the Company pursuant to Section 8.09 of this Agreement.

“Operating Documents” has the meaning set forth in the HTC Lease.

“Operating Expenses” means all expenses of the Company for operation of the Property and the Company, as incurred by the Company in the reasonable discretion of the Managing Member, including, without limitation, the HTC Lease Payment (other than any portion of the HTC Lease Payment that may accrue and is payable out of Net Cash Flow), debt service of the Company, fees paid to a Property Manager under a Property Management Agreement to a party other than a Developer Entity, costs of utilities, maintenance, repairs and necessary replacements, real estate taxes, insurance premiums, professional and management fees not payable to a Developer Entity, audit and tax return expenses, miscellaneous expenses, and any deposit to cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures (including any Reserve funding required pursuant to the HTC Lease and/or the HTC Landlord Operating Agreement), in such amounts as may be required under the HTC Lease or may be determined from time to time by the Managing Member with the Consent of Investor Member to be advisable for the operation of the Company, but excluding any payments or distributions of Net Cash Flow as set forth in Section 11.01 hereof and depreciation, amortization deductions and other non-cash items. For purposes of this definition, all expenses shall be deemed paid on the earlier of the stated due date or on a sixty (60) day current basis.

“Operating Income” means all cash received from operation of the Property and the Company in the ordinary course of business and recognizable by the Company for income tax reporting purposes, including rents, withdrawals from reserves to the extent otherwise permitted hereunder, and all other sources (including, without limitation, distributions or other amounts received by the Company from HTC Landlord); provided, however, that Operating Income shall exclude Capital Contributions, the proceeds of any loans to the Company, proceeds from Capital Transactions, and interest earned on Reserves (unless withdrawn as aforesaid).

“Operating Profits” or “Operating Losses” means, for any Company Fiscal Year, the Profits or Losses, as the case may be, of the Company for that year as determined for federal income tax purposes by the Accountants with the adjustments described in the definition of “Profits or Losses,” excluding Profits or Losses from a Capital Transaction and determined without regard to any adjustments to basis pursuant to Sections 734 or 743 of the Code.

“Ordinary Income Amount” has the meaning set forth in Section 11.03(d).

“Original Agreement” has the meaning set forth in the Recitals.

“Outside Delivery Date” means December 31, 2027.

“Part 1 Approval” has the meaning set forth in the HTC Lease.

“Part 2 Approval” has the meaning set forth in the HTC Lease.

“Part 3 Approval” has the meaning set forth in the HTC Lease.

“Partnership Representative” means the Member designated in Section 11.07 to be the “Partnership Representative” provided for in the Revised Partnership Audit Rules.

“Percentage Interest” means the percentage Interest of each Member as set forth in Section 5.01.

“Person” means any individual, partnership, joint venture, limited liability company, corporation, trust or other entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so requires.

“Placement in Service”, “Place in Service”, or “Placed in Service” means with respect to the Rehabilitation of the Building, the occurrence of the events necessary to establish placement in service thereof for purposes of Section 1.48-12(f)(2) of the Treasury Regulations and Section 47(b) of the Code such that as determined in accordance with the Treasury Regulations (A) the Rehabilitation of the Building funded with QREs (or such phase or portion thereof) are placed in a condition or state of readiness for a specifically assigned function in the HTC Landlord’s trade or business, and (B) the Building has been Substantially Rehabilitated. The HTC Landlord and the Company agree and acknowledge that there shall be one “Placement in Service” for the entire Building.

“Plans and Specifications” has the meaning set forth in the HTC Lease.

“Positive Credit Adjustment Cap” has the meaning set forth in Section 5.03(a)(ii).

“Preliminary Cost Certification” has the meaning set forth in the HTC Lease.

“Preservation Consultant” means Page & Turnbull, Inc., or such other firm as may be engaged by or on behalf of the HTC Landlord with the Consent of the Investor Member to provide preservation consulting services in connection with the Rehabilitation.

“Preservation Consultant’s Closing Certificate” means the certificate executed by the Preservation Consultant in the form attached hereto as Exhibit E.

“Preservation Consultant’s Installment Certificate” means the certificate executed by the Preservation Consultant in the form attached hereto as Exhibit H.

“Priority Return” means a cumulative, annual distribution to the Investor Member (prorated for periods of less than a full year) of an amount equal to 1.5% of its paid in Capital Contribution, which shall accrue on the date hereof for each Company Fiscal Year and be payable from Net Cash Flow in the manner set forth in Article XI. Any Priority Return not made shall accrue with interest at a rate equal to the Designated Prime Rate and remain payable until paid in accordance with Article XI hereof.

“Profits” or “Losses” means, for each Company Fiscal Year or other period, an amount equal to the Company’s taxable income or loss, as the case may be, for such Company Fiscal Year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

- (i) Any items described in Sections 705(a)(1)(B) and 705(a)(1)(C) of the Code which are not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss.
- (ii) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations, and not otherwise taken into account in computing Profits or Losses, shall be subtracted from such taxable income or loss.
- (iii) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value.
- (iv) In the event of a distribution of Company assets to a Member (whether in connection with a liquidation or otherwise), or in the event the Gross Asset Value of any Company asset is adjusted upon the acquisition of an additional interest in the Company, unrealized income, gain, loss and deduction inherent in such distributed or adjusted assets (not previously reflected in Capital Accounts) shall

be allocated pursuant to Section 11.01 hereof as if there had been a taxable disposition of such distributed or adjusted assets at fair market value.

- (v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Company Fiscal Year or other period, computed in accordance with the definition of “Depreciation” set forth herein.
- (vi) Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 11.10 hereof shall be taken into account in computing Profits or Losses only if required under the applicable provisions of the Code and Treasury Regulations.

“Profits or Losses from a Capital Transaction” means the Profits or Losses, if any, recognized by the Company as a result of a Capital Transaction, as determined for federal income tax purposes by the Accountants with the adjustments described in the definition of “Profits or Losses,” but without regard to any adjustments to basis pursuant to Sections 734 and 743 of the Code.

“Project” has the meaning set forth in the Recitals.

“Project Lender” has the meaning set forth in the HTC Lease.

“Project Loan Documents” has the meaning set forth in the HTC Lease.

“Project Loans” has the meaning set forth in the Recitals.

“Projected Historic Tax Credits” means Historic Tax Credits in the amount of \$[54,215,744] with respect to the Building, which the Accountants have projected in the Projections (and which have been reviewed and accepted by the Managing Member on the date hereof) to be the total anticipated amount of Historic Tax Credits available to the Investor Member in connection with the Rehabilitation. Upon any Credit Determination and following the adjustments and payments required under Section 5.03, the amount of Projected Historic Tax Credits shall be defined to equal to the amount of Historic Tax Credits set forth in such Credit Determination.

“Projections” means the financial projections prepared by the Accountants and attached hereto as Exhibit C.

“Property” has the meaning set forth in the Recitals.

“Property Contribution” has the meaning set forth in the Recitals.

“Property Contribution Date” means the date on which the Property Contribution occurs.

“Property Development Period” means the period commencing upon formation of the Company and terminating upon Final Completion.

“Property Management Agreement” means a property management agreement to be entered into between the Company and a Property Manager, which agreement shall be subject to the prior written consent of Investor Member pursuant to Section 8.14.

“Property Management Agreement Requirements” has the meaning set forth in Section 8.14.

“Property Management Termination Event” has the meaning set forth in Section 8.15.

“Property Manager” means a person, firm, or company selected by the Managing Member subject to Section 8.14 to manage the operation of the Property in accordance with this Agreement.

“Push-Out Election” has the meaning set forth in Section 11.08(f).

“Put Availability Notice” has the meaning set forth in Section 14.01(a).

“Put Exercise Period” has the meaning set forth in Section 14.01(a).

“QREs” has the meaning set forth in the HTC Lease.

“Recapture Period” has the meaning set forth in the HTC Lease.

“Recapture/Disallowance Adjustment Amount” means, as applicable, the amount of Historic Tax Credits lost, disallowed or recaptured (whether characterized as an increase in taxes payable by Investor Member, or otherwise) as a result of any Recapture/Disallowance Event plus any interest and/or penalties due to the IRS or the State in connection therewith all calculated on an After-Tax Basis.

“Recapture/Disallowance Event” means any Manager Breach or other act or omission of the Managing Member or any Developer Entity that results in the loss, recapture or disallowance of Historic Tax Credits (other than a recapture, disallowance or other loss arising as a result of an Excluded Event).

“Rehabilitation” has the meaning set forth in the HTC Lease.

“Replacement Reserve” has the meaning set forth in Section 8.13.

“Reserves” means any and all reserves and escrow accounts maintained or required to be maintained by or for the benefit of the Company, including any escrows for real estate taxes and hazard liability or mortgage insurance premiums and any reserves of the Company required pursuant to the Projections. Reserves not identified in Section [8.13] shall only be established and maintained with the Consent of Investor Member

“Revenue Procedure” means Revenue Procedure 2014-12, 2014-3 IRB 415, as amended from time to time.

“Reviewed Year” shall have the meaning set forth in Section 6225(d) of the Code.

“Reviewed Year Member” means any Person who held an interest in the Company at any time during the Reviewed Year.

“Revised Partnership Audit Rules” means the partnership audit rules contained in Subchapter 63C of the Code, as amended by the Bipartisan Budget Act of 2015, Pub L. No. 114-74 (the “2015 Budget Act”) and the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113, the Treasury Regulations promulgated thereunder, and any applicable forms, instructions and other guidance prescribed by the IRS related thereto.

“Safe Harbor” has the meaning set forth in Section 17.09(c) of this Agreement.

“Second Installment” has the meaning set forth in Schedule B-2.

“Secretary” has the meaning set forth in the HTC Lease.

“Secretary’s Standards” has the meaning set forth in the HTC Lease.

“SHPO” has the meaning set forth in the HTC Lease.

“Special Tax Distribution” means in any Company Fiscal Year in which taxable income and/or taxable gain is recognized by the Investor Member on account of its interest in the Company, whether on the Company’s tax return or after audit by the IRS or any applicable state or local taxing authority, excluding, without limitation, any 50(d) Income, a distribution from Net Cash Flow in an amount equal to the product of (i) the amount of such taxable income and/or taxable gain allocated to such Investor Member for such year, and (ii) the Applicable Tax Rate, which amount shall be paid on an After-Tax Basis, payable in all years. Any Special Tax Distribution not made shall accrue with interest at a rate equal to the Designated Prime Rate plus two percent (2%) and remain payable until paid in accordance with Article XI hereof.

“Stabilization” means the latest to occur of (i) maintenance by the Company of an Expense Coverage Ratio of at least 1.20:1 for a period of three (3) consecutive months and (ii) maintenance by the Company of a Coverage Ratio of at least 3.59 for a period of three (3) consecutive months.

“Stabilized Operations Date” means the date that is eighteen (18) months after the Substantial Completion Date.

“State” means the State of California.

“Subordinated Loan” means any loan made by a Member to the Company pursuant to Section 5.05.

“Substantial Completion” has the meaning set forth in the HTC Lease.

“Substantial Completion Date” means [December 31, 2027].

“Substitute Investor Member” means any Person admitted to the Company as an Investor Member pursuant to Section 9.03.

“Supplemental Rent” shall have the meaning set forth in the HTC Lease.

“Survey” means the ALTA (or an equivalent) survey prepared, certified and submitted to the Investor Member.

“Target Return” means \$[_____].[NTD: will fill in using final model]

“Tax” or “Taxes” means any and all liabilities, losses, expenses and costs that are, or are in the nature of, taxes, fees or other governmental charges, including interest, penalties, fines and additions to tax imposed by any Governmental Authority.

“Tax Dispute” has the meaning set forth in Section 11.08(d).

“Third Installment” has the meaning set forth in Schedule B-3.

“Title Policy” has the meaning set forth in the HTC Lease.

“Treasury Regulations” or “Treasury Reg.” means the final and temporary regulations promulgated from time to time under the Code.

“Unpaid Credit Recovery Adjustment” means the sum of any Credit Recovery Adjustments determined pursuant to Section 5.03(a)(iii), 5.03(b), 5.03(c), 5.03(d) and 8.07, together any interest thereon as determined under Section 5.03(d) minus the amount of cash flow distributed to the Investor Member pursuant to Section 11.01(a)(i) or Section 11.04(c) minus any amounts paid by Managing Member or any Guarantor to Investor Member pursuant to Section 5.03(d) or Section 8.07(d).

“Withdrawal Event” means the occurrence of any of the following events: (a) the withdrawal or removal of any Managing Member or the sale, assignment, transfer or encumbrance by a Managing Member of any portion of such Managing Member’s rights hereunder; (b) the death or adjudication of incompetency of any individual Managing Member; (c) the voluntary or involuntary dissolution of a Managing Member which is not a natural person; (d) the sale, assignment, transfer or encumbrance of a Controlling Interest in a corporate Managing Member, of a partner interest in a Managing Member which is a partnership or of a member interest in a Managing Member which is a limited liability company; (e) a Bankruptcy with respect to any Managing Member or with respect to the holder of any Controlling Interest in any Managing Member; or (f) without limitation of the foregoing, any event occurring as to a Guarantor, or a partner of a Managing Member which is a partnership or as to a member of a Managing Member which is a limited liability company which would constitute a Withdrawal Event as provided above, if such Person were a Managing Member.

ARTICLE 3.
PURPOSE AND BUSINESS OF THE COMPANY

3.01 Purpose of the Company. The Company has been organized exclusively to lease the rehabilitated Property and to maintain, operate, lease and sell or otherwise dispose of the Leasehold Interest in compliance with Section 47 and Section 50 of the Code, as amended. Notwithstanding anything contained herein to the contrary, the Company shall not engage in any business, and it shall have no purpose, unrelated to the Property and shall not acquire any real property or own assets other than those related to the Property and/or otherwise in furtherance of the purposes of the Company.

3.02 Authority of the Company. In order to carry out its purpose, the Company is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Company, including, without limitation, the following:

(a) as of the Property Contribution Date, enter into the HTC Lease and acquire the Leasehold Interest;

(b) make an equity investment in HTC Landlord as contemplated in the HTC Landlord Operating Agreement and acquire a membership interest in HTC Landlord, subject to the terms of this Agreement;

(c) operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Property;

(d) operate and sublease the Property consistent with the requirements of the Operating Documents;

(e) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Company;

(f) borrow money and issue evidences of indebtedness in furtherance of the Company's business and secure any such indebtedness by mortgage, pledge, or other lien;

(g) maintain and operate the Property;

(h) negotiate for and conclude agreements for the sale, exchange, assignment or other disposition of all or substantially all of the property of the Company, or for the refinancing of any loan secured by a Leasehold Mortgage;

(i) enter into and perform the Operating Documents to which it is a party; and

(j) do any and all other acts and things necessary or proper in furtherance of the Company's business.

ARTICLE 4.
REPRESENTATIONS, WARRANTIES AND COVENANTS;
DUTIES AND OBLIGATIONS

4.01 Representations, Warranties and Covenants Relating to the Property, the Company, and the Managing Member. As of the date hereof, the Managing Member hereby represents, warrants and covenants to the Company and to the Members as follows:

(a) Managing Member Entity-Level Representations:

(i) The execution and delivery of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate or conflict with any provision of any federal, state, municipal or local laws, ordinances, rules, regulations, requirements, or any order, judgment, decree, determination, or award of any court binding on any Developer Entity, or its assets (including the Leasehold Interest) nor do they conflict with, result in a breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel, or require any notice (which notice has not been furnished) under any agreement, contract, lease, license, instrument, or other arrangement to which any Developer Entity is a party, or by which it is bound or to which any of its assets is subject.

(ii) The execution, delivery, and performance by the Managing Member of this Agreement will not contravene or conflict with any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court or tribunal having jurisdiction over it, or any contractual restriction binding on or affecting it.

(iii) No default by any Developer Entity has occurred or is continuing (nor has there occurred any continuing event which, with the giving of notice or the passage of time or both, would constitute such a default) under any of the Operating Documents, and the Operating Documents are in full force and effect (except to the extent fully performed in accordance with their respective terms).

(iv) The Company is and will continue to be a limited liability company, duly organized and validly existing under the laws of the Formation State and had, has, and shall continue to have, full power and authority to hold, operate and maintain the Property in accordance with the terms of this Agreement and Applicable Law, and has taken and shall continue to take all action under the laws of the Formation State and any other applicable jurisdiction including, without limitation, the filing of all certificates and the payment of all fees, taxes, and other sums necessary for the Company to protect the limited liability of the Investor Member and to enable the Company to lawfully engage in its business.

(v) There is and shall be no direct or indirect personal liability (including guarantees, letters of credit and stop-loss agreements provided to the Lenders)

of the Company for the repayment of the principal of or payment of interest on the Project Loans; the Company currently has no Leasehold Loan.

(vi) The Company is duly registered to do business in the State. The Company's taxpayer identification number is [__-____]. Prior to the Admission Date, the Company did not engage in any trade or business or otherwise conduct any activity.

(vii) The Managing Member is a duly organized corporation validly existing and in good standing under the laws of the Formation State and has full power and authority to enter into and perform its obligations under the Operating Documents to which it is a party.

(viii) The Managing Member will indemnify and hold the Company, the Investor Member, the members thereof, and their Affiliates and agents, free and harmless from any injury, loss or damage (including, without limitation, reasonable attorneys' fees, court costs, and amounts paid in settlement of any claims, which settlement has been mutually agreed to by it and the party against whom such claim has been made) resulting from the claims of any Person with respect to any liability arising under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the securities laws or regulations of any state or other jurisdiction (collectively, the "Applicable Securities Laws"), which claims are based upon alleged fraud, deceit, or untrue statement or alleged untrue statement of a material fact, or the omission or alleged omission to state a material fact required to be stated or necessary to make the statements not misleading, with respect to or based upon information furnished or statements made by it to the Investor Member or any members thereof, their Affiliates or agent(s), in connection with the acquisition by the Investor Member of its Interest in the Company or the offer or sale of interests in the Company or in the Investor Member.

(ix) No restrictions on the sale or refinancing of the Leasehold Interest, other than the restrictions set forth in the HTC Lease, exist as of the date hereof, and no such restrictions shall (except as may be set forth in the HTC Lease), at any time while the Investor Member is a Member, be placed upon the sale or refinancing of the Leasehold Interest; neither the HTC Landlord nor any of the Lenders has or shall have the discretion under any of the Operating Documents to elect not to rebuild the Property (or a portion thereof) to the extent that insurance proceeds realized from a casualty are sufficient therefor.

(x) Neither the Company nor any Developer Entity has incurred any financial responsibility with respect to the Leasehold Interest or the Property prior to the date of execution of this Agreement, other than that disclosed in writing to the Investor Member.

(xi) Subject to Section 13.06, the Company's fiscal year is and shall be the calendar year.

(xii) Each Developer Entity has complied with all Applicable Laws relating to the Company or the Property, and no action, suit, proceeding, hearing, government investigation, charge, complaint, claim, demand, or notice has been filed or commenced against any Developer Entity alleging any failure so to comply.

(xiii) Each Developer Entity is solvent, is able to pay its debts as they mature, and has capital sufficient to carry on the business in which it is engaged, and the present fair saleable value of its assets is greater than the amount of its liabilities and no Developer Entity is Bankrupt or contemplating a Bankruptcy and no event has occurred that, with the passage of time, could become an event of Bankruptcy, with respect to the Managing Member or any other Developer Entity.

(xiv) There is no default, claim, demand, litigation, proceedings or governmental investigation pending or, to the best of its knowledge, threatened against the Managing Member, except for those which are fully covered by insurance or, if adversely determined, would not materially impair its ability to pay when due any amounts that may become payable under this Agreement;

(xv) This Agreement has been duly authorized, executed and delivered on behalf of the Managing Member and is fully enforceable against the Managing Member and the Company, respectively, in accordance with its terms, except to the extent enforceability is limited by bankruptcy and other similar laws affecting creditors' rights generally.

(xvi) The Managing Member has disclosed to the Investor Member:

(A) all material facts and transactions known to the Managing Member or any other Developer Entity that relate to the Project;

(B) all material actions with respect to the Company taken by the Managing Member or any other Developer Entity prior to the date hereof; and

(C) all material documents relating to the Company and the Property (and copies of the same have been delivered to the Investor Member).

(xvii) There are no outstanding restrictions, circumstances or obligations which would have a material adverse impact on the HTC Landlord's or the Company's ability to carry out the Project.

(xviii) As of the Admission Date, the Company has no material outstanding obligations except for the Operating Documents to which it is a party and this Agreement.

(xix) The Company's bank accounts and funds have been and will be maintained separately from those of any other Developer Entity, have been and will be maintained in the name of the Company and no other Developer Entity has been or will be an account party, has made or will make deposits to, or has had or will have the power to make withdrawals from such accounts or funds, except certain members or officers or

managers of the Managing Member, and then only in accordance with the terms of this Agreement, the Property Management Agreement, and the other Operating Documents.

(xx) Each of the Company and the Managing Member maintains and will maintain separate and full records and financial records in accordance with GAAP consistently applied and capable of being readily audited for itself only, and maintains and will maintain its assets and the Managing Member's assets in a manner that facilitates their identification and segregation from those of any other Developer Entity.

(xxi) The Company has conducted and will conduct its own business through the Managing Member or the Property Manager, as applicable, and that business has been and will be conducted solely in the name of the Company and in such a way as to not mislead others as to the identity of the Person with which they are dealing. In that regard, all written communications by the Company or the Managing Member, including, without limitation, letters, invoices, purchase orders and contracts, have been and will be made solely in the name of the Company or the Managing Member, as appropriate. The Company has described and will always describe itself as a separate legal entity and not as a division or department of any other Developer Entity. The Company has and will have its own invoices, checks and other business forms, separate from those of any other Developer Entity.

(xxii) The Company (i) is not and will not at any time during the term of this Agreement be an investment company within the meaning of the Investment Company Act of 1940, as amended, and (ii) is not relying and will not rely at any time during the term of this Agreement on the exceptions contained in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940, as amended, in making such determination.

(xxiii) No part of the proceeds of the Investor Member Capital Contributions will be used directly or indirectly for any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

(b) Managing Member Real Estate Representations

(i) The Project is properly zoned for the uses contemplated herein; by the Credit Commencement Date of the Building the Company has or will have all permits, consents, permissions and licenses required by all applicable governmental entities for the operation of the Property, and the Property conforms and will be operated in a manner that conforms to all Applicable Laws.

(ii) All appropriate public utilities, including sanitary and storm sewers, water, gas and electricity, are currently or will be available to the Property and will be operating properly for the Property at the time of first occupancy of the Property. The Property has direct access to a public street or highway and will have adequate parking to comply with Applicable Laws and make it viable.

(iii) Upon execution of the HTC Lease, the Leasehold Interest will be held solely by the Company, free and clear of any liens, charges or encumbrances other than the matters set forth in the Title Policy, and mechanics' or other liens which have been bonded or insured against in such manner to preclude the holder of such lien or such surety or insurer from having any recourse to the Leasehold Interest, the Property or the Company for payment of any debt secured thereby, and

(A) none of the liens, charges, encumbrances or exceptions set forth in the Title Policy has or will have a material adverse effect upon the construction or operation of the Property;

(B) there are no unpaid and past due fees or taxes with respect to the Project or any portion thereof; and

(C) there are no mechanic's liens recorded against the Project or the Leasehold Interest and, to the knowledge, after due inquiry, and belief of the Managing Member, no Person has threatened to assert or record any such mechanic's lien.

(iv) Except as described in the Environmental Reports,

(A) no Developer Entity has ever received notification from any federal, state or other Governmental Authority of (x) any potential, known, or threat of release of any Hazardous Substance from the Property or (y) the incurrence of any expense or loss by any such Governmental Authority or by any other Person in connection with the assessment, containment or removal of any release or threat of release of any Hazardous Substances from the Property, and no Hazardous Substance was, prior to the HTC Landlord's ownership of the Property, ever stored on, transported, or disposed of on the Property except to the extent any such storage, transport or disposition was at all times in compliance with all laws, ordinances, and regulations pertaining thereto; and subsequent to the HTC Landlord's ownership of the Property, no Hazardous Substance was ever or is now stored on, transported, or disposed of on the Property except to the extent any such storage, transport or disposition was at all times in compliance with all laws, ordinances, and regulations pertaining thereto; and

(B) the Managing Member has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Substances at, upon, under or within the Land or any contiguous real estate, and has not caused nor permitted to occur, and it shall not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Land or on any contiguous real estate or engaged in or permitted, and will not permit, any subtenant or occupant of the Property to engage in any activity that could impose liability under the Environmental Laws on such subtenant or occupant, on the Land or on the Company.

(v) The Managing Member has not been, nor will it be involved in operations at or, pursuant to its best efforts, near the Land, which operations could lead to (A) the imposition of liability under the Environmental Laws on the Company or on any other subsequent or former owner of the Property or (B) the creation of a lien on the Property under the Environmental Laws or under any similar laws or regulations.

(vi) All improvements rehabilitated or to be rehabilitated on the Project have been or will be constructed and equipped in compliance with the requirements of every Governmental Authority and the Operating Documents and, as applicable, with all requirements and approvals of the Secretary and the State in connection with the historic rehabilitation and environmental remediation of the Project; and neither the Company nor the Managing Member has received any notice, or has any knowledge, of any violation with respect to the Project of any law, rule, regulation, order, or decree of any Governmental Authority that would have a material adverse effect on the Project or the rehabilitation, use, occupancy or operation thereof. The completion of any improvements, alteration or rehabilitation on or of the Project or any portion thereof will not require the dedication of any portion of the Project to any applicable governmental entities.

(vii) Insurance has been obtained in form and amounts satisfactory to Investor Member, as specified in Exhibit A to this Agreement.

(viii) [Additional reps to be added if/as needed].

(c) Managing Member Tax Credit Representations

(i) To the best of the Managing Member's knowledge, upon due inquiry, the assumptions underlying the Projections are reasonable and the facts therein relating to the Developer Entities and the Project are accurate.

(ii) Neither the HTC Landlord nor Managing Member, nor any of their direct or indirect members is, or will be as of the Credit Commencement Date, a "tax-exempt entity" or "tax-exempt controlled entity" as those terms are used in Section 168(h) of the Code that has not made the election to be treated as taxable under Section 168(h) of the Code and the Managing Member shall take such actions as may be necessary to avoid the characterization of the Project as tax-exempt use property under Section 168(h) of the Code. Less than 30% of the rentable square footage within the Building will be leased to any tax-exempt entity.

(iii) No portion of the improvements to the Building funded with QREs achieved Placement in Service prior to the Admission Date and the QREs incurred in connection with the Rehabilitation of the Building would under the Code constitute "new section 38 property" to the Company if the Company has actually purchased such improvements funded with QREs. As of the Admission Date, the Building was not in a condition or state of readiness for its operation or occupancy as a mixed-use rental property. Without limiting the generality of the foregoing, as of the Admission Date, (A) the Credit Commencement Date had not occurred with respect to any improvements to the Building funded with QREs, and (B) no temporary or permanent certificate of occupancy or the

equivalent had been issued or are available to be issued with respect to the Building, or any portion thereof permitting the use and operation of such improvements funded with QREs for their intended purpose.

(iv) Each Developer Entity has complied with all aspects of the HTC Lease (including, without limitation, the covenants, representations and warranties located in [Article VIII] thereof).

(v) The Project will meet all requirements to qualify for Historic Tax Credits as a “certified historic structure,” as set forth in Section 47(a)(2) of the Code and the rehabilitation of the Project will be in strict accordance with all of the requirements imposed by the Part 1 Approval, Part 2 Approval and Part 3 Approval, the historic standards and guidelines of the Secretary, or pursuant to applicable state law and to the best knowledge and belief of the Managing Member, all such requirements are contained within the Operating Documents.

(vi) Prior to the commencement of the Rehabilitation, Managing Member reasonably expected to complete such Rehabilitation in phases pursuant to written architectural plans and specifications in a manner that satisfies the requirements of Treasury Regulations, § 1.48-12(b)(2)(v).

(vii) On and after the Credit Commencement Date with respect to any Historic Tax Credits, the representations and warranties in the Managing Member’s Certificate relating to the Rehabilitation are or will be true and correct in all material respects.

(viii) The Historic Tax Credits available to the Company with respect to the Building are anticipated to be an aggregate amount equal to \$[54,763,378] earned ratably over five (5) years commencing in calendar year 2027.

(ix) To the knowledge, after due inquiry, and belief of the Managing Member and its Affiliates,

(A) the rent payable under the HTC Lease and all other terms and conditions of the HTC Lease are commercially reasonable and comparable to the rent and other terms and conditions of leases in real estate transactions that are not financed, in whole or in part, with Historic Tax Credits, and neither the Managing Member nor any of its Affiliates is aware of any facts to the contrary; and

(B) all fees disclosed in the Operating Documents paid or to be paid by or to a Developer Entity are commercially reasonable and comparable to fees paid in real estate transactions that are not financed, in whole or in part, with Historic Tax Credits, and neither the Managing Member nor any its Affiliates is aware of any facts to the contrary.

(x) No election has been filed nor has any action been or will be taken that would cause the Company to elect to be treated as a corporation or other than a partnership for federal income tax purposes.

(xi) Prior to the Rehabilitation, the Building was previously Placed in Service and used by prior owners primarily as a student housing facility.

The Managing Member shall be solely responsible for the representations, warranties and covenants hereunder, and shall not assert as a defense in any action by the Company or the Investor Member the fact that the Managing Member may have relied on other parties in connection with matters addressed therein.

Legal counsel to Investor Member and Managing Member are hereby permitted to rely on the foregoing representations, warranties and covenants in the issuance of federal income tax opinions to Investor Member with respect to the transactions contemplated by this Agreement.

4.02 Duties and Obligations Relating to the Property and the Company. The Managing Member shall have the following duties and obligations with respect to the Property and the Company and hereby covenants as follows:

(a) Managing Member Entity-Level Covenants:

(i) The Managing Member shall cause to be met all requirements applicable to the Company, if any, which are necessary to obtain, achieve, and maintain compliance with all provisions of the Operating Documents.

(ii) The Managing Member shall exercise good faith in all activities relating to the conduct of the business of the Company, including the operation and maintenance of the Property, and it shall take no action with respect to the business and property of the Company which is not reasonably related to the achievement of the purpose of the Company.

(iii) The Managing Member shall comply and cause the Company to comply with the provisions of all Applicable Laws, including, without limitation, state and local zoning laws, building codes, health and safety codes, and all other applicable governmental and contractual obligations.

(iv) The Managing Member shall use commercially reasonable efforts consistent with sound management practice and with the terms of the Operating Documents to maximize Net Cash Flow available for distribution to the Members.

(v) The Managing Member shall cause the Company to conduct, and will conduct, its own business through the Managing Member, as applicable, and that business has been and will be conducted solely in the name of the Company and in such a way as to not mislead others as to the identity of the entity with which they are dealing. In that regard, all written communications by the Company or the Managing Member, including, without limitation, letters, invoices, purchase orders and contracts, have been

and will be made solely in the name of the Company or the Managing Member, as appropriate. The Company has described and will always describe itself as a separate legal entity and not as a division or department of any Developer Entity. The Company has and will have its own stationery, invoices, checks and other business forms, separate from those of any Developer Entity. The Managing Member has and will have as its only office the registered office of the Company. Each of the Company and any Developer Entity will pay its own expenses and liabilities from its own funds. Invoices and other statements of account from creditors of the Company will be addressed and mailed directly to the Company. The Company and the Managing Member allocate and will allocate all other overhead expenses for items shared with any Developer Entity (if any) pursuant to a written agreement with such Developer Entity, which shall allocate such shared expenses on the basis of actual use to the extent practicable and, to the extent such allocated is not practicable, on an equitable basis reasonably related to the actual use.

(vi) The Managing Member shall keep itself and the Company in good standing in accordance with the requirements of the State and the Formation State.

(vii) The Managing Member shall furnish to the Investor Member such approvals, opinions, certificates, documents or agreements as Investor Member may reasonably request, in form and substance reasonably acceptable to Investor Member.

(viii) The Managing Member agrees to provide notice to the Investor Member of any change in the financial condition of the Managing Member or Guarantor that could have a material adverse effect on the ability of the Managing Member or Guarantor to satisfy their respective obligations under the Operating Documents or this Agreement.

(ix) The Managing Member shall prevent an event of Bankruptcy from occurring with respect to any Developer Entity.

(x) The Managing Member shall cause the Company to establish and maintain the Reserves required pursuant to Section 8.13 of this Agreement. The balance of all Reserves required to be maintained by the Company pursuant to any and all of the Operating Documents equals or exceeds the minimum levels required to be maintained thereunder.

(xi) To the extent that such requirements are applicable, the Managing Member shall cause the Company to comply with all requirements of the Corporate Transparency Act, codified at 31 U.S.C. § 5336, together with its implementing regulations, codified at 31 C.F.R. § 1010.380 (the “CTA”), and any and all amendments thereto, including, without limitation filing reports to Financial Crimes Enforcement Network of the United States Treasury (or any successor agency tasked with enforcing the CTA) that meets the requirements set forth in the CTA for an initial report, an updated report, or a corrected report (as such terms are defined in the CTA).

(b) Managing Member Real Estate Covenants:

(i) The Managing Member shall cause to be met all requirements applicable to the Company, if any, which are necessary to obtain, achieve and maintain issuance of all necessary certificates of occupancy, including all governmental approvals required to permit occupancy of the Property.

(ii) All of (A) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Company or to be appurtenant to, or to be used in the operation of the Property, as well as (B) the rents, revenues and profits earned from the operation of the Leasehold Interest, will be free and clear of all security interests and encumbrances.

(iii) In operating the Property, the Managing Member shall use commercially reasonable efforts to obtain all contracts, materials, supplies, utilities and services required by the Project on commercially reasonable terms. Except as otherwise approved by the Consent of the Investor Member, the Managing Member shall secure and credit to the Company, and not receive or retain for itself, its agents, employees or Affiliates, any discounts, compensation, rebates or commissions obtainable with respect to any and all purchases, service contracts, and all other transactions affecting the Project, including, without limitation, any compensation received from the assignment or transfer of any contracts affecting the Property.

(iv) The Managing Member shall comply in all respects with the requirements of the Environmental Laws and related regulations and with all similar laws and regulations. In addition, the Managing Member shall provide the Investor Member with prompt written notice (A) upon any Managing Member or Affiliate thereof obtaining knowledge of any potential or known release, or threat of release, of any hazardous material in violation of Applicable Laws at or from the Property or any other property owned, occupied or operated by any Managing Member, any Affiliate of a Managing Member or any Person for whose conduct any Managing Member or Affiliate of a Managing Member is or was responsible and whose liability may result in a lien on the Property (or the Leasehold Interest), (B) upon any Managing Member or Affiliate thereof receiving any notice to such effect from any federal, state, or other Governmental Authority, or (C) upon any Managing Member or Affiliate thereof obtaining knowledge of any incurrence of any expense or loss by any such Governmental Authority in connection with the assessment, containment, or removal of any hazardous material for which expense or loss a lien may be imposed on the Property (or the Leasehold Interest).

(v) The Managing Member shall at all times indemnify, defend, and hold harmless the Investor Member and its members against and from any and all claims, suits, actions, debts, damages, costs, charges, losses, obligations, judgments, and expenses, of any nature whatsoever, suffered or incurred by the Investor Member or its members, under or on account of the Environmental Laws as they relate to the Property or any similar laws or regulations, including the assertion of any lien thereunder. The foregoing indemnification shall be a recourse obligation of the Managing Member and shall survive the dissolution of the Company and/or the death, retirement, incompetency, insolvency, Bankruptcy, resignation, removal, or withdrawal of the Managing Member.

(vi) The Managing Member shall not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Land or on any contiguous real estate or engaged in or permitted, and will not permit, any subtenant or occupant of the Property to engage in any activity that could impose liability under the Environmental Laws on such subtenant or occupant, on the Land or on the Company.

(vii) The Managing Member shall cause the Company to hold and apply any amounts received as a security deposit under any Commercial Sublease in accordance with Applicable Law.

(viii) Insurance shall be maintained in form and amounts satisfactory to the Investor Member, as specified in Exhibit A to this Agreement.

(c) Managing Member Tax Credit Covenants:

(i) The Managing Member shall take such actions as may be necessary to avoid characterization of the Project as tax-exempt use property under Section 168(h) of the Code, including making a timely election in accordance with Section 168(h)(6) of the Code.

(ii) The Managing Member shall provide the Investor Member with Notice of any written or oral notice of any (A) default or event of default or failure of compliance with respect to the Project Loans or any other financial, contractual or governmental obligation of the HTC Landlord, Company or the Managing Member; (B) IRS proceeding regarding the Property or the Company or any intention on the part of the Secretary to revoke, cancel or amend Part 1 Approval, Part 2 Approval or Part 3 Approval; (C) litigation, criminal action or administrative proceeding against the HTC Landlord, Managing Member, the Company, the Guarantor or any Affiliate of any of them; or (D) communication from the Lenders or the Secretary or any other Person or Governmental Authority which is not in the ordinary course of business.

(iii) The Managing Member shall not cause or allow through its actions or inactions the (A) revocation of any Part 3 Approval or (B) the failure of the Building to achieve or maintain the status of a “certified historic structure” as provided for in Section 47(c)(3)(A)(ii) of the Code. Further, the Managing Member shall operate or cause the Property to be operated in a manner that satisfies, and shall continue to satisfy, all restrictions and requirements, including, without limitation, the Secretary’s Standards and all other National Park Service and similar requirements applicable to the Property and the Leasehold Interest and projects generating Historic Tax Credits and which shall be in conformity with the description of the Property set forth in Part 2 of the HTC Landlord’s Certification Application.

(iv) The Managing Member shall prepare and submit to the Secretary, the Secretary of the Treasury or the IRS (or any other Governmental Authority designated for such purpose), on a timely basis, the Election (to the extent required to be signed by the Company) and any and all annual reports, information returns and other certifications and

information required (A) to ensure the Election is properly filed and that Investor Member will qualify for the Historic Tax Credits, (B) to ensure that the Historic Tax Credits are properly documented and claimed in the Company's tax returns and (C) to avoid any Recapture/Disallowance Event or the imposition of penalties or interest on the Company or Investor Member for failure to comply with the requirements of the Code or any other Applicable Laws relating to the Historic Tax Credits.

(v) The Managing Member shall cause the Rehabilitation of the Building to achieve Substantial Completion by the Substantial Completion Date.

(vi) The Managing Member shall cause the Property to receive Part 3 Approval within twelve (12) months of Placement in Service, or such later date as may be Consented to by the Investor Member.

(vii) The QREs incurred during the 60-month period ending on the Credit Commencement Date for any portion of the Building (the "Measuring Period") will exceed the greater of (A) \$5,000 or (B) the adjusted basis (within the meaning of Section 47(c)(1)(C)(i) of the Code) of the Building and its structural components as of the first day of the Measuring Period.

(viii) While conducting the business of the Company, the Managing Member shall not act in any manner which it knows or should have known after due inquiry will (A) cause the termination of the Company for federal income tax purposes without the Consent of the Investor Member, (B) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation; or (C) cause any Investor Member to lose its limited liability protection.

(ix) The Managing Member will execute on behalf of the Company all documents necessary to elect, pursuant to Sections 732, 734, 743 and 754 of the Code, to adjust the basis of the Company's property upon the request of the Investor Member, if, in the sole opinion of the Investor Member, such election would be advantageous to the Investor Member or any of its members.

(x) The Managing Member shall, during and after the period in which it is a Managing Member, provide the Company with such information and sign such documents as are necessary for the Company and the Investor Member to make timely, accurate and complete submissions of (A) federal and state income tax returns, (B) reports to governmental agencies, and (C) any other reports required to be delivered to the members of the Investor Member or their members.

(xi) The Managing Member shall not allow the Company to enter into any agreements, contracts or other arrangements creating rights or obligations that fail to meet the requirements of Section 4.02(2)(c) of the Revenue Procedure (including, without limitation, (A) entering into a sublease that is the same or greater duration than the HTC Lease, (B) terminating the HTC Lease at any time Investor Member is a Member of Company) or that are not on arm's length terms, or (C) entering into any lease (other than the HTC Lease) for any portion of the Project with (1) the Managing Member; (2) the HTC

Landlord; or (3) any Person that is considered to be related to the Managing Member, the HTC Landlord, or their respective Affiliates under Section 267(b) or Section 707(b)(1) of the Code.

(xii) The Managing Member shall not enter into any Commercial Sublease without the Consent of the Investor Member as to the form and content of the proposed Commercial Sublease and the suitability of the proposed subtenant thereunder, including the financial viability of the proposed subtenant to discharge its obligations under the Commercial Sublease throughout its term. Each sublease or other rental agreement entered into by the Company shall comply with all applicable governmental requirements and contractual obligations of the Company. In addition, each Commercial Sublease shall require the subtenant to bear any Operating Expenses allocable to the space demised thereunder consistent with the Projections, and, unless otherwise Consented to by the Investor Member, shall have a term that ends no sooner than the termination of the Recapture Period.

(xiii) The Managing Member shall not make, or suffer to be made, any sublease (including any Commercial Sublease) which is not in conformity with the requirements of this Agreement and the HTC Lease; modify any Commercial Sublease (other than modifications typically made in the usual and ordinary course of arm's length negotiations of leases of similar space in improvements comparable to the Property and which are otherwise consistent with the requirements of this Agreement); or cancel any Commercial Sublease. Subtenants shall not include any business engaged in the following: the operation of any racetrack, or other facility used for gambling, such as off track betting (provided, that state sponsored lottery tickets shall not be prohibited); shooting gallery; adult bookstore or facility selling or displaying pornographic books, literature, or electronic media (materials shall be considered "adult" or "pornographic" for such purpose if the same are not available for sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality); or farming within the meaning of Section 2032A(e)(5)(A) or (B). Each Commercial Sublease shall include representations and covenants that the sublessee and any sub-sublessee is and shall continue to comply with the foregoing restrictions with respect to business activities, and the Company shall have the right to terminate the Commercial Sublease for any breach of such representations and or covenants.

(xiv) The Managing Member shall cause Final Completion to occur within nine (9) months of Placement in Service of the Building(s) or such other date as may be agreed to or required by the Lenders and the Investor Member.

(xv) The Managing Member shall cause the Property to achieve Stabilization by the Stabilized Operations Date.

(xvi) Subject to Sections [8.02(b)(xxxi) and 8.02(b)(xxxii)], Managing Member shall diligently enforce the Company's rights pursuant to Sections 6.8(d) and 6.8(e) of the HTC Lease.

(xvii) Managing Member, on behalf of the Company, shall cause HTC Landlord to fund Excess Development Costs (as such term is defined in the HTC Lease) pursuant to Section [6.7(b)] of the HTC Lease.

(xviii) Managing Member shall cause any event of default described in clauses (a), (b), or (c) of Section 5.04, occurring prior to Final Completion, to be cured within thirty (30) days of the Managing Member's receipt of Notice of such default.

(xix) [_____].

Legal counsel to Investor Member and Managing Member are hereby permitted to rely on the foregoing representations, warranties and covenants in the issuance of federal income tax opinions to Investor Member with respect to the transactions contemplated by this Agreement.

ARTICLE 5.
MEMBERS, COMPANY INTERESTS AND CAPITAL

5.01 Members, Managing Member, Capital Contributions and Company Interests.

(a) The Managing Member, its principal address or place of business, its Capital Contribution and its Percentage Interest are set forth in Schedule A attached hereto. On or about the date that Investor Member funds the First Installment, the Managing Member shall make a capital contribution to the Company in the amount of \$[101]. On or about the date that Investor Member funds the Second Installment, the Managing Member shall make a capital contribution to the Company in the amount of \$[503,355]. The Managing Member shall be obligated to (and does hereby covenant and agree to) make additional capital contributions to the Company in proportion (based on its pre-Flip Date Percentage Interest) to each Installment made by the Investor Member at the time such Installment is contributed to the Company by the Investor Member in amounts such that Managing Member's aggregate paid-in Capital Contribution is proportional to its pre-Flip Date Percentage Interest.

(b) The Investor Member, its principal office or place of business, its Capital Contribution and its Percentage Interest are set forth in Schedule A attached hereto.

(c) Subject to the provisions of this Agreement, including, without limitation, the provisions of Sections 5.01(d) and 5.03, the Investor Member shall be obligated to make a Capital Contribution to the Company in the aggregate amount of \$[49,878,485] (the "Aggregate Expected Capital Contribution"), as the same may be adjusted herein, in five (5) Installments, which Installments shall be due and payable in cash by the Investor Member as set forth in Schedule B-1 through Schedule B-5.

No Installment shall be due or payable prior to receipt by the Investor Member of the following at least ten (10) Business Days and not more than thirty (30) calendar days prior to the due date of the Installment: (i) a written payment notice in the form set forth in Exhibit B-1 executed by the Managing Member specifying the amount of such Installment, and (ii) a written certification in the form set forth in Exhibit B-2 updated to reflect the status of events described therein and executed by the Managing Member (the "Managing Member's Certificate").

Any requirements to an Installment set forth in this Agreement may be waived by the Investor Member in its sole discretion; provided, however, that any such waived requirements shall be a requirement of the subsequent Installments, unless further waived by the Investor Member in its sole discretion.

The Investor Member shall have the right to pay itself, at any time and from any Installment, on behalf of the Company, any unpaid Special Tax Distribution or Priority Return. Such payment shall be deemed a contribution to the Company and a subsequent distribution to the Investor Member permitted notwithstanding any other distribution provisions in this Agreement. Any legal, accounting or other related costs incurred by the Investor Member with respect to any Installment or other post-closing documents, may be deducted from any Installment.

(d) Subject to the preceding right of the Investor Member to pay itself any unpaid Special Tax Distribution or Priority Return from an Installment, the Installments shall be used as follows:

- (i) The First Installment shall be used [to fund the Operating Reserve].
- (ii) The Second Installment shall be used to [fund a capital contribution into HTC Landlord as required under the HTC Landlord Operating Agreement].
- (iii) The Third Installment shall be used to [fund a capital contribution into HTC Landlord as required under the HTC Landlord Operating Agreement and fund the final portion of the Operating Reserve].
- (iv) The Fourth Installment shall be used to [fund a capital contribution into HTC Landlord as required under the HTC Landlord Operating Agreement].
- (v) The Fifth Installment shall be used to [fund a capital contribution into HTC Landlord as required under the HTC Landlord Operating Agreement].

If and to the extent that the aggregate Installments of Capital Contributions exceed the amounts reflected in the Projections and the Bridge Loan has been repaid in full, such excess Capital Contributions may be used by the Company to make further contributions to HTC Landlord, which may be used by the HTC Landlord as permitted under the HTC Landlord Operating Agreement or, alternatively, for any acceptable purpose as determined unanimously by the Managing Member and Investor Member acting in good faith, such purposes to include, but not be limited to fund additional reserves, or pay other Operating Expenses of the Company. Any other use of such excess amounts shall be subject to the Consent of Investor Member.

(e) Notwithstanding any provision of this Agreement, or any Operating Documents, to the contrary, Investor Member shall not have any obligation to make any Capital Contribution for any Historic Tax Credits with a Credit Commencement Date after the Cut-Off Date.

5.02 Return of Capital Contribution Except as provided in this Agreement, no Member shall be entitled to demand or receive the return of any portion of its Capital Contribution. Any other provision of this Agreement to the contrary notwithstanding the net paid-in Capital Contribution of Investor Member must equal no less than twenty percent (20%) of the “Projected Capital Contribution” of Investor Member (i.e. the First Installment and Second Installment, as adjusted pursuant to Section 5.03 hereof) prior to Placement in Service and throughout the duration of its ownership of its Interest in the Company, provided, that this Section 5.02 shall not limit the Investor Member’s ability to receive any indemnity payments or payments of liquidated damages hereunder.

5.03 Adjustments to Investor Member Capital Contributions.

(a) (i) If, as a result of a reduction or increase in QREs, or for any other reason (other than an event described in clause (a) of the definition of Excluded Event), either the

Accountants shall determine in preparing the Company's tax returns (or an amended return) or the Final Cost Certification, the Investor Member determines in good faith based upon advice from tax counsel or its accountants, or there shall be a Final Determination, that the Actual Historic Tax Credits are more or less than the Projected Historic Tax Credits (such determination being referred to herein as the "Credit Determination"), the provisions of Sections 5.03(a)(ii) and (a)(iii) shall apply.

(ii) After the Credit Determination is made, the Accountants shall calculate the difference between the Actual Historic Tax Credits and the Projected Historic Tax Credits. Such difference shall be multiplied by the Credit/Capital Ratio and the product shall be referred to herein as the "Credit Adjustment." If the amount of the Credit Adjustment is positive, the remaining Installments shall be increased proportionately by the amount of such positive Credit Adjustment, which positive Credit Adjustment amount shall be contributed to the capital of the Company and then applied in the same manner as amounts described in Section 5.01(d)(v). If there are no remaining unpaid Installments, the Investor Member shall contribute the amount of such positive Credit Adjustment to the capital of the Company within thirty (30) days following the receipt of written notice from the Accountants of the positive Credit Adjustment, which amount shall then be applied in the manner agreed between the Managing Member and the Investor Member. Prior to any such increase in the amount of a remaining Installment or obligation to contribute additional capital, the Accountants shall provide the Investor Member with evidence reasonably sufficient to enable it to verify the calculation of such positive Credit Adjustment. Notwithstanding the foregoing, in no event shall the positive Credit Adjustments in the aggregate exceed \$[]¹ ("Positive Credit Adjustment Cap").

(iii) In the case of a negative Credit Adjustment, subject to Section 5.03(c), the amount of the next succeeding Installment (and any Installment(s) thereafter if necessary) to be paid by the Investor Member after the Credit Determination has been made shall be reduced by the sum of the amount of the negative Credit Adjustment plus any interest, penalties, or other charges imposed on or incurred by the Investor Member as a result of or in connection with such Credit Determination but excluding any amounts paid or payable to the Investor Member with respect to any Costs of Challenge (the "Negative Credit Adjustment"). If the Negative Credit Adjustment exceeds the amount of all remaining Installment(s) or the amount of the reduction of any Installment is limited by the provisions of Section 5.03(c), the difference between the Negative Credit Adjustment and the amount by which such Installment(s) were reduced shall be either (A) if not the result of an event described in clause (b) of the definition of Excluded Event promptly paid by Managing Member as an indemnification payment to Investor Member in such amount, and Guarantor under the Guaranty shall guarantee the payment of such amount to Investor Member and (B) if the result of an event described in clause (b) of the definition of Excluded Event, deemed a Credit Recovery Adjustment.

(b) In addition to any adjustment in Capital Contribution described in Section 5.03(a)(ii) or (iii), subject to Section 5.03(c), with respect to any Delayed Credits or Deferred

¹ This amount will equal 15% (see term sheet) of the Aggregate Expected Capital Contribution .

Credits, the amount of the next succeeding Installment (and any Installment(s) thereafter if necessary) to be paid by the Investor Member shall be reduced by an amount equal to the product of (i) \$0.02 and (ii) the amount of the Delayed Credits or Deferred Credits, as applicable. In addition, thereafter, the amount of the next succeeding Installment (and any Installment(s) thereafter if necessary) to be paid by the Investor Member shall be reduced by, in addition to the amount described in the preceding sentence but subject to Section 5.03(c), an amount equal to the product of (i) \$0.005 and (ii) the amount of the Delayed Credits or Deferred Credits, as applicable, for each quarter, entire or partial, after March 31, 2028 until the date that (A) in the case of Delayed Credits, the Delayed Credits are available to be claimed by the Investor Member or (B) in the case of Deferred Credits, such Deferred Credits are no longer subject to deferral under Section 49 of the Code (the reductions referred to in this sentence and the preceding sentence, the “Delay Amount”). If the Delay Amount exceeds the amount of all remaining Installment(s) or the amount of the reduction of any Installment is limited by the provisions of Section 5.03(c), the difference between the Delay Amount and the amount by which such Installment(s) were reduced shall be paid by Managing Member as an indemnification payment to Investor Member in such amount, and Guarantor under the Guaranty shall guarantee the payment of such amount to Investor Member.

(c) Anything to the contrary herein notwithstanding, the cumulative adjustments under this Section 5.03 and under Section 8.07(d) due to any Negative Credit Adjustment and any Delay Amount shall be limited so that the Investor Member’s Capital Contribution is not reduced below the Fixed Contribution and any balance shall be either (A) if not the result of an event described in clause (b) of the definition Excluded Event, promptly paid by Managing Member as an indemnification payment to Investor Member in such amount, and Guarantor under the Guaranty shall guarantee the payment of such amount to Investor Member and (B) if the result of an event described in clause (b) of the definition Excluded Event, deemed a Credit Recovery Adjustment.

(d) If any Negative Credit Adjustment or Delay Amount determined pursuant to Section 5.03 or any Recapture/Disallowance Adjustment Amount determined pursuant to Section 8.07 is not paid when due by the Managing Member or Guarantor or the Investor Member is assessed any amount which would constitute a Recapture/Disallowance Adjustment Amount but for the fact that it results from an Excluded Event (other than an event described in clause (a) of the definition of Excluded Event) or does not result from a Manager Breach, then any such amount will be deemed a Credit Recovery Adjustment on such date. All Unpaid Credit Recovery Adjustments shall be deemed to bear interest from the respective dates on which such Credit Recovery Adjustments were determined at an annual interest rate equal to the Designated Prime Rate plus two percent (2%), compounded annually. Credit Recovery Adjustments shall be payable by the Company as provided in Article XI. Any subsequent Recapture/Disallowance Adjustment Amount paid by the Managing Member or Guarantor pursuant to Section 8.07 shall be credited against the Unpaid Credit Recovery Adjustments on the date received.

(e) At the earlier to occur of (a) 60 days prior to Placement in Service or (b) a date agreed to by the Investor Member and the Managing Member, at the request of the Investor Member the Company shall obtain a Preliminary Cost Certification from the Accountants and shall provide such other such information pertaining to the costs incurred at the Project as the Investor

Member shall reasonably request. If, as a result of such Preliminary Cost Certification and other information, the Investor Member reasonably determines that the amount of Historic Tax Credits expected to be available to the Investor Member is greater than or less than the Projected Historic Tax Credits, then the Investor Member's Capital Contributions obligations shall be adjusted accordingly. An upward adjustment shall be added ratably to the remaining Installments; provided, however, that at the election of the Investor Member some or all of the upward adjustment shall be paid immediately and in all events prior to Placement in Service and considered retroactively applied to the First Installment. Any downward adjuster shall be applied ratably to the remaining Installments.

(f) Nothing in this Section 5.03, including any of the limitations on the reductions that may be made to the Capital Contribution of the Investor Member as the result of any Credit Adjustment, Delay Amount or Excluded Event, shall be deemed to limit any remedy of the Investor Member for loss, liability expense or damages to the Investor Member caused by a Manager Breach.

(g) Any indemnification payment to be paid under this Section 5.03 to Investor Member that is not paid when due shall accrue interest at the rate of twelve percent (12%) per annum, until paid.

5.04 Withholding of Capital Contribution Upon Default. In the event that: (a) any financing commitment of the Lenders or any other lender, or any agreement entered into by the HTC Landlord for financing related to the Property, has terminated or is in default, (b) any event described in Section 8.12 herein has occurred, (c) foreclosure proceedings have been commenced against the Leasehold Interest or the Property or any portion thereof, (d) the Managing Member has not made its capital contribution to the HTC Landlord, in its capacity as managing member of the HTC Landlord, as required by the HTC Landlord Operating Agreement and pursuant to the Projections, or (e) any default exists under any of the Operating Documents, then the Company and the Managing Member shall be in default of this Agreement, and the Investor Member, at its sole election, may withhold payment of any Installment otherwise payable to the Company; provided, however, that if a payment of all or any portion of the then due Installment will cure the event justifying the withholding, then the Investor Member may pay such Installment otherwise payable if it is applied to cure such event. At the sole election of the Investor Member, it may directly apply all or any part of any unpaid Installment to cure the event justifying the withholding, including, without limitation, the failure of the Managing Member to make payments required under Sections 8.07 and/or 8.09.

Unless applied as set forth above, all amounts so withheld by the Investor Member under this Section 5.04 shall be promptly contributed to the Company only after the Managing Member or the Company has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member.

5.05 Subordinated Loans.

(a) The Managing Member shall have the right, but not the obligation, after funding all other obligations under this Agreement, including, without limitation, its obligation to fund Operating Deficits pursuant to Section 8.09 hereof, to make "Subordinated Loans" pursuant

to this Section 5.05(a) to fund Operating Deficits of the Company or to fund other reasonable and necessary obligations of the Company.

(b) At the request of a Member, which request may be made quarterly, any Subordinated Loan shall be evidenced by a non-negotiable promissory note or notes reflecting any such Subordinated Loans made during the preceding calendar quarter. Subordinated Loans shall be on the following terms: (i) interest shall accrue on Subordinated Loans at an annual interest rate equal to the Designated Prime Rate plus two percent (2%), compounded annually; and (ii) Subordinated Loans shall be repayable solely as set forth in Sections 11.01 and 11.04 of this Agreement. Subordinated Loans shall be unsecured loans. Subordinated Loans shall not be considered a part of a Member's Capital Contribution and shall not increase such Member's Capital Account.

ARTICLE 6.
CHANGES IN MANAGING MEMBER

6.01 Resignation of a Managing Member.

(a) A Managing Member may resign from the Company or sell, transfer or assign its Interest as Managing Member (or a Controlling Interest in the Managing Member) only with the Consent of the Investor Member, and of the Lenders, if required, and only after being given written approval by the necessary parties as provided in Section 6.02 of the Managing Member(s) to be substituted for it or to receive all or part of its Interest as Managing Member.

(b) In the event that a Managing Member resigns from the Company or sells, transfers or assigns its entire Interest in compliance with Section 6.01(a), it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member before such resignation, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Company from and after the time such resignation, sale, transfer or assignment shall have become effective. Notwithstanding the foregoing, such Managing Member shall continue to be liable with respect to its acts or omissions taken as the Partnership Representative of the Company after such resignation, sale, transfer or assignment is effective, other than notification of the IRS of its resignation as the Partnership Representative.

6.02 Admission and Appointment of a Successor or Additional Managing Member. A Person shall be admitted and appointed as a Managing Member of the Company only if the following terms and conditions are satisfied:

(a) the admission and appointment of such Person shall have been Consented to by Investor Member, and consented to, if required, by the Lenders;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement, by executing a counterpart thereof, and (ii) all the terms and provisions of the Operating Documents, to the extent applicable, by executing a counterpart thereof, and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission and appointment of such Person as a Managing Member, and an appropriate document evidencing the admission and appointment of such Person as a Managing Member shall have been filed, if required, and all other actions required by Section 1.05 in connection with such admission and appointment shall have been performed;

(c) if the successor or additional Person is a limited liability company or corporation, it shall have provided the Company with evidence satisfactory to Counsel for the Company of its authority to become a Managing Member, to do business in the State and to be bound by the terms and provisions of this Agreement; and

(d) Counsel, upon request of the Investor Member, shall have rendered an opinion that the admission and appointment of the successor or additional Person is in conformity with the Act and that none of the actions taken in connection with the admission and/or

appointment of such Person will cause the termination or dissolution of the Company or will cause it to be treated for federal income tax purposes as an association taxable as a corporation.

6.03 Effect of Bankruptcy, Death, Withdrawal, Dissolution or Incompetence of a Managing Member.

(a) In the event of the Bankruptcy of the Managing Member, the termination, resignation, death or dissolution of the Managing Member or the adjudication that a Managing Member is incompetent (which term shall include, but not be limited to, insanity), the business of the Company shall be continued by the other Members unless the Company is terminated as otherwise provided for herein.

(b) Upon the Bankruptcy, death, dissolution or adjudication of incompetence of a Managing Member, such Person shall immediately cease to be a Managing Member and its Interest if applicable shall, without further action, be converted to a Member's Interest until such time as the appointment and admission of a successor Managing Member hereunder, at which time such Interest (i) will be assigned to such replacement Managing Member and (ii) shall be ratably reduced to the extent necessary to insure that the remaining or substitute Managing Member holds a Percentage Interest equal to one percent (1%). Promptly thereafter, the Investor Member may appoint a successor Managing Member in the same manner as provided for in the event of termination of a Managing Member as described herein. The successor Managing Member shall have all rights and responsibilities of the Managing Member under this Agreement which arise following the date of appointment of such successor Managing Member. Until the Investor Member has appointed a successor Managing Member, the Investor Member shall have all rights and responsibilities of the Managing Member under this Agreement.

(c) A Managing Member that ceases to be a Managing Member in accordance with the provisions of this Section 6.03 shall cease to have any further rights under this Agreement, except as expressly set forth in this Section. A Managing Member that ceases to be a Managing Member in accordance with the provisions of this Section 6.03 shall (i) be entitled to reimbursement of expenses or any fees or compensation provided for in this Agreement arising or earned before ceasing to be a Managing Member, and (ii) remain liable for all of its obligations and liabilities as Managing Member that accrued before the date which the Managing Member ceased to be a Managing Member and for any acts or omissions taken as the Partnership Representative of the Company after such date, other than notification of the IRS of its resignation as the Partnership Representative. Any amounts payable by the Company to a Managing Member that ceases to be a Managing Member in accordance with the provisions of this Section 6.03 whether as reimbursements, payments on Subordinated Loans, or otherwise, may be applied by the Company to meet the Managing Member's obligations and liabilities (including any liability under any indemnification, but only obligations and liabilities incurred in its capacity as Managing Member) to the Company or the other Members, shall be deemed paid to the Managing Member, and such application shall serve to reduce any such obligations or liabilities of the Managing Member.

(d) If, at the time of termination, resignation, Bankruptcy, death, adjudication that a Managing Member is incompetent or dissolution of the Managing Member, the Managing Member was not the sole Managing Member, then the remaining Managing Member(s) shall

immediately (i) give Notice to the Investor Member of such termination, resignation, Bankruptcy, or dissolution and (ii) make such amendments to this Agreement and execute and file for recordation such amendments or documents or other instruments necessary to reflect that such Managing Member is no longer a Managing Member.

(e) All parties hereto hereby agree to take all actions and to execute all documents as shall be necessary or appropriate to effect the foregoing provisions of this Section 6.03.

(f) The Managing Member, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agrees that in the event the Managing Member should make application for or seek protection or relief under any of the Sections or Chapters of the United States Bankruptcy Code (the “Bankruptcy Code”), or in the event that any involuntary petition is filed against the Managing Member, then, in such event, any other Member shall thereupon be entitled to immediate relief from any automatic stay imposed by Section 362 of the Bankruptcy Code, or otherwise, on or against the exercise of the rights and remedies available to such Member pursuant to this Agreement, or otherwise. The foregoing shall in no way preclude, restrict or prevent the Managing Member from filing for protection under the Bankruptcy Code.

(g) The Members acknowledge and agree that this Agreement is a contract under which the Investor Member is excused from accepting performance from the Managing Member, its assignee or trustee, in the event that the Managing Member makes application for or seeks protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that an involuntary petition is filed against such Managing Member. The effect of this Paragraph shall be that this Agreement is hereby deemed to be subject to the exceptions to assumption and assignment of contracts set forth in Sections 365(c)(1) and 365(e)(2)(A) of the Bankruptcy Code and that the Investor Member, by its refusal to consent to an assumption or assignment of this Agreement by the Managing Member after the filing of a petition in bankruptcy by or against such Managing Member, shall be able to prevent such assumption or assignment.

(h) In the event that the Managing Member makes application for or seeks relief or protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that any involuntary petition is filed against said Managing Member, then, in such event, any Member may apply or move to the bankruptcy court in which such petition is filed for a change of venue to the bankruptcy court where the Company has its principal place of business, and the Managing Member hereby agrees not to oppose or object to such application or motion in any way.

ARTICLE 7.
ASSIGNMENT TO THE COMPANY

The Managing Member acknowledges that in consideration for its appointment as the Managing Member, it hereby transfers and assigns to the Company any and all of its rights, title and interest in and to the Leasehold Interest, including, without limitation, the following:

- (a) all contracts with respect to the operation of the Property;
- (b) all governmental approvals obtained in connection with the operations of the Property;
- (c) any Operating Documents and other work product related to the Leasehold Interest; and
- (d) The foregoing rights, title and interest are deemed to have no value for purposes hereof.

ARTICLE 8.
RIGHTS, OBLIGATIONS AND POWERS OF THE MANAGING MEMBER

8.01 Management of the Company.

(a) Except as otherwise set forth in this Agreement, the Managing Member, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Company for the purposes stated in Article III, shall make all decisions affecting the business of the Company and shall manage and control the affairs of the Company to the best of its ability and use its best efforts to carry out the purpose of the Company. In so doing, the Managing Member shall take all actions necessary or appropriate to protect the interests of the Investor Member and of the Company. The Managing Member shall devote such of its time as is necessary to the affairs of the Company. The Managing Member shall not be paid any compensation for serving as managing member.

(b) Except as otherwise set forth in this Agreement and subject to the applicable requirements of the Lenders and the provisions of the Operating Documents, the Managing Member (acting for and on behalf of the Company), in extension and not in limitation of the rights and powers given by law or by the other provisions of this Agreement, shall, in its sole discretion, have the full and entire right, power and authority in the management of the Company business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Company, including, without limitation, the power to execute and deliver, on behalf of the Company, the Operating Documents and any bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith. All decisions made for and on behalf of the Company by the Managing Member shall be binding upon the Company. No person dealing with the Managing Member within the authority granted under this Agreement shall be required to determine its authority to make any undertaking on behalf of the Company, nor to determine any facts or circumstances bearing upon the existence of such authority. The Managing Member shall take all actions on behalf of the Company which pertain to the acquisition of the Leasehold Interest, the admission of the Investor Member to the Company, the obtaining of the HTC Lease and the Company's investment in the HTC Landlord.

8.02 Limitations Upon the Authority of the Managing Member.

- (a) The Managing Member shall not have any authority to:
- (i) perform any act in violation of any Applicable Laws;
 - (ii) perform any act in violation of the provisions of any of the Operating Documents;
 - (iii) do any act required to be approved or ratified in writing by the Investor Member under the Act unless the right to do so is expressly given in this Agreement or written approval has been obtained;

(iv) borrow from the Company or commingle Company funds with funds of any other Person;

(v) Enter into any sublease that has a term that extends the term of the HTC Lease; or

(vi) terminate the HTC Lease while the Investor Member is a Member of the Company.

(b) The Managing Member shall not, without the Consent of the Investor Member, have any authority to and/or cause the Company to:

(i) sell, finance, refinance or otherwise dispose of all or substantially all of the assets of the Company, including the Leasehold Interest and any interest in the HTC Landlord; grant or refinance any mortgage (including any Leasehold Mortgage, which shall also require the consent of the Lenders in accordance with the relevant Project Loan Documents) or other indebtedness of the Company, or take any action that would give rise to an obligation by the Company or its Members to file a Reportable Transaction Disclosure Statement (Form 8886);

(ii) permit a disposition of the Leasehold Interest within the meaning of Section 50 of the Code, or take any action that would cause a Recapture/Disallowance Event;

(iii) supplement, replace, renew, cancel or amend any of the Operating Documents (including, without limitation, any change in the HTC Lease Payment);

(iv) incur debt in excess of \$25,000 in the aggregate at any one time outstanding on the general credit of the Company, except borrowings constituting Subordinated Loans or Operating Deficit Loans, or which are provided for in an approved Budget, if any;

(v) undertake or permit any rehabilitation, repairs or other work on the Building or construct any new or replacement capital improvements on the Property which (I) substantially alter the Property or its use, (ii) violate any Historic Approvals, or (III) involves cost in excess of \$25,000 in a single Company Fiscal Year;

(vi) acquire any real property in addition to the Leasehold Interest;

(vii) make any filing to begin Bankruptcy proceedings on behalf of the Company or confess any judgment against the Company;

(viii) make application(s) for or accept any grant funds on behalf of the Company regardless of the source of the grant; provided, that Investor Member's Consent shall not be unreasonably withheld, conditioned, or delayed;

(ix) other than obtaining the Bridge Loan on or about the date hereof, pledge or assign any of the assets of the Company, including the right to receive the Investor Member's Capital Contribution or the proceeds thereof;

(x) (A) consent to (or cause or permit the Company to consent to) the commencement of litigation by or defense of litigation against the Company or Managing Member, (B) on a per claim basis, consent to (or cause or permit the Company to consent to) (1) the settlement, compromise, mediation or other relinquishment of any litigation or other claim (actual or perspective) against the Company that is not covered by insurance, (2) dismissal of any litigation or arbitration matter against the Company that is not covered by insurance, (3) release, waiver or diminishment of any material Company rights in any litigation or arbitration matter involving a claim in excess of \$50,000, or (4) confession of a judgment, or (C) on a per claim basis, consent to the settlement or dismissal of litigation brought by the Company.

(xi) change the nature of the Company's business;

(xii) dissolve and wind up the Company;

(xiii) permit the merger or termination of the Company;

(xiv) take any action or fail to take any action that causes or is likely to cause the Building to be delisted from the National Register of Historic Places or to be certified as noncontributing to the historic district in which it is located, as applicable, or revocation of the Part 3 Approval;

(xv) grant or request on behalf of the Company any approval or consent provided for in the Operating Documents, or permit any amendments to any of the Operating Documents;

(xvi) take any action or fail to take any action that would prevent the Historic Tax Credits from being passed through to the Company pursuant to the HTC Lease, including, without limitation, any action that would be required to maintain compliance with the Safe Harbor;

(xvii) guarantee the indebtedness of any Person;

(xviii) confess any judgment against the Company, or commence litigation on behalf of the Company, except for tenant eviction matters in the normal course of business, or compromise any claim or liability owed by the Company or consent to a settlement with respect to any claim, lawsuit or other legal or administrative proceeding involving the Company as a party;

(xix) effect a sale, transfer, assignment, pledge, hypothecation or other disposition, of all or any portion of the Company's interest in the HTC Landlord Interest;

(xx) submit or permit HTC Landlord to submit to National Park Service and/or SHPO any amendment to the Part 2 Approval in effect as of the Admission Date;

(xxi) engage in transactions in which the Managing Member or an Affiliate of the Managing Member has an actual or potential conflict of interest with any Investor Member or the Company and which could have a material adverse effect on the Company or its Leasehold Interest in and to the Project;

(xxii) except as otherwise set forth in the HTC Lease, cause or permit the Company to enter into any contract or agreement with the Managing Member or any Affiliate of any Managing Member;

(xxiii) make any expenditures (or series of expenditures) which would cause actual Operating Expenses to exceed total Operating Expenses reflected in an approved Budget by more than five percent (5%) for any calendar year;

(xxiv) change any accounting method or practice of the Company in any manner that would materially adversely impact any Investor Member or the Company or replace the Accountants;

(xxv) other than obtaining the Bridge Loan on or about the date hereof, give any approval for or consent to HTC Landlord borrowing any loans or otherwise obtaining, modifying, or extending any financing, including, without limitation, any refinancing or replacement of the Bridge Loan; provided, that Investor Member's Consent shall not be unreasonably withheld, conditioned, or delayed;

(xxvi) take any action which would cause the Company to make, or be obligated to make, an equity investment in any Person (other than HTC Landlord);

(xxvii) take any action which would cause the termination of the Company for federal income tax purposes or dissolution of the Company for state law purposes;

(xxviii) sublease as an entirety the Property or enter into Commercial Subleases of the Property without the Consent of the Investor Member;

(xxix) admit any Person as a Member, except as otherwise provided in this Agreement;

(xxx) breach any representation, warranty, or covenant of Managing Member contained herein;

(xxxi) take any action and/or direct HTC Landlord to take any action in connection with any audit of HTC Landlord as contemplated under Section [6.8(d)] of the HTC Lease;

(xxxii) take any action or engage in any discussions and negotiations with the National Park Service as contemplated under Section [6.8(e)] of the HTC Lease; or

(xxxiii) take any action for which the Consent of the Investor Member is required under the HTC Lease or any other provision of this Agreement without obtaining such Consent in each such instance.

8.03 Management Purposes; Fiduciary Duty.

(a) In conducting the business of the Company, the Managing Member shall be bound by the Company's purpose(s) set forth in Article III.

(b) The Managing Member shall have a fiduciary responsibility to the Investor Member for the safekeeping and use of all real and personal property owned by the Company ("Company Property"), whether or not in its immediate possession or control, and shall not use or dispose of Company Property in any manner except for the Company's exclusive benefit. Except as otherwise specifically provided in this Agreement, the Managing Member shall not contract away its fiduciary duties under the common law of agency.

8.04 Delegation of Authority. The Managing Member may delegate all or any of its powers, rights and obligations hereunder, and may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Company, which Person may, under supervision of the Managing Member, perform any acts or services for the Company as the Managing Member may approve. No such delegation or other action described herein shall (i) relieve the Managing Member of its obligations and responsibilities to ensure the proper management of the Company and the Project or (ii) relieve the Managing Member of its obligations under this Agreement.

8.05 Developer Entity Dealings with the Company.

(a) A Developer Entity may act as developer or property manager on terms and conditions permitted by the Investor Member and each of the Lenders, if applicable, on such terms and conditions and may receive compensation in each case meeting the standards set forth in Section 8.05(b).

(b) Neither the Company nor the Managing Member shall enter into any agreement with any Developer Entity for the sale of goods or services to the Company not specifically provided for in this Agreement or contemplated in the Projections without the Consent of Investor Member.

Any contract covering such transactions shall be in writing and shall be terminable without penalty on ninety (90) days' Notice. Any payment made to a Developer Entity for such goods or services shall be fully disclosed to the Investor Member in the reports required under Section 13.04. The Company shall not, by the making of lump-sum payments to any Person for disbursement by such Person, circumvent the provisions of this Section 8.05(b).

Notwithstanding the foregoing, the Investor Member hereby consents to the HTC Lease, the HTC Landlord Operating Agreement, and the Property Management Agreement in the forms executed at Initial Closing.

8.06 Other Activities. The Investor Member, its members and Affiliates may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as a member of other limited liability companies which own, either directly or through interests in other limited liability companies, projects similar to the

Property. Neither the Company nor any other Member shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

8.07 Liability for Acts and Omissions.

(a) No Managing Member shall be liable, responsible or accountable in damages or otherwise to any of the Members for any act or omission performed or omitted by it in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interest of the Company, except that the Managing Member shall be liable for, and shall indemnify, defend, and hold harmless the Company and Investor Member from and against any loss, liability, damage, cost or expense (including reasonable attorneys' fees) arising out of, its actions and/or omissions to the extent they are attributable to a Manager Breach or actions performed outside the scope of its authority, and further provided that this will not affect the Managing Member's guaranties and obligations hereunder, which remain in full force and effect, unaffected by this provision. Any loss or damage incurred by the Managing Member by reason of any act or omission performed or omitted by it in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority granted to it by this Agreement and in the best interests of the Company (but not, in any event, any loss or damage incurred by any Managing Member by reason of a Manager Breach) shall be paid from Company assets to the extent available (but the Investor Member shall not have any personal liability to the Managing Member under any circumstances on account of any such loss or damage incurred by the Managing Member or on account of the payment thereof).

(b) The Managing Member shall indemnify, defend and hold harmless the Investor Member and the Company (and the Company shall indemnify, defend and hold harmless the Investor Member) from and against any actual loss, liability, damage, cost or expense (including reasonable attorneys' fees) to the extent that the Managing Member's (including its employees and/or agents) acts and/or omissions constituted a Manager Breach and such breach had a material adverse effect on the Company or the Investor Member.

(c) In connection therewith and not in way of limitation of the above, the Managing Member shall be obligated to pay damages to Investor Member at the time provided in the following sentence if (i) Managing Member fails to satisfy its duties and obligations with respect to Section 4.02(c)(v)², (ii) Managing Member fails to satisfy its duties and obligations with respect to Section 4.02(c)(vi)³, (iii) any Developer Entity fails to obtain and maintain casualty insurance as required by the Operating Documents, (iv) an event of Bankruptcy has occurred with respect to any Developer Entity prior to the Credit Commencement Date (v) at least 70% of the Projected Historic Tax Credits projected to be delivered within the 2027 taxable year as set forth in the Projections have not been delivered on or as of the Cut-Off Date, (vi) prior to the Credit Commencement Date, the occurrence of an event under Section 5.04(a) or 5.04(b)⁴, (vii) the

² Substantial completion by the substantial completion date

³ Part 3 Approval within twelve (12) months of Placement in Service

⁴ a) any financing commitment of the Lenders or any other lender, or any agreement entered into by the HTC Landlord for financing related to the Property, has terminated or is in default, (b) any event described in Section 8.12 herein has occurred

occurrence of any Bad Acts, or (viii) the occurrence of an Adverse Change of Law prior to the Credit Commencement Date (each a “Critical Event”); provided, that Investor Member shall have the sole and exclusive right to extend any date that triggers a Critical Event. Upon the occurrence of any of the Critical Events, the Managing Member shall, within ten (10) calendar days thereafter, give Notice to the Investor Member of the occurrence of such Critical Event and of the Managing Member’s obligation to pay damages to Investor Member. The Investor Member may by Notice to the Managing Member at any time after becoming aware of the events specified herein, regardless of whether the Managing Member has complied with the ten (10) calendar day Notice requirement described herein, elect to require the Managing Member to pay damages to the Investor Member in an amount equal to 100% of the Investor Member’s Capital Contributions paid to such date plus interest thereon at the lower of (1) twelve percent (12%) or (2) the maximum interest rate allowed by law, in each event compounded annually, from the date the capital is contributed until the date payment is made hereunder, plus (ii) reasonable costs and expenses incurred by the Investor Member related to such events (the “Damages Payment”). The Managing Member shall make the Damages Payment to the Investor Member within ten (10) calendar days after receipt of Notice from the Investor Member of the occurrence of one of the events described in this Section 8.07 and shall indemnify the Investor Member, and hold it harmless from and against, any and all claims or other liability arising respecting the occurrence of the Critical Events. Any Damages Payment not made when due shall accrue interest at the rate of twelve percent (12%) per annum, until paid. In connection with the payment of any Damages Payment, the Managing Member may, in its sole and absolute discretion, make an additional contribution to the Company, and Company shall distribute said additional contribution to the Investor Member to cause the conditions to the Flip Date to be satisfied.

(d) Without limiting the generality of the foregoing the Managing Member shall indemnify, defend and hold harmless the Investor Member and the Company (and the Company shall indemnify, defend and hold harmless the Investor Member) from and against any actual loss, liability, damage, cost or expense (including reasonable attorneys’ fees) from a Recapture/Disallowance Event. Subject to Section 5.03(c), if a Recapture/Disallowance occurs prior to the time the Investor Member has paid in its Capital Contribution in full, the amount of the next succeeding Installment (and any Installment(s) thereafter if necessary) of the Investor Member shall be reduced by the Recapture/Disallowance Adjustment Amount, as applicable. If the Recapture/Disallowance Adjustment Amount exceeds the amount of the remaining Installments, no further Installments remain to be contributed, or the reduction in Installments is limited by Section 5.03(c), then the difference between the Recapture/Disallowance Adjustment Amount, as applicable, and the amount by which such Installment(s) were reduced, shall be (i) be treated as a Credit Recovery Adjustment and (ii) Managing Member shall be obligated to make an indemnification payment to Investor Member in such amount and Guarantor under the Guaranty, shall guarantee the payment of such amount to Investor Member. Payment of such amount shall not relieve Managing Member from the payment of any other indemnification obligation that it may have to Investor Member under this Section 8.07. Any amounts not paid within thirty (30) days of written demand shall bear interest at an annual interest rate equal to the lower of (1) twelve percent (12%) or (2) the maximum interest rate allowed by law,

(e) The Managing Member shall indemnify, defend and hold harmless the Investor Member from and against any loss, liability, damage, cost or expense (including reasonable

attorneys' fees) for any Transfer Taxes (as hereinafter defined) incurred by the Investor Member as a result of the Investor Member's admission to, or becoming a Member of, the Company or the exercise of the Investor Member's rights under Article XIV hereof. As used herein, "Transfer Taxes" means any real property transfer taxes assessed by or within the State or the city or county in which the Property is located, including, without limitation, any such taxes imposed on the transfer of an interest in an entity that owns real property.

(f) The indemnification rights contained in this Section 8.07 shall (i) be joint and several recourse obligations of the Managing Members (if more than one); (ii) survive dissolution of the Company, the withdrawal, removal, incompetence, bankruptcy or insolvency of the Managing Member and the withdrawal, insolvency, dissolution or bankruptcy of the Investor Member; and (iii) be cumulative of and in addition to any and all rights, remedies and recourses to which the Investor Member shall be entitled, whether pursuant to the provisions of this Agreement, at law or in equity.

8.08 Company Taxable as Partnership.

(a) The Managing Member shall take such steps and comply with such other requirements as may from time to time be necessary to assure that all provisions of the Code (as now or hereafter interpreted by the IRS or the courts) are met that are necessary to assure that the Company is classified as a partnership for federal income tax purposes.

(b) Upon request, the Managing Member shall deliver to the Investor Member financial statements or other evidence reasonably satisfactory to the Investor Member of compliance with the requirements with Section 8.08(a). If the Managing Member is unable to comply with the requirements of Section 8.08(a) then, at the request of the Investor Member, and subject to Section 6.01, an additional or substitute Managing Member shall be admitted who shall cause the Managing Member to be in compliance with Section 8.08(a).

8.09 Operating Deficits. In the event that an Operating Deficit exists during the Initial Operating Period, the Managing Member shall provide such funds to the Company as shall be necessary to pay such Operating Deficit(s) in the form of a loan to the Company (the "Operating Deficit Loan(s)"). The Managing Member shall make Operating Deficit Loans in such amounts and at such intervals so as to allow the Company to cover accrued accounts payable on a 60-day current basis. An Operating Deficit Loan shall be treated as if it were a Subordinated Loan in accordance with the provisions of Section 5.05(b); provided, however, that an Operating Deficit Loan shall bear no interest, and shall be repaid only if the Managing Member is not in default with respect to its obligations under this Agreement.

8.10 Net Interim Income. Any Net Interim Income will be used to pay the Priority Return during the Property Development Period and, with the Consent of the Investor Member, any remaining Net Interim Income shall be added to Net Cash Flow for the first Company Fiscal Year in which Net Cash Flow is to be determined.

8.11 Withholding of Fee Payments. Without limitation on any other provision in this Agreement, upon the occurrence of any of the events described in Section 5.04, then the Managing Member shall be in default of this Agreement, and the Company shall withhold payment of any

amounts otherwise payable to Managing Member hereunder until such time as such default shall have been cured; provided, however, that if a payment of all or any portion of such amounts then otherwise due would cure the event justifying the withholding, then the Company shall pay such amounts otherwise payable if it is applied to cure such event.

8.12 Removal of the Managing Member.

(a) The Investor Member, shall have the right to remove the Managing Member subject to Section 8.12(b):

- (i) for any Manager Breach; or
- (ii) upon the occurrence of any of the following:

(A) the Company or any Developer Entity shall have violated any provisions of any of the Operating Documents or any Applicable Laws, any of which has a material, adverse impact on the Company, the Investor Member, its members or Affiliates, or the Property;

(B) the Managing Member or the HTC Landlord shall have caused or suffered the Project Loans to go into default and such default shall not have been cured within any applicable notice and cure period under the Project Loan Documents;

(C) the Managing Member shall have conducted its own affairs or the affairs of the Company in such manner as would:

- (1) cause the Company to fail to qualify as a limited liability company under the Act;
- (2) cause the termination of the Company for federal income tax purposes;
- (3) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation;
- (4) cause non-compliance with the Safe Harbor; or
- (5) cause a Recapture/Disallowance Event.

(D) an event of Bankruptcy shall have occurred with respect to the Company or any Developer Entity; or there shall have occurred the liquidation or dissolution of any corporate Guarantor; or the death of an individual Guarantor, but then only if the personal representative of such Guarantor shall have failed to timely reach a binding agreement with the Company as provided for in the Guaranty;

(E) any of the events specified in subparagraphs (A)-(E) immediately above have occurred with respect to any Developer Entity in which any Affiliate of the Investor Member is an investor;

(F) the Managing Member shall have been removed as the managing member of the HTC Landlord;

(G) failure of the Managing Member to comply or cause the Company to comply with its obligations under the HTC Landlord Operating Agreement, and such failure shall not have been cured within any applicable cure period;

(H) unless the Managing Member or the Guarantors have funded Operating Deficits when and as required herein, if net operating income for any Company Fiscal Year is less than seventy five percent (75%) of the projected net operating income for such year (as set forth in the Budget) for two (2) consecutive years;

(I) the HTC Lease shall have terminated prior to the expiration of its term for any reason other than a default by the Company attributable to a default by the Investor Member hereunder; or

(J) any event of default by any Guarantor pursuant to the terms of the Guaranty, unless otherwise satisfied as provided for therein.

(b) The Investor Member shall give Notice to all Members of its determination that the Managing Member shall be removed. The Managing Member shall have the lesser of (1) thirty (30) days after receipt of such Notice or (2) the cure period applicable to the event of default as determined by the operative document, to cure any default or other reason for such removal (if susceptible to cure); provided, however, that if upon the expiration of said thirty (30) day period, the Managing Member shall not have cured such default and, if in the reasonable judgment of the Investor Member, (x) the Managing Member has made reasonable progress towards cure, and (y) the default was not capable of being cured within said thirty (30) day period, then unless and to the extent the nature of the default is such that there is a likelihood of material loss, liability or prejudice to the Investor Member its members or Affiliates from any such delay in removal, the Managing Members shall have thirty (30) additional days in which to cure any such default, in which event it shall remain as Managing Member; provided, further, that (i) the foregoing initial thirty (30) day cure period shall not apply in the case of Bad Acts or an event under Section 8.12(a)(ii)(D), or in the event of any failure or violation that constitutes an event of default as defined in the HTC Lease and as to which no cure period is provided to the Company or if the cure period is shorter than thirty (30) days; and (ii) the aforesaid cure period shall commence as provided above, but in any event shall be deemed to commence simultaneously with the cure period provided in any Project Loan Document and to terminate in one-half of the time for cure set forth in such Project Loan Document. If the default or other cause for removal shall not be susceptible to cure or shall not have been cured within any applicable cure period, the Managing Member shall cease to be a Managing Member and shall automatically be removed as a Managing

Member, and the powers and authorities conferred on it as Managing Member under this Agreement shall cease.

(c) Following the removal of the Managing Member pursuant to Section 8.12(b), and upon written notice to the Managing Member and the Bridge Lender, the following provisions shall apply:

(i) the Company shall pay to the Managing Member an amount equal to the sum of (i) \$100, and (ii) the principal balance and any accrued but unpaid interest on any Operating Deficit Loans, minus (i) an amount equal to any loss or damage suffered by the Company or the Investor Member as a result of the breach or occurrence creating the right of the Investor Member to remove the Managing Member (including, without limitation, any transfer taxes owed by the Company that are triggered by the removal) and (ii) any other amounts owed by the Managing Member to either the Company or Investor Member.

(ii) In the event of the removal of any Managing Member pursuant to the provisions of this Section 8.12(c), any amounts due to the Managing Member pursuant to the provisions of Section 8.12(c)(i) shall be payable from the proceeds of a Capital Transaction after payments made under [Section 11.04(f)]; provided, that any fee, loan proceeds or distribution that would otherwise be paid or distributed to the removed Managing Member under this Section 8.12(c) at any time when a payment is owed to the Investor Member by the removed Managing Member or the Guarantor, shall be paid to the Investor Member to the extent of the amount owed and applied to such amount. The obligation of the Company to make payments to the Managing Member shall be evidenced by a negotiable nonrecourse unsecured non-interest bearing promissory note issued by the Company.

(iii) The Company's sole liability to the removed Managing Member shall be the amount due under Section 8.12(c)(i) above and the Company shall be completely released from all other liability to the removed Managing Member and any other Developer Entities generally and to any others to whom any distribution, loan, fee or other payments are to be made hereunder. Concurrently with, and as a condition to, the delivery of the note described under Section 8.12(c)(ii) above, the Managing Member shall provide the Company and the Investor Member (the "Released Parties") with additional written releases from the Managing Member (and any other Developer Entity to whom obligations of any kind are owed by any of the Released Parties or any of their Affiliates) confirming such releases.

(iv) Upon the removal of any Managing Member under this Section 8.12(c), the Managing Member shall have no further interest in the Company and shall be relieved of all of its future obligations to the Company except that the removed Managing Member shall not be released from any liabilities to the Company or Investor Member hereunder from any action or omission to act of the Managing Member prior to its removal.

(v) In the event of the removal of any Managing Member pursuant to the provisions of this Section 8.12(c), the Investor Member may designate a Person or

Persons to become the successor Managing Member or Members replacing the removed Managing Member. Each Member hereby irrevocably appoints the Investor Member (with full power of substitution) as the attorney-in-fact of such Member for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Articles necessary or appropriate to confirm the foregoing.

(d) The Investor Member hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Members and the Company as shall be legally necessary and sufficient to effect all of the foregoing provisions of this Section 8.12. The election by the Investor Member to remove the Managing Member under this Section shall not limit or restrict the availability and use of any other remedy or action which the Investor Member or any other Member might have with respect to the Managing Member in connection with their undertakings and responsibilities under this Agreement. Nothing in this Section 8.12 shall reduce or otherwise limit the rights, remedies or other actions available to the Investor Member against the removed Managing Member.

8.13 Reserves. The Managing Member shall (a) cause the Company to establish an operating reserve (the “Operating Reserve”) in the amount of \$[2,069,641] to fund Operating Deficits to the extent approved by Investor Member, which reserve shall be funded on the Admission Date and (b) cause the Company to establish and maintain a replacement reserve (the “Replacement Reserve”) to be funded in the amount of \$.20 per commercial square foot and \$250 per residential unit per year from Net Cash Flow as set forth in Section 11.01(a)([iv])⁵ to be applied to the cost of Repairs (as defined in the HTC Lease) upon receipt of reasonable evidence of such Repairs delivered by Managing Member, and (c) cause all other Reserves required to be maintained hereunder or pursuant to the Operating Documents to be so maintained. Without the Consent of the Investor Member, the Company shall not release funds from the Operating Reserve, except that, to the extent the Second Installment is deposited into the Operating Reserve, an amount equal to the Second Installment may be withdrawn from the Operating Reserve to fund a capital contribution into HTC Landlord as required under the HTC Landlord Operating Agreement.

8.14 Property Manager.

(a) The Company may engage, and if requested by Investor Member, shall engage, a Property Manager subject to the Property Management Agreement Requirements below and the rights of Investor Member set forth in Section 8.15(a) below.

(b) Each Property Management Agreement shall be subject to the following requirements (the “Property Management Agreement Requirements”: (i) the fees paid under any such agreement shall be no greater than that which would be charged by an unrelated third party in an arm’s-length transaction for the services to be provided to the Company and the Project pursuant to such agreement, and, unless otherwise approved in writing by Investor Member, such fees, together with any other fees to be paid pursuant to any existing Property Management Agreements, will not exceed either the amounts anticipated to be paid for such services in the Projections or in any approved Budget for the period covered by such Budget, (ii) such agreement,

⁵ Per term sheet.

the economic terms thereof and any property management plan produced in connection therewith shall have been approved by the Lenders if required pursuant to the terms of any Project Loan Documents and by any other party holding approval rights with respect thereto, (iii) unless otherwise approved in writing by Investor Member, such agreement shall be cancellable upon thirty (30) days prior written notice without payment of a fee or penalty or such Agreement shall contain termination rights for each of the Property Management Termination Events set forth in Section 8.15 below, such cancellation or termination to be exercisable by the Managing Member or Investor Member on behalf of the Company, (iv) if the property manager under such agreement is or becomes an Affiliate of the Managing Member or any Developer Entity, then (A) unless otherwise approved in writing by Investor Member, the agreement must require a subordination of fees, with such subordinated fees to be payable from Net Cash Flow consistent with the definition of and calculation of Net Cash Flow and the distribution of Net Cash Flow pursuant to Section 11.01(a) herein, and (B) the fees payable under such proposed property management agreement shall have been confirmed in writing by a qualified, independent third party at arms' length, which written report shall be subject to the Consent of Investor Member in its sole discretion, (v) the proposed property manager shall be subject to the prior written Consent of Investor Member, provided, that if the proposed property manager is an Affiliate of the Managing Member or any Developer Entity, such approval may be withheld by Investor Member in its sole discretion, and (vi) subject to the other requirements in this paragraph, the form and substance of such agreement shall be subject to prior written Consent of Investor Member.

(c) With respect to any Property Management Agreement which exists on the date hereof, and upon the execution of any Property Management Agreement by the Company after the date hereof, the Managing Member shall be deemed to have represented and warranted to the Investor Member that (a) the Company has received all necessary approvals with respect to the entry into such Property Management Agreement by the Company, and (b) the fees payable under such Property Management Agreement are no greater than that which would be charged by an unrelated third party in an arm's-length transaction for the services to be provided to the Company and the Project pursuant to such agreement.

8.15 Termination of Property Management Agreement.

(a) The Managing Member (i) upon receiving the prior written Consent of Investor Member and any required approval of the Lenders, may terminate a Property Management Agreement, and (ii) at the request of Investor Member, shall terminate a Property Management Agreement if a Property Management Termination Event has occurred. If the Managing Member fails to terminate any Property Management Agreement requested by Investor Member following the occurrence of a Property Management Termination Event, Investor Member, at its sole election, shall have the right on behalf of the Company to terminate such Property Management Agreement and, at its sole election, enter into a property management agreement with an Affiliate of Investor Member or other Person acceptable to Investor Member (subject to the approval of the Lenders, if required).

(b) As used herein, a "Property Management Termination Event" shall exist upon the occurrence of any of the following: (i) the Property Manager is declared Bankrupt, is dissolved, or makes an assignment for the benefit of its creditors; (ii) the Property Manager commits any fraud, gross negligence or any intentional misconduct; (iii) the Property Manager

fails to exercise reasonable care in the discharge of its duties and obligations as Property Manager, including, without limitation, any action or failure to take any action by the Property Manager which: (A) violates in any material respect any provision of the Property Management Agreement, or any material requirement of any of the Operating Documents or HTC Landlord-approved management plan for the Property, if any, which violation has not been cured within any applicable notice and cure period; (B) violates in any material respect any Applicable Laws; (C) causes the Property to be operated in a manner which if continued would give rise to a Recapture/Disallowance Event; or (D) violates any provision of Section 13.04 of this Agreement, which violation has not been cured within any applicable notice and cure period; (iv) the Managing Member fails or refuses to fund Operating Deficits when and as required herein; or (v) the Managing Member is removed as Managing Member pursuant to this Agreement.

8.16 Loans to the Company. The Company is authorized to receive Operating Deficit Loans and Subordinated Loans on the terms set forth in this Agreement. In addition, if (i) additional funds are required by the Company for any purpose relating to the business of the Company or for any of its obligations, expenses, costs or expenditures, and (ii) the Company has not received an Operating Deficit Loan, or Subordinated Loan to pay such amounts, then the Company may borrow such funds as are needed from a Person or organization, other than a Developer Entity, in accordance with the terms of this Section 8.16, for such period of time and on such terms as the Managing Member and the Investor Member may agree; provided, however, that no such additional loans shall be secured by any mortgage or other encumbrance on the property of the Company without the Consent of the Investor Member except that such Consent shall not be required in the case of the hypothecation of personal property purchased by the Company and not included in the security agreements executed by the Company at the time of Admission Date. Nothing in this Section 8.16 shall modify or affect the obligation of the Managing Member to make Operating Deficit Loans and to perform its obligations when and as required by this Agreement.

8.17 Operating Budget and Capital Budget. With respect to each Company Fiscal Year commencing on or after January 1, 2028, the annual operating budget and the capital budget for the Property (the “Budget”) shall be prepared by the Managing Member and submitted to the Investor Member for its review within sixty (60) days prior to the start of such Company Fiscal Year, with any such proposed Budget subject to the Consent of the Investor Member before it becomes effective. With respect to the Company Fiscal Year ending December 31, 2027, the Budget shall be prepared by the Managing Member and submitted to the Investor Member for its review within sixty (60) days prior to the commencement of operations. Such Budget shall specifically provide for all budget expenses in all major categories, including, without limitation, administration, operation, repairs and maintenance, utilities, capital improvements, Taxes, insurance, interest and all budgeted expenses which are to be paid to any Developer Entity. The review and approval of the Budget by the Investor Member, or its objections to the Budget, shall be made and delivered to the Managing Member within thirty (30) days of the Investor Member’s receipt of the proposed Budget. After commencement of the Company Fiscal Year covered by such Budget, the Managing Member shall notify the Investor Member in writing of any proposed modification in the allocation of funds among the specific categories in the Budget approved by the Investor Member by more than (i) the greater of 10% or \$2,500 in any category, or (ii) more than 5% of the overall Budget.

8.18 Investor Member's Rights Following a Manager Breach.

(a) Following a Manager Breach, and in addition to any other rights granted to the Investor Member pursuant to the terms hereof, the Investor Member and its employees, agents, counsel and other representatives (collectively, the "Representatives"), in the sole and absolute discretion of the Investor Member shall be authorized and directed by the Company and the Managing Member to (i) enter into discussions, negotiations or other communications with any representative, agent, servicer or other party representing any Lender, whether or not accompanied by the Managing Member, and without liability or obligation of any kind; (ii) terminate such discussions, negotiations or other communications with any Lender, at any time, without notice to the Managing Member and without liability or obligation of any kind; and (iii) disclose to any other party any information in their possession relating to the Project, as they deem appropriate. The Company and the Managing Member waive and release all rights, remedies, and other recourse of any nature that they may have against the Investor Member or its Representatives in respect of any discussions, negotiations or other communications described in this Section 8.18, including, without limitation, any rights, remedies and other recourse of any nature arising from the disclosure by the Investor Member or its Representatives of any proprietary or confidential information relating to the Project.

(b) Following a Manager Breach, and in addition to any other rights granted to the Investor Member pursuant to this Agreement, the Investor Member, in its sole and absolute discretion, shall be authorized and directed by the Managing Member and the Company to exercise the rights of the Company pursuant to Section 6.8(d) or 6.8(e) of the HTC Lease. The Managing Member and the Company waive any claims or defenses related to the Investor Member's direction of the Company pursuant to this Section 8.18. Each Member hereby irrevocably appoints the Investor Member (with full power of substitution) as the attorney-in-fact of such Member for the purpose of executing, acknowledging or sending any notices or demands of the Company necessary or appropriate to the exercise of the rights and powers granted by this Section 8.18.

(c) Each Member hereby acknowledges and agrees that if the Investor Member exercises any of the rights and remedies set forth in this Section 8.18, such exercise shall not be deemed a waiver by the Investor Member of any defaults, breach or violation, which may exist at the time of such exercise, including, without limitation, a Manager Breach.

ARTICLE 9.

TRANSFERS OF, AND RESTRICTIONS ON TRANSFERS OF INTERESTS OF INVESTOR MEMBER

9.01 Purchase for Investment.

(a) The Investor Member hereby represents and warrants to the Managing Member, to the Company and to any other Investor Member that the acquisition of its Interest is made as principal for its account for investment purposes only and not with a view to the resale or distribution of such Interest, except insofar as Applicable Securities Laws permit such acquisitions to be made for the account of others or with a view to the resale or distribution of such Interest

without requiring that such Interest, or the acquisition, resale or distribution thereof, be registered under Applicable Securities Laws.

(b) Except for any transfer pursuant to Section 14.01 or permitted pursuant to Section 9.02, the Investor Member agrees that it will not sell, assign or otherwise transfer its Interest or any fraction thereof to any Person who does not similarly represent and warrant and similarly agree not to sell, assign or transfer such Interest or fraction thereof to any Person who does not similarly represent and warrant and agree. Any transfer of interests of the Investor Member to a non-affiliate shall be subject to approval by Bridge Lender.

9.02 Restrictions on Transfer of Investor Member's Interest.

(a) The offer, sale, transfer, assignment, hypothecation or pledge of any Interest of the Investor Member (or portion thereof) to (i) any Affiliate of the Investor Member (an "Affiliate Transferee") or (ii) any other entity if Investor Member remains obligated to fund the Capital Contribution Installments described herein without regard to such transfer (an "Approved Transferee") shall be permitted without the Managing Member's Consent. Any other offer, sale, transfer, assignment, by hypothecation or pledge of any Interest of the Investor Member, or any offer, sale, transfer, assignment, hypothecation or pledge of any Interest by any other Investor Member shall be subject to the Consent of the Managing Member in its reasonable discretion.

(b) The Investor Member whose Interest is being transferred shall pay such reasonable expenses as may be incurred by the Company in connection with such transfer.

(c) Nothing in this Section 9.02 shall limit the authority of any member of the Investor Member to offer, sell, transfer or assign any interests within such member of the Investor Member in such member's sole discretion.

9.03 Admission of Substitute Investor Member.

(a) Subject to the other provisions of this Article IX, an assignee of all or a portion of the Interest of an Investor Member (which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Investor Member of the Company only upon the satisfactory completion of the following:

(i) each assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing a counterpart thereof or an appropriate amendment hereto, and such other documents or instruments as the Managing Member may require in order to effect the admission of each such Person as an Investor Member;

(ii) an amended Agreement and/or Articles evidencing the admission, if necessary, of each such Person as an Investor Member shall have been filed for recording, if necessary, pursuant to the requirements to the Act;

(iii) each assignee shall have represented and agreed in writing as required by Section 9.01;

(iv) if any assignee is a corporation, the assignee shall have provided the Managing Member with evidence satisfactory to Counsel of its authority to become an Investor Member under the terms and provisions of this Agreement; and

(v) each assignee or the assignor shall have reimbursed the Company for all reasonable expenses, including all reasonable legal fees and recording charges, incurred by the Company in connection with such assignment.

(b) For the purpose of allocation of Profits or Losses and credits, and for the purpose of distributing Net Cash Flow of the Company, a Substitute Investor Member shall be treated as having become, and as appearing in, the records of the Company as a Member following satisfaction of the requirements of Section 9.02(a) and upon its signing of an amendment to this Agreement, agreeing to be bound hereby.

(c) The Managing Member covenants and agrees that it will take all actions reasonably necessary (or requested by the Investor Member) to cooperate with the Investor Member to facilitate the Investor Member's disposition or transfer of its Interest and/or the receipt of such consents, including, without limitation, delivering an updated legal opinion, providing financial statements, information, and reports with respect to the Managing Member, Guarantor, and or the Company and reaffirming the accuracy of the representations and covenants set forth in this Agreement. If the approval of any lender, U.S. Department of Housing and Urban Development, or Governmental Authority is required pursuant to the terms of the Operating Documents, the Managing Member covenants and agrees that it will take all actions requested by Investor Member to cooperate with Investor Member to obtain and deliver such approvals to Investor Member. Investor Member and its members are authorized to update UCC, judgment and tax lien searches with respect to the HTC Landlord, the Company and its members and to disclose such information to potential transferees and to initiate contact (and take any other actions needed to obtain required consents) with any lender or third-party whose consent to such disposition is required.

(d) The Managing Member shall cooperate with each Person seeking to become a Substitute Investor Member by preparing the documentation required by this Section and making any official filings and publications. The Managing Member shall cause the Company to take all such action, including the filing of any amended Agreement and/or Articles evidencing the admission of any Person as an Investor Member, if required, and the making of any other official filings and publications, if required, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Member of the conditions contained in this Article IX to the admission of each such Person as an Investor Member of the Company. Any cost or expense incurred in connection with such admission shall be borne by each Substitute Investor Member.

(e) The Investor Member has not acquired its interest in the Company with the intent of abandoning the interest after completion of the Rehabilitation.

(f) Notwithstanding anything to the contrary set forth in Article XIV hereof, but subject to this Section 9.03:

(i) Managing Member hereby expressly consents to the admission of an Affiliate Transferee or Approved Transferee as a Substitute Investor Member;

(ii) Such Affiliate Transferee or Approved Transferee shall become a Substitute Investor Member upon full execution of an amendment to this Agreement, evidencing such admission, under terms and provisions acceptable to the Affiliate Transferee or Approved Transferee, as applicable; and

(iii) The Managing Member hereby grants the Affiliate Transferee and Approved Transferee and the Investor Member an unconditional, irrevocable power of attorney to execute any and all documents necessary or appropriate to effectuate the admission of a Substitute Investor Member pursuant to this Section 9.03(f), including, without limitation, any transfer documents, which power of attorney is coupled with an interest and is irrevocable.

9.04 Rights of Assignee of Company Interest.

(a) Except as provided in this Article and as required by operation of law, the Company shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Member of its Interest until the Company has received actual Notice thereof.

(b) Any Person who is the assignee of all or any portion of an Investor Member's Interest, but does not become a Substitute Investor Member and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article IX to the same extent and in the same manner as any Investor Member desiring to make an assignment of its Interest.

ARTICLE 10.
RIGHTS AND OBLIGATIONS OF INVESTOR MEMBER

10.01 Management of the Company. The Investor Member shall not take part in the management or control of the business of the Company nor transact any business in the name of the Company. Except as otherwise expressly provided in this Agreement, the Investor Member shall not have the power or authority to bind the Company or to sign any agreement or document in the name of the Company. The Investor Member shall not have any power or authority with respect to the Company except insofar as the Consent of the Investor Member shall be expressly required and except as otherwise expressly provided in this Agreement. Notwithstanding the foregoing, any exercise of the rights and powers of the Company under the HTC Landlord Operating Agreement to direct, consent or approve the removal of the HTC Landlord's Managing Member pursuant to the HTC Landlord Operating Agreement shall require the Consent of the Investor Member.

10.02 Limitation on Liability of Investor Member. The liability of the Investor Member shall be limited to its Capital Contribution as and when payable under the provisions of this Agreement. The Investor Member shall not have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Company, nor shall the Investor Member be personally liable for any obligations of the Company. The Investor Member shall not be obligated to make loans to the Company. No vote, Consent, or other action of Investor Member shall ever be construed to make Investor Member liable as a Managing Member or cause Investor Member to be liable for Company obligations.

10.03 Other Activities. The Investor Member may engage in or possess interests in other business ventures of every kind and description for its own account, including, without limitation, serving as a member of other limited liability companies which own, either directly or through interests in other limited liability companies, projects similar to the Property. Neither the Company nor any of the Members shall have any right by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

ARTICLE 11.
PROFITS, LOSSES, DISTRIBUTIONS

11.01 Allocation of Profits, Losses, Credits and Cash Distributions.

(a) After application of Section 11.10, all Operating Profits and Operating Losses, except those gains and losses referred to in Section 11.03, and all credits shall be allocated among the Members in accordance with their Percentage Interests as set forth in Section 5.01. All Net Cash Flow shall be distributed as follows:

(i) to the Investor Member in the amount of any Unpaid Credit Recovery Adjustments and interest thereon;

(ii) to the Investor Member in the amount of any outstanding Special Tax Distribution;

(iii) to the Investor Member in the amount of any outstanding Priority Return for the Company Fiscal Year plus any outstanding Priority Return for any prior Company Fiscal Year;

(iv) to the payment of Supplemental Rent due and payable pursuant to the HTC Lease;

(v) to the payment of the Management Fee pursuant to the Property Management Agreement;

(vi) to the repayment *pari passu* of any Subordinated Loans (and accrued interest thereon) and any Operating Deficit Loans; and

(vii) the balance to the Members in accordance with their Percentage Interests.

(b) In any year in which a Member sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute Member, the share of all Profits or Losses allocated to, and of all Net Cash Flow and of all cash proceeds distributable under Section 11.04 distributed to, all Members which is attributable to the Interest sold, assigned or transferred shall be allocated and distributed to the assignee from and after the first day of the calendar month following the month in which the assignee executes this Agreement; provided, however, that the assignor and the assignee may, by agreement, make special provisions for the allocation of items of Profits or Losses, deduction or credit as may from time to time be permitted under the Code, and for the distributions of Net Cash Flow and the proceeds of Capital Transactions, but such allocation shall be binding as to the Company only after it shall have received Notice thereof from the assignor and assignee.

(c) The Company shall distribute Priority Return annually for the prior calendar year no later than January 31 of the following year and the remainder of Net Cash Flow annually for the prior calendar year no later than April 30. If of the following year, in the manner provided in this Agreement; provided, however, that no amounts shall be paid or distributed to the Managing

Member or any Developer Entity until after the reports specified in Section [13.04(a)] have been received and approved by the Investor Member.

(d) In the event that there is a determination that there is any original issue discount, imputed interest or stated interest attributable to the Capital Contribution of any Member, or any loan between a Member and the Company, any income or deduction of the Company attributable to such imputed interest, stated interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Member.

(e) If any Member's Interest in the Company is reduced but not eliminated because of the admission of new Members or otherwise, or if any Member is treated as receiving any items of property described in Section 751(a) of the Code, the Member's Interest in such items of Section 751(a) property that was property of the Company while such Person was a Member shall not be reduced, but shall be retained by the Member so long as the Member has an Interest in the Company and so long as the Company has an Interest in such property.

(f) In accordance with Section 704(c) of the Code (relating to allocations with respect to appreciated contributed property) and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall be allocated, solely for tax purposes, among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value. Any elections or other decisions relating to such allocations shall be made by the Managing Member in any manner that reasonably reflects the purpose and intention of this Agreement.

(g) In the event that the Managing Member makes any Operating Deficit Loans pursuant to Section 8.09, any deductions or losses of the Company attributable to the use of those funds shall be specially allocated to the Managing Member.

(h) No distributions or return of Capital Contributions shall be made and paid from Company assets if, after the distribution or return of contribution is made, either: (i) the Company would be insolvent, or (ii) the net assets of the Company would be less than zero.

11.02 Determination of Profits or Losses.

Profits or Losses for all purposes of this Agreement shall be determined in accordance with the accrual method of accounting for federal income tax purposes.

11.03 Allocation of Profits or Losses from a Capital Transaction.

After application of Section 11.10, Profits or Losses from a Capital Transaction recognized by the Company shall be allocated in the following manner:

(a) All Profits shall be allocated (i) first, to the Members with negative Capital Account balances, in proportion to such balances, that portion of gains (including any Profits treated as ordinary income for federal income tax purposes) which is equal in amount to such Members' negative Capital Accounts in the Company; (ii) second, Profits in excess of the amount

allocated under (i) shall be allocated to the Members in the amount and to the extent necessary to increase their Capital Accounts so that the proceeds if then distributed under Section 11.04 would be distributed in accordance with the Members' respective Capital Accounts.

(b) Losses shall be allocated (i) first, to the extent of and in such proportions to the Members' positive Capital Accounts; and (ii) second, the amount of any Losses that remain after the allocations in subparagraph (b)(i) to the Members in accordance with the manner in which they bear the economic risk of loss associated with such Losses. In the event that no Member bears an economic risk of loss, then all Members shall be allocated Losses in excess of the amounts allocated under (i) and (ii) in accordance with their Percentage Interests.

(c) If, at the end of the year for which Profits or Losses are allocated under this Section 11.03, there is any minimum gain attributable to nonrecourse liabilities or Member nonrecourse debt, then for (and solely for) purposes of applying the foregoing provisions of this Section 11.03, each Member's Capital Account shall be increased by the amount of such Member's share of such minimum gain.

(d) Any portion of the gains treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Ordinary Income Amount") shall be allocated on a dollar for dollar basis to those Members to whom the items of Company deduction or loss giving rise to the Ordinary Income Amount had been previously allocated.

11.04 Distribution of Proceeds from a Capital Transaction.

Except as may be required under Section 12.02(b), the proceeds resulting from the liquidation of the Company assets pursuant to Section 12.02, and the net proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Company and all expenses of the Company incident to any Capital Transaction), excluding (i) debts and liabilities of the Company to Members or any Affiliates, and (ii) all unpaid fees owing to any Developer Entity under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the Managing Member if the distribution is not pursuant to the liquidation of the Company) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company;

(c) to the payment to the Investor Member of any Unpaid Credit Recovery Adjustments and interest thereon;

(d) to the Investor Member in the amount of any outstanding Priority Return;

(e) to the payment of any unpaid Special Tax Distribution plus an amount equal, on an After-Tax Basis, to the local, state and federal Taxes projected (at the Applicable Tax Rate) to be imposed on the members of the Investor Member as a result of the Capital Transaction;

(f) to the repayment of any unpaid debts and liabilities (including unpaid fees) owed to the Members or any Affiliates by the Company for Company obligations, including any loans made pursuant to Section 5.05, and any Operating Deficit Loans; and

(g) the balance to the Members in accordance with their Percentage Interests.

Notwithstanding the foregoing, no proceeds resulting from a Capital Transaction shall be distributed to the extent that, after the distribution is made, either: (i) the Company would be insolvent, or (ii) the net assets of the Company would be less than zero.

If there is more than one Managing Member, any distribution to the Managing Member shall be made pro rata in accordance with their Percentage Interests.

11.05 Capital Accounts.

A separate Capital Account shall be maintained and adjusted for each Member. There shall be credited to each Member's Capital Account the amount of its Capital Contribution, the fair market value of any property contributed to the Company (net of any liabilities secured by such property) and such Member's distributive share of the Profits for Tax purposes of the Company; and there shall be charged against each Member's Capital Account the amount of all Net Cash Flow distributed to such Member, the fair market value of any property distributed to such Member (net of any liabilities secured by such property), the net proceeds resulting from the liquidation of the Company's assets or from any Capital Transaction distributed to such Member, and such Member's distributive share of the Losses for Tax purposes of the Company. Each Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Reg. §1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations. It is the intention of the Members that the Capital Accounts maintained under this Agreement be determined and maintained throughout the full term of this Agreement in accordance with Section 704(b) of the Code and the accounting rules of Treasury Reg. §1.704-1(b)(2)(iv).

Except as otherwise provided in this Agreement, no Member shall be required to restore any deficit in such Member's Capital Account or bring such Member's Capital Account into parity with the Capital Account of other Members. In the event that the Company is liquidated within the meaning of Treasury Reg. § 1.704-1(b)(2)(ii)(g), if the Managing Member's Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Managing Member shall increase its Capital Contribution by the amount of such deficit in compliance with Treasury Reg. § 1.704-1(b)(2)(ii)(b)(3).

11.06 Authority of Managing Member to Vary Allocations to Preserve and Protect Members' Intent.

(a) It is the intent of the Members that each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article XI to the fullest extent permitted by Section 704(b) of the Code. Subject to the Consent of the Investor Member, the Managing Member hereby is authorized and

directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article XI to the extent that allocating income, gain, loss, deduction or credit (or item thereof) in the manner provided for in Article XI would, in the opinion of the tax advisor to the Company (tax counsel or the Accountants) cause the determinations and allocations of each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) not to be permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder.

(b) Notwithstanding any other provision to the contrary, in compliance with Sections 4.02(1) and (2) of the Revenue Procedure, for each Company Fiscal Year or other period, (i) the Managing Member shall be allocated at least 1% of each material item of Company income, gain, loss, deduction and credit; and (ii) the Investor Member shall be allocated a percentage of each material item of Company income, gain, loss, deduction and credit that is at least 5% of the Investor Member's Percentage Interest in each such item for the Company Fiscal Year for which the Investor Member's Percentage Interest is the largest (as adjusted for sales, redemptions, or dilution of such Investor Member's interest). In particular, to the extent any special allocation in Section 11.03 or 11.06(a) would otherwise result in an allocation of any item in percentages that are not consistent with the foregoing, to the extent such items cannot be reallocated in compliance with this Section 11.06(b) without causing such special allocations to fail to be consistent with those required by the Allocation Regulations, the Managing Member may instead (with the Consent of the Investor Member) cause an additional amount of income, gain, loss, deduction or credit of similar character (such as depreciation expense or gross income) to be allocated to the Managing Member or Investor Member as appropriate to offset any allocation that would otherwise fail to comply with this Section 11.06(b). Any allocation made pursuant to Section 11.06(a) or (b) shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article XI and no amendment of this Agreement or approval of any Member shall be required.

11.07 Designation of Partnership Representative.

(a) The Managing Member hereby is designated as the Partnership Representative of the Company for each taxable year beginning on or after January 1, 2026, and shall engage in such undertakings as are required of the Partnership Representative of the Company, as provided in Treasury Regulations pursuant to Sections 6233 and 6241 of the Code. Each Member, by the execution of this Agreement, Consents to such designation of the Partnership Representative and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

(b) For each taxable year, the Partnership Representative shall appoint as Designated Individual an individual who meets the requirements of the Revised Partnership Audit Rules for a "designated individual," has sufficient experience and authority to represent the Company in all dealings with the IRS, and for taxable years beginning during the Recapture Period, is consented to by the Investor Member. No later than the effective date of the designation of the Designated Individual, such Designated Individual must agree in writing to be bound by the same obligations and restrictions imposed on the Partnership Representative under this Article XI prior to and as condition of such designation. If a Designated Individual for any taxable year becomes

unable to perform the tasks required of a Designated Individual, no longer has the “capacity to act” within the meaning of the Revised Partnership Audit Rules, or the Managing Member otherwise determines that such person should be removed as the Designated Individual, the Managing Member shall promptly notify the Members of such determination and take all necessary actions to effectuate the resignation (or revocation) of such person as Designated Individual for all taxable years such designation was in effect (including obtaining any required IRS notification of such resignation from such person to be held in trust and delivered to the IRS at the time specified in the Revised Partnership Audit Rules). The designation of the Designated Individual shall also automatically terminate on the effective date of the resignation or revocation of the applicable entity as Partnership Representative.

(c) In the event of a withdrawal or removal of the Managing Member pursuant to Article VI or Section 8.12 hereof, to the extent permitted by law, the Company shall revoke the designation of the Managing Member as the Partnership Representative for all taxable years such designation was in effect and the Managing Member shall take all necessary actions to effectuate its resignation as Partnership Representative in accordance with the Revised Partnership Audit Rules, including updating the Partnership Representative contact information for the IRS as the Investor Member may specify or providing any required IRS notification to the Investor Member to be delivered to the IRS at the time specified in the Revised Partnership Audit Rules. Notice of such revocation or resignation shall be given to the IRS in the time and manner prescribed by the IRS and shall include the designation of another person selected by the Investor Member as the successor Partnership Representative for the applicable taxable years and the designation of another individual as Designated Individual in accordance with Section 11.07(b). The resigning or removed Partnership Representative and Designated Individual shall remain obligated hereunder in such capacity until the replacement is accepted by the IRS. The resigning or removed Partnership Representative and Designated Individual shall not be obligated hereunder or liable for actions taken by any successor Partnership Representative or successor Designated Individual. In furtherance hereof, the Investor Member hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Managing Member as shall be legally necessary and sufficient to affect all of the foregoing provisions of this Section 11.07(c).

(d) Notwithstanding any other provision of this Agreement, the Investor Member hereby is granted authority at any time to designate itself or its manager as the Partnership Representative for any taxable year it is a Member of the Company. The Investor Member may exercise its right to designate the Partnership Representative for specified taxable years, as provided herewith, upon ten (10) days’ Notice to the then-existing Partnership Representative and the Managing Member. In the event that the Investor Member exercises its right to designate the Partnership Representative, the pre-existing Partnership Representative will resign as the Partnership Representative for the specified taxable years and shall take all necessary actions to effectuate its resignation as Partnership Representative in accordance with the Revised Partnership Audit Rules, including updating the Partnership Representative contact information for the IRS as the Investor Member may specify or providing any required IRS notification to the Investor Member (or its designee) to be delivered to the IRS at the time specified in the Revised Partnership Audit Rules. Notice of such resignation shall be given to the IRS in the time and manner prescribed by the IRS and shall include the designation of the Investor Member (or its designee) as the

successor Partnership Representative for the specified taxable years and the designation of another individual as Designated Individual in accordance with Section 11.07(b). No later than the effective date of such designation, the Investor Member (or its designee) must agree in writing to be bound by the same obligations and restrictions imposed on the Partnership Representative under this Article XI prior to and as condition of such designation. The Investor Member (or its designee), upon such redesignation as the Partnership Representative, shall have thereafter all the authority and powers given to the Partnership Representative of the Company under the Code and under this Agreement. Each Member, by its execution of this Agreement, consents to such admission and designation, as the case may be, and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. Upon any exit of the Investor Member from the Company, if it or its designee has been designated as the Partnership Representative for any taxable year, it shall either (i) affirm that it remains obligated as Partnership Representative with respect to any Tax Disputes arising with respect to such taxable year or (ii) resign simultaneous with any such exit and the Managing Member shall designate a replacement Partnership Representative as provided for herein.

11.08 Authority of Partnership Representative.

(a) The Partnership Representative shall have and perform all of the duties required under the Code, including the following duties:

(i) within five calendar days after the receipt of any correspondence or communication relating to the Company or a Member from the IRS, shall forward to each Member and Reviewed Year Member, as applicable, a photocopy of all such correspondence or communication(s) and shall, within five calendar days thereafter, advise each Member and Reviewed Year Member, as applicable, in writing of the substance and form of any conversation or communication held with any representative of the IRS;

(ii) inform the Members of any matter which requires their consent pursuant to this Article XI, along with any applicable deadlines imposed pursuant to the Revised Partnership Audit Rules or the IRS in its conduct of any particular Tax Dispute;

(iii) provide the Investor Member with a draft copy of any correspondence, filing or other materials to be submitted by the Company or the Partnership Representative in connection with any administrative or judicial proceedings relating to the determination of Company items reasonably in advance of such submission, incorporate all reasonable changes or comments to such correspondence or filing requested by the Investor Member to the extent such review and comments are provided in a timely manner such that it would allow the Company to comply with any deadline imposed under applicable law, and provide the Investor Member with a final copy of such correspondence, filing or other materials; and

(iv) represent the Company in all dealings with the IRS and state and local taxing authorities in accordance with the obligations and restrictions imposed by this Agreement.

(b) The Partnership Representative shall, upon request by a Member, permit a Member to include its attorney in the power of attorney (Form 2848) for the Company for any taxable years under a tax audit or in a tax administrative appeals process, provided, that the inclusion is permitted by the Revised Partnership Audit Rules.

(c) The Partnership Representative shall not without the Consent of the Members:

(i) extend the statute of limitations for assessing or computing any tax liability against the Company (or the amount of character of any Company tax items);

(ii) settle any audit with the IRS concerning the adjustment or readjustment of any partnership items or remit any imputed underpayment amounts (within the meaning of the Revised Partnership Audit Rules);

(iii) file a request for an administrative adjustment with the IRS at any time or file a petition for judicial review with respect to any such request;

(iv) initiate or settle any judicial review or action concerning the amount or character of any Company tax item;

(v) intervene in any action brought by any other Member for judicial review of a final adjustment;

(vi) take any other action which would have the effect of finally resolving a tax matter affecting the rights of the Company and/or the Members;

(vii) take any action or fail to take any action which adversely affects the amount or timing of recognition of the Historic Tax Credits;

(viii) engage an accounting firm or counsel to represent the Company before the IRS; or

(ix) take any other action not expressly permitted by this **Article XI** on behalf of the Company or any Member in connection with any adjustment, election, or administrative or judicial tax proceeding.

(d) The Partnership Representative shall keep the other Members advised of any dispute the Company may have with any federal, state or local taxing authority (a “Tax Dispute”), shall consult with the Members regarding the nature and content of all actions to be taken and defenses to be raised and elections to be made by the Company in response to such Tax Dispute, shall not act without the Consent of the Members as required under this Section, and shall afford the other Members the opportunity to participate directly in the negotiation of the Tax Dispute, to the extent permitted by law. The Partnership Representative also shall consult with Members regarding the nature and content of any Tax Dispute instituted by or on behalf of the Company (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous Tax Dispute against the Company, or otherwise), and shall not act without the Consent of the Members as required under this Section. Reasonable legal fees

incurred in connection with any Tax Dispute (including any Tax Dispute arising at the Investor Member level, to the extent that such Tax Dispute is the result of a Tax Dispute of the Company and is not a Cost of Challenge) shall be paid solely from the assets of the Company, except that if the Company lacks sufficient funds to undertake or prosecute any litigation relating to such Tax Dispute (including, without limitation, any appeal) and either the Managing Member or Investor Member in good faith does not reasonably consent to a settlement or resolution of such tax dispute, then the legal fees and other costs and expenses associated with such litigation shall be funded by the Member(s) refusing to consent to such settlement or resolution, through one or more Subordinated Loans to the Company.

(e) If the Company or the Partnership Representative receives notice of a proposed Company Adjustment from the IRS, the Partnership Representative shall so notify the Members in accordance with the provisions of Section 11.08(a)(i) and, if requested to do so by a Member, shall request modification of the Imputed Underpayment proposed in such notice in accordance with the Revised Partnership Audit Rules. Any such request by a Member shall describe the modifications or adjustment factors that the Member believes affect the calculation of the Imputed Underpayment in sufficient detail to substantiate the request for modification. All information required to support a requested modification shall be submitted by the Members to the Partnership Representative prior to the applicable deadline, subject to any extension granted by the IRS.

(f) If the Company receives notice of a final Company Adjustment from the IRS, the Partnership Representative shall so notify the Members and Reviewed Year Members in accordance with the provisions of Section 11.08(a)(i) and, solely if requested to do so by Investor Member, shall make an election (a “Push-Out Election”) under Section 6226 of the Code with respect to one or more Imputed Underpayments set forth in the final partnership adjustment notice. If a Push-Out Election is made, each Reviewed Year Member shall take into account its allocable share of the Company Adjustments that relate to the specified Imputed Underpayment (as determined with the Consent of the Investor Member for such Reviewed Year) and shall be liable for any taxes as described in Section 6226 of the Code and any applicable Treasury Regulations or other guidance prescribed by the IRS. Notwithstanding the foregoing, to the extent permitted by law, any Reviewed Year Member that is a partnership or S corporation may, at its option and in accordance with any applicable Treasury Regulations or other guidance prescribed by the IRS, elect (in lieu of paying its allocable share of such Company Adjustments) to push out the liability for taxes attributable to such Company Adjustments to its partners (including indirect partners). Any Push-Out Election shall be filed prior to the applicable deadline, shall be in such form, and shall contain such information, as required by the Revised Partnership Audit Rules. If a Push-Out Election is made, the Partnership Representative shall furnish to each Reviewed Year Member and the IRS, for each Reviewed Year prior to the applicable deadline, a statement that includes all items and information required under the Revised Partnership Audit Rules.

(g) If the Company becomes obligated to make an Imputed Underpayment, within thirty (30) days after written notice from the Partnership Representative:

(i) To the extent such Imputed Underpayment relates to an Excluded Event, each of the Members (including any Former Member) to whom such liability relates shall be obligated to pay an amount that is equal to its allocable share (determined in

accordance with its Percentage Interest prior to the Adjustment Year) of such Imputed Underpayment to the Company;

(ii) To the extent such Imputed Underpayment relates to a Manager Breach, the Managing Member shall be obligated to pay an amount that is equal to such Imputed Underpayment to the Company; and

(iii) Otherwise, each of the Members (including any Former Member) to whom such liability relates shall be obligated shall make a Subordinated Loan to the Company in an amount that is equal to its allocable share of such Imputed Underpayment to the Company.

Any amount not paid by a Member (or Former Member) within such thirty (30) day period shall accrue interest at the rate of two percent (2%) over the Designated Prime Rate in effect at the end of the preceding calendar month, until paid in full. Any such payment made by any Member pursuant to Section 11.08(g)(i) or (ii) shall be treated as a Capital Contribution and, if and to the extent permitted by the Code and the Treasury Regulations, any Capital Account reduction attributable to the Imputed Underpayment shall be allocated to the Members in proportion to such Capital Contributions. Any such payment made by any Former Member pursuant to Section 11.08(g)(i) or (ii) shall be treated as an indemnity payment and not as a Capital Contribution or loan to the Company, but any payment made pursuant to Section 11.08(g)(iii) shall be treated as a loan to the Company and subject to repayment pursuant to Section 11.01 or 11.04 as if it were still a Member.

(h) The obligations of each Member or Former Member under Sections 11.07 and 11.08 shall survive the transfer, redemption or liquidation by such Member of its Company Interest and the termination of this Agreement or the dissolution of the Company. For the avoidance of doubt, to the extent a Former Member has potential liability for amounts pursuant to Section 11.08(f) or (g) with respect to a Tax Dispute, such Former Member shall retain its rights pursuant Sections 11.07 and 11.08 to with respect to such Tax Dispute.

11.09 Expenses of Partnership Representative.

The Company shall indemnify and reimburse the Partnership Representative and the Investor Member for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liabilities of the Members or Company. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow, net proceeds from a Capital Transaction or any discretionary reserves are set aside by the Managing Member. The taking of any action and the incurring of any expense by the Partnership Representative in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of the Partnership Representative and the provisions on limitations of liability of the Managing Member and indemnification set forth in Section 8.07 or 10.02 of this Agreement shall be fully applicable to the Partnership Representative in its capacity as such.

11.10 Special Allocations.

(a) Notwithstanding any other provision of this Agreement, if there is a net decrease in the Company's minimum gain attributable to nonrecourse liabilities during any taxable year, each Member shall be specifically allocated a pro rata portion of each of the Company's items of income and gain for such year (and, if necessary for subsequent years) in proportion to, and to the extent of, an amount equal to such Member's share of the net decrease in such minimum gain during such taxable year as determined in accordance with the provisions of Treasury Reg. §§ 1.704-2(f), 1.704-2(g)(2).

(b) Notwithstanding any other provision of this Agreement, if there is a net decrease in the amount of the Company's minimum gain during any taxable year with respect to a Member nonrecourse debt, the Member bearing the economic risk of loss with respect to such Member nonrecourse debt shall be specially allocated a pro rata portion of each of the Company's items of income and gain for such taxable year (and, if necessary, for subsequent years) in proportion to, and to the extent of the amount of such Member's share of the net decrease in such minimum gain during such taxable year as determined in accordance with the provisions of Treasury Reg. §§ 1.704-2(i)(4), 1.704-2(j)(2)(ii).

(c) If in any taxable year there is a net increase in the amount of Company minimum gain attributable to a Member nonrecourse debt, the Member bearing the economic risk of loss attributable to such Member nonrecourse debt shall be specially allocated items of Company deduction and loss in proportion to and to the extent of the excess of:

(i) the amount of such net increase, over

(ii) the aggregate amount of any distributions during such taxable year to such Member of the proceeds of such Member nonrecourse debt that are allocable to such increase in Company minimum gain. Items to be so allocated shall be determined in accordance with Treasury Reg. § 1.704-2(j)(1).

The allocations provided for in this Section 11.10(c) are intended to comply with the allocations required by Treasury Reg. § 1.704-2(i) and shall be applied consistently therewith. The Company's minimum gain shall be determined in accordance with Treasury Reg. § 1.704-2(d).

(d) In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Reg. §§ 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which cause or increase an Adjusted Capital Account Deficit (as defined below) of such Member, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate (to the extent required by the Treasury Regulations under Code Section 704(b)) such Member's Adjusted Capital Account Deficit as quickly as possible.

For purposes of this Section 11.10, the term "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Company Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or is otherwise treated as being obligated to restore under Treasury Reg. § 1.704-1(b)(2)(ii)(c) or is deemed to be

obligated to restore pursuant to the penultimate sentence of Treasury Reg. §§1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Reg. §1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Reg. §1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(e) Notwithstanding any other provision of this Section 11.10, in no event shall Losses of the Company be allocated to Investor Member if such allocation would result in such Member having an Adjusted Capital Account Deficit at the end of any taxable year. All Losses in excess of the limitation set forth in this Section 11.10(e) shall be allocated to each other Member that does not have an Adjusted Capital Account Deficit.

(f) In the event that income, loss or items thereof are allocated to one or more Members pursuant to Sections 11.10(a), (b), (c), (d) or (e), subsequent income, loss or items thereof shall be allocated (subject to the provisions of Section 11.10(a), (b), (c), (d) or (e)) to the Members so that, to the extent possible in the judgment of the Managing Member and permitted by Treasury Regulations, the net amount of allocations shall be equal to the amount that would have been allocated had Section 11.10 not been applied.

(g) Any taxable income of the Company resulting from its receipt of debt forgiveness, donations, grants, subsidies or other similar items shall be allocated 100% to the Managing Member.

ARTICLE 12.

SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Company. The Company shall be dissolved upon :

(a) the sale or other disposition of all or substantially all of the assets of the Company;

(b) any other event causing the involuntary dissolution of the Company under the laws of the Formation State;

(c) the agreement of the Investor Member and the Managing Member; or

(d) at the election of the Investor Member, following the occurrence of a Critical Event.

12.02 Winding Up and Distribution.

(a) Upon the dissolution of the Company pursuant to Section 12.01, (i) a Certificate of Dissolution shall be filed in such offices within the Formation State as may be required or appropriate, and (ii) the Company business shall be wound up and its assets liquidated

as provided in this Section 12.02 and the net proceeds of such liquidation shall be distributed in accordance with Section 12.02(b).

(b) It is the intent of the Members that, upon liquidation of the Company, any liquidation proceeds available for distribution to the Members shall be distributed in accordance with the Member's respective Capital Account balance. In the event that, upon liquidation, there is any conflict between a distribution pursuant to the Member's Capital Account balance and the intent of the Members with respect to distribution of proceeds under Section 11.04, the Liquidator shall, notwithstanding the provisions of Sections 11.01, 11.02 and 11.03, allocate the Company's Profits or Losses in a manner that will cause the distribution of liquidation proceeds to the Members to be in accordance with the Members' respective Capital Account balances.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Company required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Company's property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Company Property would cause undue loss to the Members, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation as may be necessary to satisfy the debts and liabilities of the Company to Persons other than the Members. Upon the complete liquidation and distribution of the Company assets, the Investor Member shall cease to be the investor member of the Company and the Managing Member shall cease to be managing member, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Company.

(d) Upon the dissolution of the Company pursuant to Section 12.01, the accountants for the Company shall promptly prepare, and the Liquidator shall furnish to each Member, a statement setting forth the assets and liabilities of the Company upon its dissolution. Promptly following the complete liquidation and distribution of the Company property and assets, the Company accountants shall prepare, and the Liquidator shall furnish to each Member, a statement showing the manner in which the Company assets were liquidated and distributed.

ARTICLE 13.
BOOKS AND RECORDS, ACCOUNTING TAX ELECTIONS, ETC.

13.01 Books and Records; Accounting Method. The Managing Member shall maintain the books and records of the Company on an accrual basis in accordance with generally-accepted accounting principles (“GAAP”) consistently applied, and retained for such period required by law or if longer, such period recommended by the Accountants. These and all other records and financial statements of the Company, including information relating to the status of the Property and information with respect to the sale by any Developer Entity of goods or services to the Company, shall be kept at the principal office of the Company and shall be available for examination there by any Member or by any member of the Investor Member, or its duly authorized representative, at any and all reasonable times. Any Member, or its duly authorized representative, upon paying the costs of collection, duplication and mailing, shall be entitled to a copy of the list of names and addresses of Investor Member. The Managing Member agrees to cooperate with the Investor Member to provide information in a timely manner to facilitate audits conducted by independent auditors selected by the Investor Member in its sole discretion.

13.02 Bank Accounts. All funds of the Company not otherwise invested shall be deposited in one or more federally insured accounts maintained with [_____], and withdrawals shall be made only in the regular course of Company business on such signature or signatures as the Managing Member may, from time to time, determine, except for withdrawals from Reserves, which shall be made in accordance with Section 8.13. No funds of the Company shall be deposited in any financial institution in which any Developer Entity is an officer, director or holder of a propriety interest.

13.03 Accountants. With the Consent of the Investor Member, the Managing Member shall hire the Accountants and provide them with such information in its possession and sign such documents as are necessary for the Company to make timely, accurate and complete submissions of federal and state income tax returns (and in all events such returns shall be filed with respect to the year of the Investor Member’s admission to the Company and each year thereafter). The Accountants shall be the accountants for the Company for the purposes of preparing income tax returns, the audit of the Company and the other relevant matters set forth in this Article XIII. The Managing Member and the Company hereby agree, authorize and direct the Accountants to provide contemporaneous copies to the Investor Member of all tax returns, audits and any other information that the Accountants deliver to the Managing Member or to the Company.

Prior to the end of each Company Fiscal Year, the Managing Member shall (i) engage the Accountants to prepare tax returns and audits for such Company Fiscal Year and (ii) deliver evidence in such form as shall be reasonably acceptable to Investor Member that the Accountants have been so retained. If the selected accountants fail to timely deliver any tax returns (including K-1s) or audited financial statements required to be delivered pursuant to this Agreement, then Investor Member shall have the right upon delivery of written notice to the Managing Member to require the Managing Member to replace the Accountant with alternate independent certified public accountants selected by Investor Member, from time to time, that shall prepare all future tax returns and audited financial statements for the Company.

The Accountants shall annually prepare for execution by the Managing Member any tax returns of the Company, and shall certify, in accordance with GAAP consistently applied, a balance sheet, a profits and losses statement, a cash flow statement, and a statement calculating Net Cash Flow. The Accountants shall annually audit the books of the Company. With respect to each Company Fiscal Year during the Company's operations, at such time as the Accountants shall have prepared the proposed tax return for such year, the Accountants shall provide copies of such proposed tax return to the Investor Member and its accountants for their review and comment. Any changes in such proposed tax return recommended by the Investor Member's accountants shall be made by the Accountants prior to the completion of such tax return for execution by the Managing Member. A full detailed statement shall be furnished to all Members, showing such assets, properties, and net worth and the profits and losses of the Company for the preceding Company Fiscal Year. All Members shall have the right and power to examine and copy, at any and all reasonable times, the books, records and accounts of the Company.

13.04 Reports to Members.

(a) The Managing Member shall, at Company expense, cause to be prepared and delivered to the Investor Member in form and substance reasonably acceptable to Investor Member all such reports requested by the Investor Member as shall be necessary for the Investor Member to comply with its Historic Tax Credit requirements in connection with the Company and all report and information contained in Exhibit F attached hereto and made a part hereof.

(b) In the event that the reports or information provided for in Section 13.04(a) above are, at any time, not provided within the time period(s) specified, the Managing Member shall be obligated to pay to the Investor Member the sum of \$200 per day beginning on the date of delinquency (if upon written notice the Managing Member fails to cure with 10 days), as liquidated damages, for each day from the date upon which such reports or information is (are) due pursuant to the provisions of the aforesaid Sections until the date upon which such reports or information is (are) provided.

(c) Each party hereby agrees and acknowledges that the Investor Member may share with any of its Affiliates any information provided to the Investor Member relating to the Company, the Project, the Managing Member, HTC Landlord, or the Guarantor (or any Affiliates thereof), but only to the extent commercially reasonable and necessary with respect to its investment in the Company. The Investor Member is also authorized to disclose the terms and nature of its investment in the Company to the Investor Member's auditors, attorneys, accountants and regulators, but only to the extent commercially reasonable and necessary, and as otherwise required by applicable law.

13.05 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a Managing Member or of an Investor Member (or a member or partner thereof), the Company shall elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Company property if, in the opinion of the Investor Member, based upon the advice of the Accountants, such election would be most advantageous to the Investor Member. Each Member agrees to furnish the Company with all information necessary to give effect to such election. The Managing Member shall not make other elections required or

permitted under the Code unless it has received the direction or prior Consent of the Investor Member.

13.06 Company Fiscal Year. Except as the Code may otherwise require, Company Fiscal Year shall be the fiscal year of the Investor Member. The fiscal year of the Investor Member is currently the calendar year. The Investor Member will inform the Managing Member of any change in its fiscal year.

13.07 Investor Member Inspection. The Investor Member shall have the right to physically inspect the interior and exterior of the Property and the Company's books, records and any sublease documents during normal business hours with reasonable advance notice. The Managing Member shall correct any deficiencies of which it received written notice from the Investor Member to the Investor Member's reasonable satisfaction within thirty (30) days from receipt of written notice.

13.08 Communications. The Managing Member agrees to cooperate with the Investor Member by providing such other incidental information as may be reasonably requested by the Investor Member for purposes of its communications and publicity regarding the Property, provided, that the failure to provide information under this Section shall not result in the imposition of any penalties on the Managing Member.

ARTICLE 14.
INVESTOR MEMBER OPTION

14.01 Option.

(a) Notwithstanding any other provision of this Agreement to the contrary, from and after the first day following each of (a) the expiration of the Recapture Period and (b) the Flip Date (each such date being referred to herein as an “Investor Member Put Option Commencement Date”), the Investor Member shall have the right and option to require the Managing Member to purchase all (but not less than all) of its Interest (the “Investor Member Put”). The Managing Member shall deliver Notice to Investor Member, within ten (10) Business Days of each Investor Member Put Option Commencement Date, advising the Investor Member of the availability of the Investor Member Put (the “Put Availability Notice”); provided, that, whether or not the Managing Member gives the Put Availability Notice, the Investor Member shall have the right to exercise this option at any time from and after the Investor Member Put Option Commencement Date and continuing until the first to occur of (i) the date that is one hundred eighty (180) calendar days from the date of delivery of each Put Availability Notice and (ii) the date that is the fifth (5th) anniversary of the later of the two Investor Member Put Option Commencement Dates (the “Put Exercise Period”), by delivery of Notice of exercise to the Managing Member. If the Investor Member Put is exercised, the Investor Member shall be obligated to sell, and the Managing Member shall be obligated to purchase, all of the Interest then owned by the Investor Member. The rights and obligations of the Managing Member related to Article 14 may be assigned by the Managing Member to an Affiliate or any other person or entity reasonably acceptable to the Investor Member, provided that the Managing Member remains liable for any obligations hereunder following any such assignment.

(b) The purchase price for such Interest shall be the lesser of (i) the fair market, appraised value of such Interest (as determined by an appraisal of an independent appraiser having not less than 5 years’ experience appraising similar property in the state in which the Project is situated, and reasonably acceptable to the parties, said appraisal to be as of the last day of the month preceding the month within which the Investor Member Put is exercised), and (ii) sum of (A) five percent (5%) of the aggregate amount of Investor Member’s Capital Contributions which have been actually paid as of the date the Investor Member Put is exercised, plus (B) an amount equal to the Investor Member’s state and local transfer taxes in connection with the Investor Member Put transaction, excluding, for the avoidance of doubt, any 50(d) Income, as reasonably determined by the Investor Member, plus (C) the amount of all outstanding and unpaid Credit Recovery Adjustments and any other amounts payable to the Investor Member under this Agreement, including, without limitation, any accrued and unpaid Special Tax Distributions and Priority Return payments (the “Investor Member Put Price”). In addition to the payment of the Investor Member Put Price, Managing Member shall cause the Company to make a special distribution out of Net Cash Flow to Investor Member on the Investor Member Put Closing Date equal to the amount of Priority Return and Special Tax Distribution due to Investor Member as of such date (calculated as if the year ended as of the Investor Member Put Closing Date using the interim closing of the books method) to the extent not already included within the Investor Member Put Price. In all events, the exercise of the Investor Member Put under this Section 14.01 shall not relieve the Company, Managing Member, or any Guarantor of any obligation to pay amounts

already due and owing to the Investor Member hereunder and the Investor Member may require payment in full of all such amounts in addition to the Investor Member Put Price.

(c) A determination of the fair market value of the Investor Member's Interest in the Company may take into account only those contracts or other arrangements creating rights or obligations that meet the requirements of Section 4.02(2)(c) of the Revenue Procedure and that are on arm's length terms. Unless otherwise agreed to by Investor Member, Managing Member shall procure and pay for a valuation of the interest of the Investor Member, which valuation shall in form and content reasonably satisfactory to the Investor Member. The Investor Member Put Price for such Interest shall be paid by the Managing Member to the Investor Member in cash on the Investor Member Put Closing Date, at which time the Investor Member will execute an amendment to this Agreement withdrawing as a Member, in form and substance reasonably acceptable to the Managing Member. The date of the Investor Member Put closing (the "Investor Member Put Closing Date") will be the sixty (60) calendar days following the notice of exercise of the Investor Member Put, or such earlier date as the parties shall agree in writing. Managing Member agrees to pay all of Investor Member's reasonable attorneys' fees and expenses in connection with the transactions contemplated under this Article XIV.

14.02 Optional Capital Contribution. At any time following the end of the Recapture Period, if the Flip Date has not occurred, Managing Member may make a Capital Contribution to the Company sufficient to cause the occurrence of the Flip Date if such amount were then distributed to Investor Member, which Capital Contribution will then be distributed to Investor Member.

ARTICLE 15. **AMENDMENTS**

15.01 Proposal and Adoption of Amendments.

(a) This Agreement may be amended by the written consent of all of the Members.

(b) The Company shall bear the expense, including attorneys' fees and filing expenses, of amendments to this Agreement, provided, however, that if the Company does not have sufficient Operating Income to bear such expenses the party proposing an amendment to this Agreement shall bear the expenses thereof.

ARTICLE 16.
CONSENTS, VOTING AND MEETINGS

16.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent of the consenting Member and received by the Managing Member at or prior to the doing of the act or thing for which the Consent is solicited. The Member requesting Consent shall reimburse the consenting Member for reasonable legal or accounting costs incurred by it in connection with the matter requiring Consent.

16.02 Submissions to Investor Member. The Managing Member shall give the Investor Member Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and approval of such Investor Member. Such Notice shall include any information required by the relevant provision or by law.

ARTICLE 17.

GENERAL PROVISIONS

17.01 Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

17.02 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of Formation State.

17.03 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by telecopier, facsimile machine, portable document format (“PDF”), Electronic Signature (as defined below) or other electronic means shall be as effective as delivery of a manually executed counterpart of this Agreement. The effectiveness of any such documents and signatures shall, subject to applicable laws, have the same force and effect as manually signed originals and shall be binding on the parties. No party may raise the use of a telecopier, facsimile machine, PDF or other electronic means, or the fact that any signature was transmitted through the use of a telecopier, facsimile machine, PDF or other electronic means, as a defense to the enforcement of this Agreement. “Electronic Signature” means any symbol or process attached to a document or instrument and executed or adopted by a person with the intent to sign the document or instrument, including, without limitation, any digital representation of a party’s signature created by scanning such party’s signature or by any electronic signature service such as DocuSign.

17.04 Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

17.05 Entire Agreement. This Agreement and the documents referred to herein set forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Company, the Company business and the property of the Company, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein or therein.

17.06 Liability of the Investor Member. Notwithstanding anything to the contrary contained herein, neither the Investor Member nor any of its partners, general or limited, or members shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investor Member under this Agreement. In the event that the Investor Member shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Investor Member, shall be against the capital contributions of the Investor Member to, and remaining for investment in, the Company; provided, however, that under no circumstances shall the liability of the Investor Member for any

such default be in excess of the amount of the Investor Member's Capital Contribution that is unpaid at the time of such default.

17.07 Notices.

(a) Any and all notices, consents, approvals and other communications required or permitted under this Agreement shall be deemed adequately given only if in writing delivered either (i) in hand, by mail or by expedited commercial carrier which provides evidence of delivery or refusal, addressed to the recipient, postage prepaid and certified or registered with return receipt requested, if by mail, or with all freight charges prepaid, if by commercial carrier, or (ii) via electronic mail but solely if (x) the sender of the notice includes a disclaimer at the top of the electronic mail notice stating in bolded font "Any response to this e-mail will constitute an acknowledgement of receipt of this message", (y) the notice party receiving the written notice has provided an e-mail address in Section 17.07(b), and (z) such notice party responds to such notice via electronic mail in any manner other than an automated response, provided, that (1) such acknowledgement will not, alone, constitute any consent or other affirmation with respect to the content of the electronic mail notice, and (2) if the notice party receiving an electronic mail notice has included more than one recipient or copy recipient, then an acknowledgement from one such recipient shall be considered acceptance of the written notice without regard to any other recipients.

(b) All notices and other communications shall be deemed to have been given for all purposes of this Agreement upon the date of receipt or refusal, or if sent via electronic mail, the date of the acknowledgement described in Section 17.07(a)(ii). All such notices and other communications shall be addressed to the Members at their respective addresses set forth below or at such other addresses as any of them may designate by notice to the other Members. Upon a transfer of any Investor Member's Interest pursuant to Section 9.02 hereof, the Managing Member shall cause the Company to provide updated notice names and addresses of any Substitute Investor Member to HTC Landlord in accordance with the HTC Landlord Operating Agreement.

(c) Any Notice required by the provisions of this Agreement to be given to the Investor Member shall be addressed as follows:

Wells Fargo Community Investment Holdings, LLC
c/o National Trust Community Investment Corporation
1155 15th Street NW, Suite 300
Washington, DC 20005
Attention: Director of Asset Management
Email: NTCICAM@ntcic.com

With copy to:

Wells Fargo Community Investment Holdings, LLC
401B Street, Suite 1100
MAC E2901-1100
San Diego, California 91201
Attention:
Email:

With a copy to:

Wells Fargo Bank, National Association
Wells Fargo Law Department
45 Fremont St., 26th Floor
San Francisco, CA 94105-2204
Attention: Bina Galal
Email: Bina.M.Galal@wellsfargo.com

With a copy to:

Rierner & Braunstein, LLP
100 Cambridge Street, 22nd Floor
Boston, MA 02114
Attention: Jeffrey D. Gaulin, Esq.
Email: jgaulin@riernerlaw.com

(d) Any Notice required by the provisions of this Agreement to be given to the Company or the Managing Member shall be addressed as follows:

100 McAllister Manager Inc.
100 McAllister Street
San Francisco, CA 94102
Attention: []
Email: []

with a copy to:

Farella Braun + Martel LLP
One Bush Street, Suite 900
San Francisco, CA 94104
Attention: Said C. Kordestani, Esq.
Email: skordestani@fbm.com

17.08 Legal Fees. All legal fees incurred by Investor Member, including, without limitation, those in the preparation and/or amendment of this Agreement (except as otherwise provided in the Investor Member term sheet) and all other Operating Documents and legal fees incurred by the Investor Member with respect to each Installment and/or any consent requested of the Investor Member, shall be paid or caused to be paid by the Managing Member without

reimbursement. In the event an action, suit or proceeding is commenced by one Member against the other in connection with this Agreement and/or the transaction contemplated hereby, the non-prevailing Member shall be required to reimburse the prevailing Member for all legal fees, costs and expenses incurred by the prevailing Member in connection therewith.

17.09 Rights and Remedies.

(a) Unless otherwise specifically provided herein, the rights and remedies of any of the parties hereunder shall not be mutually exclusive, and the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof. Each of the parties confirms that damages at law may be an inadequate remedy for breach or threat of breach of any provisions hereof. The respective rights and obligations hereunder shall be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other parties for a breach or threat of breach of any provision hereof, it being the intention by this paragraph to make clear that under this Agreement the respective rights and obligations of the Members shall be enforceable in equity as well as at law or otherwise.

(b) To the extent permitted by law, each Member hereby irrevocably:

(i) consents to any suit, action, or proceeding with respect to this Agreement being, if brought by the Investor Member, brought in any court of competent jurisdiction located in the State as the Investor Member may elect and, if brought by the Managing Member, brought in any court of competent jurisdiction located in the State as the Managing Member may elect;

(ii) waives any objection that it may have now or hereafter to the venue of any such suit, action or proceeding in any such court and any claim that any of the foregoing have been brought in any inconvenient forum;

(iii) (a) acknowledges the competence of any such court, (b) submits to the nonexclusive jurisdiction of any such court in any such suit, action or proceeding, and (c) agrees that the final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon it and may be enforced in any court to the jurisdiction of which it is or may be subject by a suit upon such judgment, a certified copy of which shall be conclusive evidence of its liability;

(iv) agrees that service of process in any suit, action or proceeding brought in any such court may be made at its address set forth in Section 17.07, or such other address designated by it pursuant to the terms of Section 17.07;

(v) waives all claims of error by reason of any service effected in accordance with the provisions of subparagraph (iv) above and agrees that such service shall in every respect effect service upon it in any suit, action or proceeding and shall be taken and held to be valid personal service upon or personal delivery to it, to the fullest extent permitted by law; and

(vi) waives trial by jury in any action related to this Agreement.

(c) Compliance with Safe Harbor. The Members acknowledge that the Revenue Procedure establishes a so-called safe harbor (the “Safe Harbor”) under which the IRS will not challenge a partnership's allocations of validly claimed Historic Tax Credits provided the partnership and its partners satisfy all the requirements of the Safe Harbor. The Members agree and acknowledge that each intends to satisfy each of the requirements of the Safe Harbor and that in that regard, Investor Member is intended to constitute an “Investor” and the Company is intended to constitute a “Partnership”, and more specifically a “Master Tenant Partnership,” as those terms are defined in the Revenue Procedure. The Members also affirm and direct that any ambiguity in the meaning of any provision of this Agreement shall be resolved in favor of an interpretation that would tend to cause the Company or its members to comply with the requirements of the Safe Harbor.

(d) In furtherance of the foregoing, it is the parties' intention to comply with Section 4.05(2)(b) of the Revenue Procedure which states that no person involved in a rehabilitation transaction may pay an Investor Member's costs or indemnify an Investor Member for the Investor Member's costs if the IRS challenges the Investor Member's claim of Historic Tax Credits (“Costs of Challenge”). Therefore, the parties acknowledge that neither the Company nor Managing Member shall have any liability hereunder for any amounts payable to Investor Member with respect to any Costs of Challenge. To the extent that the Revenue Procedure is clarified, amended, or modified after the Admission Date with respect to Section 4.05(2)(b), then any such clarification or modification shall be deemed incorporated hereunder and this agreement shall be read consistently with any such clarification, amendment, or modification.

17.10 Survival of Obligations.

All monetary obligations of the Company or the Managing Member to the Investor Member hereunder shall survive the sale by the Investor Member of its Interest or the termination of the Company until satisfied by the Company, the Managing Member or a Guarantor, as the case may be.

Signature Pages Follow

IN WITNESS WHEREOF, the parties have set their signatures to this Amended and Restated Operating Agreement as of the date first written above.

MANAGING MEMBER:

100 MCALLISTER MANAGER INC., a California corporation

By: _____
Name:
Title:

INVESTOR MEMBER:

WELLS FARGO COMMUNITY INVESTMENT HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

SCHEDULE A

Members, Capital Contributions, Company Interests and Managing Member

	<u>Capital Contribution</u>	<u>Company Interest</u>
<u>Investor Member</u> Wells Fargo Community Investment Holdings, LLC c/o National Trust Community Investment Corporation 1155 15th Street NW, Suite 300 Washington, DC 20005 Attention: Director of Asset Management Email: NTCICAM@ntcic.com	\$[49,878,485]*	99.00% (until the Flip Date) [5.00]% (from and after the Flip Date)
<u>Managing Member</u> 100 McAllister Manager Inc. 100 McAllister Street San Francisco, CA 94102 Attention: [] Email: []	\$[503,456]	1.00% (until the Flip Date) [95.00]% (from and after the Flip Date)

*Payable as and when provided in this Agreement. Subject to adjustment as provided for in this Agreement.

SCHEDULE B-1

First Installment

[\$10,000] (the “First Installment”) shall be paid upon the latest of the following:

- (i) January 15, 2027;
- (ii) the Admission Date;
- (iii) receipt by the Investor Member of satisfactory legal opinions;
- (iv) closing of the Project Loans;
- (v) evidence of receipt by the HTC Landlord of all capital contributions required at Initial Closing as provided in the Projections;
- (vi) receipt of evidence of Part 1 Approval and Part 2 Approval with conditions reasonably acceptable to Investor Member (subject to future amendments);
- (vii) receipt of a bona-fide third party market study;
- (viii) receipt and approval by the Investor Member of the Projections, including the project budget;
- (ix) receipt and approval by the Investor Member of the Environmental Reports;
- (x) receipt of Guarantor financial information and other underwriting diligence acceptable to Investor Member with respect to the Property Manager and each Developer Entity;
- (xi) receipt and approval by the Investor Member of the Architect’s Closing Certificate and the Preservation Consultant’s Closing Certificate that the Plans and Specifications are consistent with the Part 2 Approval and any amendments thereto;
- (xii) receipt of a reasonableness opinion satisfactory to the Investor Member with respect to any fees paid to any Developer Entity by the Company or the HTC Landlord, the terms of the Property Management Agreement, the terms of the HTC Lease, and any other applicable fees or arrangements;
- (xiii) receipt of the Construction Contract, evidence of Contractor’s insurance in a form and amounts satisfactory to Investor Member, payment and performance bonds, and building permit;
- (xiv) receipt of evidence of insurance for the property development period satisfactory to Investor Member;

Schedule B - 1

(xv) receipt of constructability review reasonably acceptable to Investor Member (who may engage the Construction Consultant to assist with such review, at the Managing Member's expense);

(xvi) evidence satisfactory to the Investor Member of viable market conditions for the Property;

(xvii) the satisfaction of any requirements set forth in this Agreement as prerequisites to the payment of the First Installment and such other conditions as the Investor Member shall reasonably require.

SCHEDULE B-2

Second Installment

Subject to adjustment in accordance with this Agreement, \$[12,459,621] (the “Second Installment”) within fifteen (15) days of receipt and approval by Investor Member, in its sole discretion, of all of the following in form and content acceptable to Investor Member:

- (i) evidence of 70% construction completion in accordance with the final plans and specifications, including certification by the Construction Consultant that 70% completion has occurred;
- (ii) evidence of 100% completion of the seismic work, and verification by MHP or another consultant of Investor’s choosing that, based on work already completed, the Scenario Expected Loss for a 475-year return period scenario earthquake is less than 20%;
- (iii) execution of the (A) the HTC Landlord Operating Agreement in the form attached hereto as Exhibit I, and (B) the HTC Lease in the form attached hereto as Exhibit J, in each case reflecting only changes reasonably requested or permitted by Investor Member;
- (iv) evidence of balanced sources and uses, including pending change orders and, if requested by Investor Member, an updated set of Projections;
- (v) receipt by Investor Member of all Part 2 amendments and approvals to date;
- (vi) a certificate from each of the Lenders that no uncured default exists or, with the passage of time or the giving of notice would exist, with respect to the Project Loans (each a “Lender’s Estoppel Certificate”);
- (vii) the Architect’s Installment Certificate and the Preservation Consultant’s Installment Certificate;
- (viii) delivery of a certification containing representations and warranties required by the Investor;
- (ix) receipt by the Investor Member of a title commitment to issue the Title Policy following the Property Contribution Date and receipt of the Survey;
- (x) delivery of final certificates of insurance evidencing the coverages required in this Agreement;
- (xi) determination by Investor Member that no Adverse Change of Law has occurred; and

Schedule B - 2

(xii) satisfaction of the requirements of the First Installment and such other conditions as the Investor Member shall reasonably require.

SCHEDULE B-3

Third Installment

Subject to adjustment in accordance with this Agreement, \$[29,927,091] (the “Third Installment”) within fifteen (15) days of receipt and approval by Investor Member, in its sole discretion, of all of the following in form and content acceptable to Investor Member:

(i) evidence of the occurrence of the Credit Commencement Date and Final Completion;

(ii) the Architect’s Installment Certificate and the Preservation Consultant’s Installment Certificate;

(iii) the Draft Cost Certification;

(iv) all reports and other information due pursuant to Section 13.04 of this Agreement, including, without limitation, the prior year’s tax return, K-1 and audited financial statements for Company and HTC Landlord (if otherwise due without extension);

(v) evidence of submittal of Part 3 Approval to SHPO and NPS and payment of any fees associated therewith;

(vi) a Managing Member Certificate affirming all the representation and warranties contained in this Agreement and containing a certification that no uncured defaults exist, or, with the passage of time or the giving of notice would exist, under the Operating Documents; and such other evidence acceptable to the Investor Member that no uncured defaults exist, or, with the passage of time of the giving of notice would exist, under the Operating Documents;

(vii) a date-down endorsement to the Title Policy evidencing, among other things, that no mechanic’s liens or other encumbrances have been filed with respect to the Project, or, if the state does not allow a title company to perform a date-down endorsement, an updated title search for the Project reflecting no intervening liens or other title issues as reasonably determined by Investor Member;

(viii) if requested by Investor Member, a complete set of as-built drawings for the Property;

(ix) a certificate from each of the Lenders that no uncured default exists or, with the passage of time or the giving of notice would exist, with respect to the Project Loans (each a “Lender’s Estoppel Certificate”);

(x) [reserved]

(xi) evidence of Managing Member’s election of 168(h) prior to or including the year of placement in service;

Schedule B - 3

(xii) determination by Investor Member that no Adverse Change of Law has occurred;

(xiii) receipt of evidence of insurance with respect to the property operations period;

(xiv) evidence of radon testing with respect to the Project in form and substance reasonably acceptable to Investor Member;

(xv) Evidence acceptable to Investor Member that all recommended environmental remediation has been completed; and

(xvi) satisfaction of the requirements for the payment by the Investor Member of the First Installment, Second Installment, and such other conditions as the Investor Member shall reasonably require.

SCHEDULE B-4

Fourth Installment

Subject to adjustment in accordance with this Agreement, \$[4,987,848] (the “Fourth Installment”) within fifteen (15) days of receipt and approval by Investor Member, in its sole discretion, of all of the following in form and content acceptable to Investor Member:

- (i) evidence of Part 3 Approval, including any amendments to the Part 2 Approval;
- (ii) the Final Cost Certification;
- (iii) tax returns, K-1 and audited financial statements for Company and HTC Landlord for the year in which the Building achieved Placement in Service (which tax returns for HTC Landlord shall reflect the election to pass-through the Historic Tax Credits to the Company);
- (iv) all reports and other information due pursuant to Section 13.04 of this Agreement;
- (v) Managing Member Certificate affirming all the representations and warranties contained in this Agreement and containing a certification that no uncured defaults exist or, with the passage of time or the giving of notice, would exist under the Operating Documents, and such other evidence acceptable to the Investor Member that no uncured defaults exist, or, with the passage of time of the giving of notice would exist, under the Operating Documents;
- (vi) a current title search evidencing that no mechanic’s liens or other encumbrances have been filed with respect to the Project and final, unconditional lien waivers, if applicable;
- (vii) Lender’s Estoppel Certificates for each of the Project Loans;
- (viii) determination by Investor Member that no Adverse Change of Law has occurred;
- (ix) [_____]; and
- (x) satisfaction of the requirements for the payment by the Investor Member of the First Installment, Second Installment, Third Installment, and such other conditions as the Investor Member shall reasonably require.

SCHEDULE B-5

Fifth Installment

Subject to adjustment in accordance with this Agreement, \$[2,493,924] (the “Fifth Installment”) within fifteen (15) days of receipt and approval by Investor Member, in its sole discretion, of all of the following in form and content acceptable to Investor Member:

- (i) evidence that Stabilization has occurred;
- (ii) all reports and other information due pursuant to Section 13.04 of this Agreement, including, without limitation, the prior year’s tax return, K-1 and audited financial statements for Company and HTC Landlord (if otherwise due without extension);
- (iii) a Managing Member’s Certificate affirming all the representations and warranties contained in this Agreement and containing a certification that no uncured defaults exist or, with the passage of time or the giving of notice, would exist under the Operating Documents;
- (iv) a current title search evidencing that no mechanic’s liens or other encumbrances have been filed with respect to the Project and final, unconditional lien waivers, if applicable;
- (v) Lender’s Estoppel Certificates for each of the Project Loans;
- (vi) determination by Investor Member that no Adverse Change of Law has occurred;
- (vii) rent commencement under a signed Commercial Sublease for the academic/administrative space on terms consistent with or better than those reflected in the Projections; and
- (viii) satisfaction of the requirements for the payment by the Investor Member of the First Installment, Second Installment, Third Installment, Fourth Installment and such other conditions as the Investor Member shall reasonably require.

EXHIBIT A

INSURANCE PROVISIONS

Insurance coverage must be provided to the Investor Member and be evidenced by certificates of insurance and properly endorsed policies certified as true and correct by the insurance agent. All evidence of insurance must satisfy the following requirements: (a) the Company (rather than the Managing Member or the HTC Landlord) should be the named insured where indicated; (b) policies must be written with an A.M. Best rated company of “A-” or better and a financial size category rating by A.M. Best of VIII or higher; (c) all binders and policies should contain a cancellation clause stating that the policy will not be canceled or non-renewed without at least sixty (60) days prior written notice to the Company and the Investor Member except for non-payment of premium where ten (10) days’ notice will be given; (d) certificates must document the amount of all deductibles; and (e) all binders and policies must be accompanied by evidence of premium payment.

[ADDITIONAL INSURANCE PROVISIONS TO BE INSERTED]

Exhibit B-1

EXHIBIT B-1

PAYMENT NOTICE

[Form]

_____, 20[]

Wells Fargo Community Investment Holdings, LLC
c/o National Trust Community Investment Corporation
1155 15th Street NW, Suite 300
Washington, DC 20005
Attention: Director of Asset Management

Re: Capital Contribution as per the Amended and Restated Operating Agreement (the “Agreement”) dated [September] [], 2026 by and between the undersigned and the addressee hereof (“Investor Member”)

To whom it may concern:

The undersigned on behalf of 100 McAllister Tenant LLC, a California limited liability company, confirms that all of the requirements for the payment of the [insert installment #] Installment have been satisfied and requests, subject to the terms and conditions of the Agreement, that the Investor Member contribute \$_____ constituting the [insert installment #] Installment and in accordance with the Agreement, on [DATE].

Terms not otherwise defined herein shall have the meanings given them in the Agreement.

100 MCALLISTER MANAGER INC., a California corporation

By: _____

Name:

Title:

Exhibit B-1

EXHIBIT B-2

MANAGING MEMBER'S CERTIFICATE

NOTE: THIS CERTIFICATION MUST BE REVISED WHEN REISSUED IN CONNECTION WITH A REQUEST FOR AN INSTALLMENT TO REFLECT THE PASSAGE OF TIME, CLOSING ON THE PERMANENT FINANCING, RECEIPT OF UPDATED TITLE INSURANCE DOCUMENTATION AND SIMILAR EVENTS.

All capitalized terms used herein and not otherwise defined, shall have the meanings attributed to them in the Amended and Restated Operating Agreement of 100 McAllister Tenant LLC, a California limited liability company, dated as of [September] [], 2026 (the "Operating Agreement").

The undersigned, 100 McAllister Manager Inc., a California corporation, as of [September] [], 2026, being the sole Managing Member of the Company and sole Managing Member of the HTC Landlord, hereby represents, warrants and covenants to the Company and to the Members that:

(a) the Rehabilitation has been substantially completed in a timely and workmanlike manner in accordance with (i) all applicable and material requirements of the Operating Documents, (ii) all applicable requirements of all appropriate governmental entities, (iii) the Certification Application and the Part 2 Approval, and (iv) the Plans and Specifications of the Property approved by the Lenders and any applicable governmental entities, as such Plans and Specifications may have been changed from time to time with the approval of the Lenders, and any applicable governmental entities including the National Park Service, if such approval shall have been required. The Managing Member has not authorized any change to the Plans and Specifications unless the Secretary's approval of such change was obtained, if and to the extent such approval was required by Title 36 of the Code of Federal Regulations, Part 67.6 (or any successor provisions thereto);

(b) the Project is properly zoned for the uses contemplated in the Operating Agreement and the Land has obtained all consents, permissions and licenses required by all applicable governmental entities for the operation of the Property. The Property conformed and conforms to all applicable federal, state and local land use, zoning, environmental and other governmental laws and regulations;

(c) all appropriate public utilities, including sanitary and storm sewers, water, gas and electricity, are currently available to the Property and have been operating properly for the Property since the time of first occupancy of the Property. The Property has direct access to a public street or highway and has adequate parking to comply with Applicable Laws and make it viable;

(d) as of the date hereof, good and marketable leasehold title to the Property was and is held solely by the Company, free and clear of any liens, charges or encumbrances other than matters set forth in the Title Policy delivered to Investor Member, and mechanics' or other liens which have been bonded or insured against in such manner to preclude the holder of such lien or such surety or insurer from having any recourse to the Leasehold Interest, the Property or the

Exhibit B - 2

Company for payment of any debt secured thereby. None of the liens, charges, encumbrances or exceptions set forth in the Title Policy has or will have a material adverse effect upon the construction or operation of the Property;

(e) good and marketable fee title to the Property is held solely by the HTC Landlord, free and clear of any liens, charges or encumbrances other than matters agreed to by the Company, and mechanics' or other liens which have been bonded or insured against in such manner to preclude the holder of such lien or such surety or insurer from having any recourse to the Property or the HTC Landlord for payment of any debt secured thereby. None of the liens, charges, encumbrances or exceptions has or will have a material adverse effect upon the construction or operation of the Property;

(f) there is and shall be no direct or indirect personal liability (including guarantees, letters of credit and stop-loss agreements provided to the Lenders) of the HTC Landlord, the Company or of any of their Members or any of their Affiliates for the repayment of the principal of or payment of interest on the Project Loans other than as expressly approved by the Investor Member;

(g) no default by any Developer Entity has occurred or is continuing (nor has there occurred any continuing event which, with the giving of notice or the passage of time or both, would constitute such a default under any of the Operating Documents, and the Operating Documents are in full force and effect (except to the extent fully performed in accordance with their respective terms);

(h) there is no default under any agreement, contract, lease, sublease or other commitment, or of any claim, demand, litigation, proceedings or governmental investigation pending or, to the best of its knowledge, threatened against it, the Property or the Company, or related to the business or material assets of the Company or to the Leasehold Interest, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Company or of the Property;

(i) the execution and delivery of the Operating Agreement, the incurrence of the obligations set forth in the Operating Agreement, and the consummation of the transactions contemplated by the Operating Agreement do not violate or conflict with any provision of any federal, state, municipal or local laws, ordinances, rules, regulations, requirements, or any order, judgment, decree, determination, or award of any court binding on any Developer Entity, or its assets (including the Leasehold Interest) nor do they conflict with, result in a breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel, or require any notice (which notice has not been furnished) under any agreement, contract, lease, license, instrument, or other arrangement to which any Developer Entity is a party, or by which it is bound or to which any of its assets is subject;

(j) insurance has and continues to be maintained in form and amounts satisfactory to the Investor Member, as specified in Exhibit A to the Operating Agreement;

Exhibit B - 2

(k) neither it nor the Company has incurred any financial responsibility with respect to the Leasehold Interest or the Property prior to the date hereof, other than that disclosed in writing to the Investor Member;

(l) each of the HTC Landlord and the Company is and will continue to be a valid limited liability company, duly organized under the laws of the Formation State and had, has and shall continue to have full power and authority to hold, operate and maintain the Property in accordance with the terms of the Operating Agreement, and has taken and shall continue to take all action under the laws of the Formation State and the State, and any other applicable jurisdiction that is necessary to protect the limited liability of its members and to enable it to engage in its business;

(m) it will indemnify and hold the Company, the Investor Member and the members thereof, their Affiliates and agents, free and harmless from any injury, loss or damage (including, without limitation, reasonable attorneys' fees, court costs, and amounts paid in settlement of any claims, which settlement has been mutually agreed to by it and the party against whom such claim has been made) resulting from the claims of any Person with respect to any liability arising under the Securities Act of 1933 or the Securities Exchange Act of 1934 or the laws or regulations of any state or other jurisdiction, which claims are based upon alleged fraud, deceit, or untrue statement or alleged untrue statement of a material fact, or the omission or alleged omission to state a material fact required to be stated or necessary to make the statements not misleading, with respect to or based upon information furnished or statements made by it to the Investor Member or any members thereof, their Affiliates or agent(s) or the broker-dealer, in connection with the acquisition by the Investor Member from or through its Interests in the Company or the offer or sale of limited liability company interests in the Company or in the Investor Member;

(n) no restrictions on the sale or refinancing of the Leasehold Interest, other than the restrictions set forth in the HTC Lease, exist as of the date hereof, and no such restrictions shall, at any time while the Investor Member is an Investor Member, be placed upon the sale or refinancing of the Leasehold Interest;

(o) all general operating accounts and Reserves of the Company or the HTC Landlord, if any, which are required to be funded, have been funded to currently-required levels;

(p) the Property is being and will continue to be operated in a manner which satisfies, and shall continue to satisfy, all restrictions, applicable to the Property, the Leasehold Interest and projects generating Historic Tax Credits and which shall be in conformity with the description of the Property upon which the Part 2 Approval was based;

(q) each of the Lenders has approved the Investor Member as an Investor Member of the Company and has approved the Company as a member of the HTC Landlord;

(r) each Developer Entity has complied with all Applicable Laws and no action, suit, proceeding, hearing, government investigation, charge, complaint, claim, demand, or notice has been filed or commenced against any Developer Entity alleging any failure so to comply, or if there are any of the foregoing, the Managing Member has disclosed them in writing to the Investor

Exhibit B - 2

Member and the Managing Member shall indemnify and hold the Investor Member and the Company harmless for any loss or damage arising therefrom;

(s) no Developer Entity is Bankrupt or contemplating a Bankruptcy;

(t) except as described in the Environmental Reports, no Developer Entity has ever received notification from any federal, state or other Governmental Authority of (x) any potential, known, or threat of release of any Hazardous Substance from the Property or (y) the incurrence of any expense or loss by any such Governmental Authority or by any other Person in connection with the assessment, containment or removal of any release or threat of release of any Hazardous Substances from the Property, and no Hazardous Substance was ever or is now stored on, transported, or disposed of on the Property except to the extent any such storage, transport or disposition was at all times in compliance with all laws, ordinances, and regulations pertaining thereto;

(u) the Managing Member is solvent, is able to pay its debts as they mature, and has capital sufficient to carry on the business in which it is engaged, and the present fair saleable value of its assets is greater than the amount of its liabilities;

(v) the Managing Member has disclosed to the Investor Member all material actions with respect to the Company taken by the Managing Member prior to the date hereof;

(w) no event of Bankruptcy has occurred and is continuing, and no event has occurred that, with the passage of time, could become an event of Bankruptcy, with respect to the Managing Member;

(x) a copy of all material documents relating to the Company and the Property have been delivered to the Investor Member;

(y) the Managing Member will continue to be duly and validly organized and has and shall continue to validly exist in good standing as a limited liability company under the laws of the Formation State, with full power and authority to enter into and perform its obligations under the Operating Agreement;

(z) the Property shall be operated in a manner that complies with the Applicable Laws;

(aa) there is no default, claim, demand, litigation, proceedings or governmental investigation pending or, to the best of its knowledge, threatened against it, except for those which are fully covered by insurance or, if adversely determined, would not materially impair the Managing Member's ability to pay when due any amounts that may become payable under the Operating Agreement; and

(bb) each of the representations and warranties contained in the Operating Agreement, HTC Landlord Operating Agreement and the HTC Lease is true and correct as of the date hereof.

Signature Page Follows

Exhibit B - 2

**MANAGING MEMBER AND HTC
LANDLORD MANAGING MEMBER:**

100 MCALLISTER MANAGER INC., a California
corporation

By: _____

Name:

Title:

EXHIBIT C
PROJECTIONS

EXHIBIT D

ARCHITECT'S CLOSING CERTIFICATE

Exhibit D

EXHIBIT E

PRESERVATION CONSULTANT'S CLOSING CERTIFICATE

Exhibit E

EXHIBIT F

REPORTING REQUIREMENTS

Monthly Reports:

No more than once per month during construction, Managing Member shall prepare and deliver to the Investor Member the following information (collectively, the “Disbursement Deliverables”):

- Fully executed AIA document G702 and G703;
- Updated sources and uses;
- Invoices for all costs or expenses to be paid with monthly funds request;
- lien waivers from the Contractor and all subcontractors;
- updated title report evidencing no intervening liens;
- Change order log;
- Update to pending change orders; and
- Such other information and/or reports as Investor Member shall reasonably request.

Within 15 days following the end of each calendar month during pre-leasing and lease-up the Managing Member shall prepare and deliver to the Investor Member the following information:

- For the residential units: rent roll, including the base rent, security deposits, any other charges payable, and term;
- For the academic/administrative space: copies of any letters of intent or leases approved in accordance with this Agreement entered into in such month; and
- Such other information and/or reports as Investor Member shall reasonably request

Quarterly Reports:

Within no more than 45 days after the end of each quarter of each Fiscal Year:

- Following placement in service of any portion of the Project, unaudited quarterly and YTD financial statements for HTC Landlord and Company, including balance sheet, income statement and statement of cash flows;
- Following placement in service of any portion of the Project, rent rolls for all Project spaces, including information about vacant spaces, names of all commercial tenants, total square footage occupied by each tenant, the base rent, security deposits, common areas maintenance charges, any other charges payable, and term;
- Following placement in service of any portion of the Project, copies of monthly loan statements for all Project Loans;
- Following placement in service of any portion of the Project, copies of monthly bank statements of the Company and HTC Landlord including operating accounts, and any Reserve accounts.
- A copy of tax bill and proof of payment, as applicable within each quarter;
- Copies of all insurance certificates (ACORD), as applicable
- Following placement in service of any portion of the Project, completed and executed quarterly questionnaire and certification in the form provided by Investor Member
- Copies of any reports, notices and/or other communications received by the Company from any authority regarding the Project's compliance with the Historic

Exhibit F

- Tax Credit conditions and any other applicable laws, ordinances, or regulations;
- Any other information regarding the Company, HTC Landlord, and Managing Member, and its operations during the prior fiscal quarter reasonably deemed by the Managing Member or Investor Member to be material to the Investor Member. Material events include but are not limited to notices of default, litigation, and bankruptcies;

Semi-Annual Reports:

By March 1 and September 1 of each year in which construction occurred, a completed report as of December 31 or June 30, as applicable, from the Contractor in form and substance acceptable to the Investor Member (the “GC Report”), which report shall include but not be limited to:

- Number of actual full-time hours worked and actual part-time hours worked during the reporting period;
- Cumulative full-time positions and part-time positions hired;
- Minimum skill/Experience level required for positions; and
- Starting wage per hour by position.

Annual Reports:

Within 60 days prior to the end of each Fiscal Year:

- An annual operating budget for the following Fiscal Year.

Within 60 days after the end of each Fiscal Year

- Draft of audited financial statements for the Company and HTC Landlord; and
- Draft of Federal, State and Local Income Tax Returns for Company, HTC Landlord, , and nonprofit blocker entity

Within 90 days after the end of each Fiscal Year after construction completion:

- For the first Fiscal Year after construction completion, a final GC Report.
- For the first Fiscal Year after construction completion and annually thereafter, if applicable, a completed Sustainability Report in form and substance acceptable to the Investor Member, which report shall include but not be limited to:
 - Renewable energy resource information
 - Remediation costs
 - Total amount of construction waste sent to landfills (by weight)
 - Total amount of waste diverted (by weight)
 - Green technology features and savings
- A Jobs Table for all commercial tenants in form and substance acceptable to the Investor Member.

Within 90 days after the end of each Fiscal Year:

- Federal, State and Local Income Tax Returns for Company, HTC Landlord, and non profit blocker entity; and
- Evidence of nonprofit blocker entity’s election of 168(h) prior to or including the year of placement in service, if applicable.

Within 120 days after the end of each Fiscal Year:

Exhibit F

- Audited financial statements for such Fiscal Year in conformity with GAAP applied on a consistent basis and prepared by the Accountants for Guarantor, the Company, and HTC Landlord;
- As prepared by the Accountants, a reconciliation of Net Cash Flow distribution with the distributions requirements set forth in Section 11.01;
- A report of any Operating Deficit Loans and Subordinated Loans made during such year and repayments thereof.

Promptly:

- upon the occurrence of any natural disaster and/or incident and/or widespread property damage having an adverse impact on the Property, a report of the extent of the damage to the Property, any expected delay in the Rehabilitation, and the effect such damage might have on the operations or marketing and lease-up activity of the Property;
- upon the occurrence of a Withdrawal Event, notice of and a detailed statement describing such event;
- from time to time, as may be reasonably requested by the Investor Member, information on the state of the business, financial condition, and affairs of the Company or the Property or any other information and/or reports requested to be delivered to the Investor Member;
- in the event of a material adverse change in any Guarantor's financial position or circumstances reasonably likely to result in such a change, notice of such change, including an explanation of the circumstances;
- upon learning of a condition or circumstance which is expected to reduce below the projected levels the amount of Historic Tax Credits available to the Company, a detailed statement describing such matters; or
- upon learning of any violation of any health, safety, building code, or other statute or regulation by the Company, a detailed statement describing such matters along with any written notices thereof received by the Company from any federal, state, or local governmental entity.
- copies of all reports, notices, filings or correspondence sent or received regarding the occurrence of any event which has or may have a material adverse effect on the Company or the Property (including, without limitation, any reports, notices, filings or correspondence with any governmental agency regarding the Historic Tax Credits; default notices, notices of reductions or elimination of benefits under any federal, state, or local program previously enjoyed by the Company; any default or failure of compliance with respect to the Project Loans or any other financial, contractual or governmental obligation of the HTC Landlord, Company or the Managing Member; notice of any IRS or Secretary proceeding involving the Company; notice of any demand for payment or draw under any construction completion guarantee, performance bond, or letter of credit regarding the HTC Landlord or Company; any notice or request for approval or consent or notice of default given pursuant to the HTC Lease; and notices regarding the Property's compliance with any regulatory restrictions imposed thereon);
- copies of all lawsuits or legal proceedings or alleged violations of law, and notices of all actions taken, or proposed to be taken, affecting a Developer Entity; and
- upon occurrence, a report of any material default by the Company under any Operating Documents or in payment of any mortgage, taxes, or interest or other obligation on secured or unsecured debt;
- upon execution, a copy of all amendments or changes to the Certification Application and the articles, bylaws, certificate, partnership agreement, operating agreement or other organizational

Exhibit F

documents of the Managing Member, the Company, the HTC Landlord, or any Guarantor (without implying the consent of Member to any such amendment or change to any such organizational document).

- a response to any reasonable requests or inquiries made in writing by the Investor Member regarding matters affecting the Property or the Company

Guarantor Reporting

- as soon as available and in any event not later than one hundred twenty (120) days after the end of each calendar year, each Guarantor shall provide to the Investor Member the following in form and substance acceptable to Investor Member:
 - (i) For each Guarantor, audited financial statements; and
 - (ii) If the audit consolidates the Guarantor with other entities, a CPA-prepared balance sheet and income statement for just the Guarantor, with bank and brokerage statements to verify liquidity; and
 - (iii) During construction, as soon as available and in any event not later than (30) days after the end of each calendar quarter, each Guarantor shall provide to the Investor Member bank and brokerage statements evidencing liquidity position as of the end of the calendar quarter.

EXHIBIT G [NTD: to be conformed to align with closing certificate]

ARCHITECT'S INSTALLMENT CERTIFICATE

ARCHITECT CERTIFICATE OF COMPLIANCE

[ADD LETTERHEAD]

[DATE]

100 McAllister Tenant LLC
c/o National Trust Community Investment Corporation
1155 15th Street, NW
Washington, DC 20005
Attn: Director of Asset Management

Re: William Taylor Hotel and Temple Methodist Church – 100 McAllister Street, San Francisco, CA 94102

Ladies and Gentlemen:

The undersigned (the “Architect”), an architect duly licensed and registered in the State of California and experienced with the standards for rehabilitation established by the Secretary of the Interior set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time (the “Secretary’s Standards”), has prepared for 100 McAllister Landlord LLC, a California limited liability company (“Lessor”), final plans, working drawings, and specifications (and addenda), dated [____], and last redated and revised on [____] (collectively, the “Plans and Specifications”) in connection with the rehabilitation of the existing historic building commonly known as William Taylor Hotel and Temple Methodist Church (the “Building”) consisting of [____] located on certain real property located at 100 McAllister Street, San Francisco, CA 94102 and the tract(s) of land upon which the Building is located (the “Land”, and together with the Building, the “Property.”)

The Architect understands that the Property is leased to 100 McAllister Tenant LLC, a California limited liability company (the “Lessee”). The Architect further understands that Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company (the “Investor Member”), is a member of the Lessee and has committed to make an equity investment in installments or other financial accommodations to the Lessee.

In connection with Investor Member making an equity investment installment in Lessee, the Architect hereby certifies to Investor Member as follow:

1. The Plans and Specifications (a) comply with the requirements, guidelines, and recommendations of the [PROJECT STATE SHPO NAME] (“SHPO”) and the United States Department of the Interior, National Park Service (“NPS”), including, without limitation, the NPS approval of Part 2 of the Historic Preservation Application (the “Part 2 Application”) dated [____], NPS approval of the first amendment to the Part 2 Application dated [____], NPS approval of the second amendment to the Part 2 Application dated [____], NPS approval of the [____] amendment

Exhibit G

to the Part 2 Application dated [_____], and all SHPO and NPS correspondence, including any hold letter and response thereto, if applicable, and the standards for rehabilitation set forth in the Secretary's Standards (collectively, together with any amendments, the "HTC Approvals") and the conditions thereto, [and (b) included two or more distinct phases of development]. [UPDATE FOR ADDITIONAL AMENDMENTS AND APPROVALS OR CONFIRM LIST IS CORRECT]

2. The Plans and Specifications have been prepared and will continue to be prepared in accordance with customary professional standards of architectural practice for projects similar to the rehabilitation of the Building. The Plans and Specifications comply with and conform in all respects to the requirements of law, including the Americans with Disabilities Act and the Fair Housing Act, have been duly filed with and have been approved by the local or municipal department of buildings or such other department, board or agency having similar functions, and all governmental and municipal authorities having jurisdiction thereover, and are in compliance with all requirements and restrictions of all applicable zoning, building, fire, health and other governmental ordinances, rules and regulations, or other similar body acting in and for the locality in which the Property is located.

3. In the opinion of the Architect, the completion of the rehabilitation of the Building has been done in accordance with the Plans and Specifications, and all of the preconditions have been met justifying the issuance of (a) a new temporary or permanent certificate or certificates of occupancy for the Building and, if applicable, a letter or certificate of compliance or completion stating that the work comprising the rehabilitation and construction complies with all requirements and restrictions of all governmental ordinances, rules and regulations; and (b) such other necessary approvals, certificates, permits and licenses that may be required from the local or municipal fire, buildings, housing, zoning and planning board, agencies or departments and such other governmental authorities having jurisdiction over rehabilitation and construction.

4. The rehabilitation of the Building and the operation of the Property is in compliance with all current zoning and other applicable laws, ordinances, rules, regulations, restrictions and requirements, and all existing building and other municipal violations filed or noted against the Property, if and to the extent applicable, have been corrected with the completion of the construction substantially in accordance with the Plans and Specifications.

5. All necessary gas, electric, water and sewer services and other utilities are now available to the Property.

6. The scope of work contemplated in the Plans and Specifications was such that in the opinion of the Architect, (a) the Property is in compliance with the Lead-Based Paint Regulations issued by the U.S. Department of Housing and Urban Development pursuant to the Lead-Based Paint Poisoning Prevention Act; and (b) all known hazardous substances in the Property, as identified in the recent environmental report(s) on the Property of which copies have been delivered to the Architect, have been removed or encapsulated as permitted by law, to the best of the Architect's knowledge and belief after appropriate inquiry.

7. To the best knowledge of the Architect, no governmental agency or entity (including, but not limited to, SHPO and the NPS) has issued any notice of violation or non-conformity in connection with the Project.

8. All work performed to date in connection with the rehabilitation of the Building is consistent with the Plans and Specifications and is in compliance with the HTC Approvals. The Architect

Exhibit G

agrees to endeavor to guard the Lessor and Lessee against work that does not conform to the Secretary's Standards and the HTC Approvals, and not to prepare or recommend change orders to, or to authorize changes in, the Plans and Specifications unless the Secretary's approval of such changes has been obtained, if and to the extent such approval is required by 36 C.F.R. 67.6(d).

Very truly yours,

PERKINS+WILL, INC.

a [] corporation

By: _____

Name: _____

Title: _____

Exhibit G

EXHIBIT H [NTD: to be conformed to align with closing certificate]

PRESERVATION CONSULTANT'S INSTALLMENT CERTIFICATE

[PLACE ON CONSULTANT'S LETTERHEAD]

HISTORIC PRESERVATION CONSULTANT'S CERTIFICATION OF COMPLIANCE

[____], 20[]

100 McAllister Tenant LLC
c/o National Trust Community Investment Corporation
1155 15th Street, NW
Washington, DC 20005
Attn: Director of Asset Management

Re: William Taylor Hotel and Temple Methodist Church – 100 McAllister Street, San Francisco, CA 94102

Ladies and Gentlemen:

The undersigned (the "Consultant"), a historic preservation consultant experienced with the standards for rehabilitation established by the Secretary of the Interior set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time (the "Secretary's Standards"), has reviewed for 100 McAllister Landlord LLC, a California limited liability company (the "Lessor"), final plans, working drawings, and specifications (and addenda), dated _____, 20__, and last redated and revised on _____, 20__, prepared by Perkins+Will (collectively, the "Plans and Specifications") in connection with the rehabilitation of the building commonly known as William Taylor Hotel and Temple Methodist Church (the "Building") consisting of [DESCRIBE PROJECT], located on certain real property located at 100 McAllister Street, San Francisco, CA 94102, as well as certain other improvements, and the tract(s) of land upon which the Building is located (the "Land," and together with the Building, the "Property.")

The Consultant understands that the Property is leased to 100 McAllister Tenant LLC, a California limited liability company (the "Lessee"). The Consultant further understands that Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company (the "Investor Member"), is a member of the Lessee and has committed to make an equity investment in installments or other financial accommodations to the Lessee.

In connection with Investor Member making an equity investment installment in Lessee, the undersigned hereby certifies to Investor Member as follow:

1. The Plans and Specifications comply with the requirements, guidelines, and recommendations of the Historic Preservation Office for the State of California ("SHPO") and the National Park Service ("NPS"), including, without limitation, the HTC Approvals defined in Section 2 below and the conditions thereto.

2. The undersigned has reviewed each of the following documents and correspondence, which include all applications, amendments, approvals, communications and correspondence concerning the rehabilitation of the Property with SHPO and the National Park Service (collectively, the “HTC Approvals”):

- (a) Part 1 Application dated [_____];
- (b) Part 1 National Park Service Approval dated [_____];
- (c) Part 2 Application dated [_____] (the “Part 2 Application”);
- (d) Part 2 National Park Service [Conditional Approval] dated [_____];
- (e) *[Add all Part 2 Application Amendments];*
- (f) Part 2 National Park Service Approval dated [_____]; and
- (g) *[HTC Consultant to add SHPO and NPS correspondence, including any hold letter and response thereto].*

3. To the best knowledge of the HTC Consultant, after reasonably inquiry of Owner, all work performed to date in connection with the rehabilitation of the Property is consistent with, and the Consultant will endeavor to ensure that all future work in connection with the rehabilitation of the Property, is consistent with the Plans and Specifications, is in compliance with the HTC Approvals, and is in compliance with those certain [add any applicable protective covenants].

4. To the best knowledge of the Consultant, after reasonably inquiry of Owner, no governmental agency or entity (including, but not limited to, SHPO and NPS) has issued any notice of violation or nonconformity in connection with the rehabilitation of the Property.

5. The rehabilitation of the Building has been completed substantially in accordance with the Plans and Specifications and the Property constitutes a “certified rehabilitation” as that term is used in the Part 2 Application.

6. The Consultant acknowledges that the failure of the completed Building to meet the Secretary’s Standards and/or to be consistent with the work described in the Part 2 Application and all amendments thereto listed above, as approved by NPS, could result in the loss of certain economic and tax benefits including the historic rehabilitation tax credit, to the Lessor and the Lessee. Accordingly, the Consultant agrees to endeavor to guard the Lessor and the Lessee against work that does not conform to the Secretary’s Standards, and not to recommend change orders to, or to authorize changes in or additions to, the Plans and Specifications unless NPS’ approval of such changes has been obtained, if and to the extent such approval is required by 36 C.F.R. 67.6(d).

[This page ends here. Signature page to follow.]

This Historic Preservation Consultant's Certificate of Compliance is executed as of the date first set forth above.

CONSULTANT:

PAGE & TURNBULL, INC.

By: _____
Name: _____
Title: _____

EXHIBIT I

FORM OF HTC LANDLORD OPERATING AGREEMENT

Exhibit [I]

EXHIBIT J
FORM OF HTC LEASE

Exhibit [I]

FIRST AMENDED AND RESTATED OPERATING AGREEMENT

OF

100 MCALLISTER LANDLORD LLC

Dated as of [DATE]

THE LLC INTERESTS DESCRIBED IN THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”) OR UNDER THE SECURITIES LAWS OF ANY STATE (THE “STATE ACTS”). CONSEQUENTLY, THESE LLC INTERESTS MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF, EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE 1933 ACT, THE STATE ACTS AND THIS AGREEMENT.

**FIRST AMENDED AND RESTATED OPERATING AGREEMENT
OF
100 MCALLISTER LANDLORD LLC**

This First Amended and Restated Operating Agreement (this “**Agreement**”) is made and entered into as of [DATE], by and among 100 McAllister Manager Inc., a California corporation (the “**Managing Member**”) and 100 McAllister Tenant LLC, a California limited liability company (“**HTC Tenant**”).

PRELIMINARY STATEMENT

100 McAllister Landlord LLC was formed as a limited liability company (the “**Company**”) by the filing of Articles of Organization with the Office of the California Secretary of State as a single member limited liability company with Managing Member as the sole initial member (“**Initial Member**”). Prior to the date hereof, the business and affairs of the Company were governed by the terms of an Operating Agreement (the “**Prior Agreement**”).

The parties hereto now desire to amend and restate the Prior Agreement to (i) reflect the admission of the HTC Tenant to the Company and (ii) to reflect the continuation of the Initial Member as the Managing Member, and the deemed contribution by the Managing Member to the Company of all of the assets held by the Company when it was wholly owned by the Managing Member hereof.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows:

ARTICLE I

DEFINED TERMS; RULES OF CONSTRUCTION

Section 1.1 Defined Terms

Terms used with initial capital letters that are not otherwise defined in the body of this Agreement shall have the meanings given to them in **Schedule 1.1**, attached hereto and incorporated by reference herein.

Section 1.2 Rules of Construction

Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Agreement:

(i) Words used in the singular number include the plural number and words importing the plural number include the singular number.

(ii) Words of the masculine gender include correlative words of the feminine and neuter genders.

(iii) The table of contents and the headings or captions used in this Agreement are for convenience of reference and do not constitute a part of this Agreement, nor affect its meaning, construction, or effect.

(iv) References to persons include any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, or government or agency or political subdivision thereof.

(v) Any reference in this Agreement to a particular “Article,” “Section,” or other subdivision shall be to such Article, Section, or subdivision of this Agreement unless the context shall otherwise require.

(vi) Each reference in this Agreement to an agreement or contract shall include all amendments, modifications, and supplements to such agreement or contract unless the context shall otherwise require.

(vii) When any reference is made in this document or any of the schedules or exhibits attached hereto to the Agreement, it shall mean this Agreement, together with all other schedules and exhibits attached hereto, as though one document.

ARTICLE II

CONTINUATION: NAME; PRINCIPAL OFFICE; PURPOSE OF COMPANY; TERM

Section 2.1 Continuation and Name

The Members hereby agree to continue 100 McAllister Landlord LLC as a limited liability company under the LLC Act.

Section 2.2 Name

The name of the Company shall be 100 McAllister Landlord LLC.

Section 2.3 Purposes

A. The purposes of the Company are to:

(i) acquire, own, develop, rehabilitate, manage, and operate the Project and do and perform all acts relating to the foregoing; and

(ii) do and perform all acts necessary or desirable to carry out any of the foregoing purposes.

B. The foregoing enumerated purposes shall be in addition to and not in limitation of the general powers of limited liability companies under the LLC Act.

Section 2.4 Articles of Organization.

Articles of organization of the Company (the “**Articles of Organization**”) have been filed with the Office of the California Secretary of State. The Managing Member shall take all necessary action to continue and maintain the Company in good standing as a limited liability company under the LLC Act, including (without limitation) the filing of any certificates of correction, articles of amendment and such other applications and certificates as may be necessary to protect the limited liability of the Members and to cause the Company to comply with the applicable laws of any jurisdiction in which the Company owns property or does business.

Section 2.5 Term.

The Company shall dissolve at the occurrence of any of the events set forth in Section 7.1 of this Agreement.

Section 2.6 Principal Office and Resident Agent.

The business address of the Company shall be 200 McAllister Street, San Francisco, CA 94102 and the name and address of the initial resident agent of the Company in the State of California are as set forth in the Articles of Organization. The principal office and resident agent of the Company may be changed from time to time as determined by the Managing Member, whereupon the Managing Member shall provide written notice of such change to all the Members.

Section 2.7 Tax Characterization.

A. At all times during which the Company has two or more Members, the business and affairs of the Company relating to the Project shall, for federal and state income tax purposes, be classified as a partnership rather than an association taxable as a corporation.

B. Each Member, by its execution or acceptance of this Agreement, covenants and agrees that it will file its own federal and state income and other tax returns in a manner that is consistent with the intended tax treatment as set forth in this Section 2.7 and will not take any action which is inconsistent with such treatment.

Section 2.8 Liability of the Members

Except as may be expressly provided under the LLC Act or as may be contemplated by this Agreement (or by such other agreement as may be entered into by one or more Members), no Member shall be responsible or liable for any indebtedness or obligation of the Company to any other person.

Section 2.9 Admission of HTC Tenant

Concurrently with the execution and delivery of this Agreement by the parties hereto, the HTC Tenant shall be admitted as a Member of the Company, with all of the associated benefits, rights, privileges and obligations.

ARTICLE III

MEMBERS; CAPITAL CONTRIBUTIONS; CAPITAL OF THE COMPANY

Section 3.1 Members

A. 100 McAllister Manager Inc. is the sole Managing Member of the Company. The name, address and Capital Contributions of the Managing Member are set forth on **Exhibit A** attached hereto.

B. 100 McAllister Tenant LLC is the sole HTC Tenant of the Company. The name, address and Capital Contributions of the HTC Tenant are set forth on **Exhibit A** attached hereto.

C. **Exhibit A**, shall be amended from time to time by the Managing Member to reflect any changes of address, admission of any additional Members or any changes to the information set forth thereon.

D. No additional or substitute Member may be admitted except in accordance with the provisions of Article VI hereof or in contravention of any covenants and agreements of the Company under any Project Documents.

Section 3.2 Capital Contributions of Managing Member

The Managing Member shall make or has made aggregate Capital Contributions to the Company in the amount set forth as the capital commitment in Exhibit A attached hereto and incorporated herein by reference. It is understood that immediately prior to the admission of the HTC Tenant the Company was wholly owned by the Managing Member and treated as a disregarded entity for tax purposes. Accordingly, upon admission of the HTC Tenant, the Managing Member shall be deemed to make a Capital Contribution to the Company of all of the assets of the Company, valued as their fair market value, as of the date of admission of the HTC Tenant, and Exhibit A reflects the amount of such Capital Contribution.

Section 3.3 Capital Contributions of HTC Tenant

A. Pursuant to the terms of the HTC Tenant Operating Agreement, the HTC Investor is obligated, subject to certain terms, conditions and adjustments, to make the HTC Investor Contribution to the HTC Tenant.

B. The HTC Tenant's Capital Contributions to the Company shall be made at such times and in such proportions as set forth in the HTC Tenant Operating Agreement (in all events subject to the adjustment provisions therein) and the Projections. The HTC Tenant shall be obligated to make cash Capital Contributions to the Company in the aggregate amount of [\$48,005,284—per Novogradac projections as of 7/10/26], subject to the provisions of this Section 3.3. Such Capital Contribution described by the preceding sentence shall be made to the Company as follows:

(i) On or about the date of admission of the HTC Investor into the HTC Tenant, the HTC Tenant shall make a capital contribution in the amount of [\$10,000—per Novogradac projections as of 7/10/26] to the Company; and

(ii) At such other times as provided in the HTC Tenant Operating Agreement.

C. The Capital Contributions of the HTC Tenant should be subject to the adjustments set forth in the HTC Tenant's Operating Agreement and shall otherwise be payable within [five (5)] business days of receipt of the capital contributions from the HTC Investor to the HTC Tenant. The obligations of the HTC Tenant to make its Capital Contribution to the Company hereunder shall be increased or decreased pro rata based on the amount that the HTC Investor Contribution is increased or decreased pursuant to the HTC Tenant Operating Agreement, with such increase or decrease being made at the time of the HTC Investor Contribution. In addition, notwithstanding anything in this Agreement to the contrary, the Capital Contribution obligations of the HTC Tenant hereunder shall be subject to each and all of the terms and conditions governing the HTC Investor Contribution as set forth in the HTC Tenant Operating Agreement. Upon receipt of the funds from the HTC Tenant described in Section 3.3B(ii), such funds to the extent reasonably determined by the Managing Member to be funds which are not necessary to satisfy the costs and expenses of the Company may be immediately distributed to the Managing Member. The parties hereto agree that any such funds distributed to the Managing Member shall be treated to the fullest extent permitted by applicable tax laws as a return of initial invested capital (and not as a disguised sale or other taxable distribution) as it was the parties original expectation and was material to the negotiations which occurred at the time of the execution of this Agreement and establishment of rights, obligations and Percentage Interests that certain amounts received from the HTC Tenant would be distributed to the Managing Member as a return of and/or reimbursement of its pre-formation and other expenses and capital expenditures.

D. Notwithstanding anything in this Agreement to the contrary, (i) in the event that the HTC Tenant is required to make a return of capital distribution to the HTC Investor pursuant to the HTC Tenant Operating Agreement, the Company shall be required to make a return of capital distribution to the HTC Tenant of an equal amount (not to exceed the amount of the HTC Tenant's Capital Contribution), and (ii) in the event that the HTC Investor makes an additional capital contribution to the HTC Tenant pursuant to the HTC Tenant Operating Agreement and such additional capital contribution is not designated by the HTC Tenant for use other than as an investment in the Company, the HTC Tenant shall be required to make an additional capital contribution to the Company of an equal amount.

E. Within five (5) days following the payment of each installment of the HTC Tenant's Capital Contribution, the Managing Member shall provide to the HTC Tenant and the HTC Investor written confirmation of the deposit of such payments into the Company's bank account evidenced by a copy of the wire confirmation or other evidence reasonably satisfactory to the HTC Tenant and the HTC Investor.

Section 3.4 No Required Additional Capital Contributions

A. Except for the Capital Contributions required to be made by the Managing Member under Section 3.2 and the Capital Contributions required to be made by the HTC Tenant under

Section 3.3, no Member shall have any obligation to make any Capital Contributions, provided that nothing shall preclude any Member of the Company from making additional Capital Contributions.

B. No Member shall have any obligation to contribute additional capital to the Company in order to restore a deficit balance in its Capital Account.

Section 3.5 General Rules Regarding Company Capital

A. No Member shall be paid interest on any Capital Contribution.

B. Neither the Managing Member nor any other Member shall be personally liable for the return of the Capital Contributions of the Members, or any portion thereof, it being expressly understood that any such return of contributions shall be made solely from the Company assets.

C. Except as otherwise provided herein, no Member shall have the right to withdraw or receive a return of all or any part of that Member's Capital Contributions, or to demand or receive property (other than cash) of the Company or any distribution in return for that Member's Capital Contributions.

Section 3.6 Capital Accounts

A. Each Member shall have a capital account (each a "**Capital Account**") on the books of the Company that shall be increased by:

(i) The amount of its initial Capital Contribution and any additional Capital Contributions, and

(ii) Allocations to it of Profit (or items thereof).

and shall be *decreased* by:

(iii) The amount of money and the fair market value of property (net of liabilities secured by the distributed property that he assumes or takes subject to), distributed to it by the Company, and

(iv) Allocations to it of Loss (or items thereof).

B. Each Member's Capital Account shall be further adjusted as necessary for the Members' Capital Accounts to be determined and maintained in accordance with Regulations § 1.704-1(b)(2)(iv), including those provisions applicable to contributions and distributions of property to the extent applicable.

C. Upon a Transfer of all or any portion of a Member's Interest, the transferring Member's Capital Account attributable to such transferred Interest shall become the initial Capital Account of the transferee. If a Member transfers less than its entire Interest in the Company, the portion of the transferring Member's Capital Account that shall become the initial Capital Account of the transferee shall be equal to the transferring Member's Capital Account prior to such transfer

multiplied by the percentage of the transferring Member's Interest being transferred, as set forth in the pertinent transfer documents. The transferring Member's remaining Capital Account shall be reduced by the amount of the transferee's initial Capital Account.

D. If any Member shall advance or lend any funds to the Company, the amount of any such loan shall not increase the Member's Capital Account or affect in any way its share in the Profits, Losses, or distributions of the Company.

Section 3.7 Reserves

The Managing Member may, in its reasonable discretion, cause the Company to establish, fund and maintain such working capital and contingency reserves deemed by the Managing Member to be necessary or advisable for the prudent operation of the business of the Company, including, without limitation, reserves for working capital, to pay taxes, insurance, management and other Company expenses. The Managing Member shall cause the Company to establish, fund and maintain the reserves in the manner set forth as reserves of the Company in the Projections (the "**Reserves**"). The Managing Member may, in its reasonable discretion, cause the Company to release some portion or all of the Reserves, and any such released Reserves shall be distributed to the Managing Member. The parties hereto agree that any such funds distributed to the Managing Member shall be treated to the fullest extent permitted by applicable tax laws as a return of initial invested capital (and not as a disguised sale or other taxable distribution) as it was the parties original expectation and was material to the negotiations which occurred at the time of the execution of this Agreement and establishment of rights, obligations and Percentage Interests that certain amounts received from the Investor Member would be distributed to the Managing Member.

Section 3.8 Funding Additional Cash Requirements of the Company

A. If, at any time or from time to time, the Managing Member determines in the exercise of its reasonable discretion that the Company requires additional amounts of cash to pay costs and expenses associated with the operations of the Company or to fund any other obligations of the Company, the Managing Member or any of its Affiliates shall have the option to make a loan to the Company to pay Company costs and expenses ("**Shortfall Loan**"). To the extent funds are available, Shortfall Loans shall be repaid in accordance with and in the priority set forth in Article V hereof. Such Shortfall Loans shall bear interest from the date of the loan at the Interest Rate, and such interest shall accrue and compound until principal and interest are repaid.

B. In the event the Managing Member makes a payment to or on behalf of the Company pursuant to the Managing Member's obligations under that certain Guaranty, such payment shall for all purposes of this Agreement be treated as a Shortfall Loan made by the Managing Member to the Company.

C. Repayment of all Shortfall Loans shall be expressly subject to all limitations thereon now or hereinafter set forth in any of the Project Documents and the HTC Tenant Operating Agreement.

ARTICLE IV

RIGHTS, POWERS, AND DUTIES OF THE MEMBERS

Section 4.1 Management and Control of the Company

A. The business and affairs of the Company shall be managed exclusively by the Managing Member. Except as otherwise specifically provided in this Agreement, the Managing Member shall have the exclusive right to manage and control the business of the Company and, without any requirement to obtain the consent or approval of any other Member, is hereby authorized to take any action of any kind, and to do anything and everything, in furtherance of the purposes of the Company, in accordance with the provisions of this Agreement and the LLC Act.

B. Without limiting the generality of the foregoing, but subject to any express limitations of Section 4.1.D or elsewhere in this Agreement or in the Master Lease, the Managing Member shall have the authority to take any or all actions in the name of or on behalf of the Company including, without limitation, the following:

(i) acquire, hold, develop, operate, own, convey, improve, assign, transfer, lease, or exchange all or any portion of the Project;

(ii) execute, deliver and amend any and all agreements, contracts, documents, certifications and instruments necessary or convenient in connection with the acquisition, ownership, development, management, maintenance, and operation of the Project, including, without limitation, the Project Documents;

(iii) acquire and enter into any contract of insurance that the Managing Member deems necessary and proper for the protection of the Company, for the conservation of any asset or property of the Company, or for any purpose beneficial to the Company;

(iv) employ, engage, retain or deal with any person, firm or corporation (whether or not any Member or any Affiliate thereof is employed by, or is directly or indirectly connected with, any such person, firm or corporation) to act as attorneys, brokers, managing agents or accountants, or in such other capacities as the Managing Member may determine, on behalf of the Company, provided that, if any such person, firm or corporation is related to any Member or any Members has any direct or indirect interest in such person, firm or corporation, then the fees or other compensation paid thereto shall in no event exceed those which are reasonable and customary under the circumstances;

(v) bring or defend, pay, collect, compromise, arbitrate, resort to legal action or otherwise adjust claims or demands of or against the Company;

(vi) establish reasonable reserves, from funds derived from the Company's operations, to provide for future requirements of the Company, including, but not limited to, working capital;

(vii) perform or cause to be performed all of the Company's obligations under any agreement to which the Company is a party, including, without limitation, the Project Documents;

(viii) execute, acknowledge and deliver any and all documents and instruments necessary or desirable to carry on the business of the Company, including, without limitation, instruments containing a confession of judgment; and

(ix) enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the purposes of the Company, so long as said activities and contracts may be lawfully carried on or performed by a limited liability company under applicable laws and regulations.

C. The Managing Member shall cause the rehabilitation of the Project and the construction of all improvements to be completed in accordance with the Project Documents (the "**Improvements**") in a good and workmanlike manner, free and clear of all mechanics', materialmen's, or similar liens, and in accordance with the applicable requirements of the United States Department of Interior, the Plans and Specifications and the State of California requirements, and shall equip the Project or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, all in accordance with the actions and performance required to complete rehabilitation of the Historic Building and the Improvements in conformity with the Plans and Specifications and Project Documents.

D. Notwithstanding the general grant of authority to the Managing Member under the foregoing provisions of this Section 4.1, the Managing Member shall have no authority to cause the Company to take any of the following actions enumerated in this Section 4.1.D without the (i) consent of the HTC Tenant and (ii) with respect to actions occurring on or before the Outside Date, the prior written consent of the HTC Investor, which consent shall not be unreasonably withheld, conditioned, or delayed:

(i) taking any action that requires the consent of the HTC Tenant or the HTC Investor under the HTC Lease

(ii) other than the lease transaction contemplated in the Master Lease, to lease, convey, hypothecate or otherwise transfer or dispose of (or make any offer to sell, lease, convey, hypothecate or otherwise transfer or dispose of) all or any part of the Project;

(iii) except as provided in Article VI hereof, admit any person to the Company as an additional or substitute Member of the Company;

(iv) cause or permit the Company to engage in any business beyond the purposes set forth in Section 2.3; or

(v) elect to dissolve and terminate the Company, or cause or permit the Company to be a party to a merger, transfer of substantially all of its assets or consolidation with any other person.

(vi) to incur indebtedness on the general credit of the Company, except for unsecured short-term indebtedness (including equipment leases) incurred in the ordinary course of business by the Company arising from the operations of the Project as contemplated by the Project Documents;

(vii) sell, transfer or assign any portion of the Managing Member's interest in the Company;

(viii) pledge or assign any portion of the HTC Tenant's Capital Contribution or the proceeds thereof;

(ix) cause or permit the Company to fail to constitute a Special Purpose Entity;

(x) elect to dissolve and terminate the Company, or cause or permit the Company to be a party to a merger, transfer of substantially all of its assets or consolidation with any other person;

(xi) cause the filing by the Company of any bankruptcy, insolvency, receivership, or similar proceeding against the Company, or consenting to any such proceeding being filed against the Company, or the executing or delivering any assignment for the benefit of the creditors of the Company;

(xii) amend, alter or repeal any provision of the Company's Articles of Organization, this Agreement or any of the Project Documents; or

(xiii) grant or refuse to grant any consent of the Company required under the Project Documents that would have a material impact on the business and operations of the Company.

E. No Member, other than the Managing Member, shall have any authority or right to act for or bind the Company or to participate in or have any control over Company business, except for such rights to consent to or approve of the actions and decisions as are expressly provided for in this Agreement.

Section 4.2 Resignation of Managing Member; Selection and Appointment of Successor Managing Member.

A. No Managing Member may voluntarily resign from its role and capacity as Managing Member unless another Managing Member (including any additional or successor Managing Member selected under this Section 4.2) remains. The Managing Member shall be deemed to have resigned as Managing Member upon the occurrence of a Member Termination Event (as defined in Section 7.1.A below) with respect to the Managing Member.

B. Upon the (actual or deemed) resignation or removal of a Managing Member such Managing Member shall continue to hold the same Interest held by it prior to the occurrence of the Member Termination Event.

C. Upon the (actual or deemed) resignation of the last remaining Managing Member, the HTC Tenant shall select another willing person to succeed to the position of the Managing Member. As a condition to becoming a successor Managing Member, any such successor Managing Member shall agree in writing to be bound by the terms and provisions of this Agreement relating to the rights and obligations of the Managing Member.

Section 4.3 Other Business of Members

Any Member and/or their Affiliates, may engage in or possess an interest in other business ventures of any nature or description independently or with others, including, but not limited to, the ownership, financing, leasing, operation, management and development of commercial buildings that may compete with the Company or the Project, and neither the Company nor any Member shall have any rights in or to such independent ventures or the income or profits derived therefrom, and such activities shall not be construed as a breach of any duty of loyalty or other fiduciary duty to the other Members or the Company.

Section 4.4 Dealings with Members and Affiliates

The Company may acquire property from or lease property to, borrow money from, enter into any agreement or contract for the provision of goods or services with any Member or Affiliate thereof, provided, however, that the terms and conditions of any such arrangement shall be on terms no less favorable to the Company than terms available from unrelated parties.

Section 4.5 Limitation on Liability of Managing Member

Without limiting the effect of the Guaranties (as defined in the HTC Tenant Operating Agreement) or any indemnity contained in any Project Document, this Agreement, and the HTC Tenant Operating Agreement, no Managing Member, Officer or other Affiliate of the Managing Member shall be liable, responsible, or accountable in liabilities, damages, or otherwise to the Company or any Member for errors in judgment, acts performed, or failure to act by the Managing Member, Officer or such Affiliate on behalf of or for the Company in good faith and in a manner reasonably believed by the Managing Member, Officer or Affiliate to be in or not opposed to the best interests of the Company and within the scope of the authority conferred on it by this Agreement, unless the error in judgment, act, or omission constitutes negligence, misconduct or a breach of fiduciary duty.

Section 4.6 Indemnification of Covered Persons

A. The Company shall indemnify, defend, and hold harmless each Covered Person from and against any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) arising out of or alleged to arise out of any demands, claims, suits, actions, or proceedings against the Covered Person, by reason of any act or omission performed by it while acting in good faith on behalf of the Company and within the scope of the authority under this Agreement, and any amount expended in any settlement of any such claim of liability, loss, or damage; provided, however, that: (i) the Covered Person must have in good faith believed that such action was in the best interests of the Company, and such course of action or inaction must not have constituted negligence, fraud, misconduct, malfeasance, breach of any representation, warranty, covenant or agreement set forth in this Agreement that extends beyond any applicable notice and cure period,

or breach of a fiduciary duty; and (ii) any such indemnification shall be recoverable from the assets of the Company, not from the assets of the Members, and no Member shall be personally liable therefor. This indemnity shall be operative only in the context of third-party suits, and not in connection with demands, claims, suits, actions or proceedings initiated by any Member or any Affiliate thereof against another Member.

B. Notwithstanding anything contained in this Section 4.6, no Covered Person shall be indemnified or saved harmless from any liability, loss, damage, cost, or expense incurred by it in connection with: (i) any fines or penalties imposed by law; (ii) any claim or settlement involving the allegation that federal or state securities laws were violated by the Covered Person or the Company; or (iii) any claim involving any category of claims listed in Section 4.6.A(i), unless (a) the Covered Person is successful in defending such action on the merits; (b) such claims have been dismissed in favor of the Covered Person with prejudice on the merits by a court of competent jurisdiction; or (c) a court of competent jurisdiction approves, a settlement and determines that the Covered Person is entitled to costs.

C. The provision of advances from the Company to the Covered Person for reasonable legal expenses and other costs as a result of a legal action pursuant to Section 4.6.D is permissible only if the following three conditions are satisfied: (1) the legal action relates to the performance of the duties or services by the Covered Person on behalf of the Company; (2) the legal action is initiated by a third party who is not a Member or Affiliate thereof; and (3) the Covered Person covenants in advance to repay the advance of funds to the Company in accordance with Section 4.6.D in the event it is determined that the Covered Person is not entitled to indemnification hereunder.

D. The Covered Person, when entitled to indemnification pursuant to this Section 4.6, shall be entitled to receive, upon application therefor, reasonable advances to cover the costs of defending any proceedings against it; provided, however, that the Covered Person agrees that if it receives such advances, it shall repay such advances to the Company, with interest thereon, at an annual rate equal to two percent (2%) above the prime rate of interest of the Wall Street Journal then in effect, computed on a daily basis, from the date made until repaid, if the Covered Person is determined not to be entitled to indemnification under this Section 4.6. All rights of the Covered Person to indemnification shall survive the dissolution of the Company and the insolvency, Bankruptcy, or withdrawal of the Covered Person.

E. The indemnification rights contained in this Section 4.6 shall be limited to out-of-pocket loss or expense. Nothing contained herein shall constitute a waiver by any Member or its Affiliates of any right which it may have against any party under federal, state, or common law principles. The indemnification authorized by this Section 4.6 shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

Section 4.7 Indemnification by Managing Member.

A. The Managing Member shall defend, indemnify, and save harmless the Company and each Member from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or proceeding arising

out of the Managing Member's negligence, fraud, misconduct, malfeasance, breach of any representation, warranty, covenant, or agreement set forth in this Agreement that continues beyond any applicable notice and cure periods, breach of fiduciary duty, or if a judgment 'is obtained against the Managing Member in connection with actions performed outside the scope of the authority of the Managing Member pursuant to this Agreement.

B. The Managing Member agrees to indemnify and hold harmless the HTC Tenant and any member, shareholder or partner of the HTC Tenant, as applicable (the "**Indemnified Parties**"), from any and against all claims, actions, causes of action, liability and expense (including, without limitation, attorney's fees, court costs and remedial response costs) incurred or suffered by, or asserted by any person, entity or governmental agency against the Indemnified Parties due to breach of the Managing Member's representations, warranties or covenants contained in Sections 4.11(iv) and 4.12(vi), or a violation of the Environmental Laws, or the presence of Hazardous Materials in, on or under the Project. The foregoing indemnification shall be a recourse obligation of the Managing Member and shall (to the full extent permitted by law) survive the dissolution of the Company and the dissolution, insolvency, Bankruptcy or withdrawal of the Managing Member of the Company. The indemnification authorized by this Section 4.7 shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

Section 4.8 Fiduciary Duty of Managing Member.

The Managing Member shall have a fiduciary responsibility to the Members for the safekeeping and use of all property of the Company, whether or not in its immediate possession or control, and shall not use or dispose of such property in any manner except for the Company's exclusive benefit. The Managing Member shall not contract away its fiduciary duties under the common law of agency.

Section 4.9 Approval of Certain Agreements and Transactions.

A. The Managing Member is hereby expressly authorized and directed, in the name of and on behalf of the Company, to

(i) cause the Company to lease the Project to the HTC Tenant pursuant to the Master Lease and, in accordance with the provisions thereof, to take all actions and make all elections to pass any Historic Tax Credits attributable to the Historic Building to the HTC Tenant, as lessee thereunder;

(ii) from time to time cause the Company to enter into documents and agreements evidencing Shortfall Loans as provided in Section 3.9 hereof; and

(iii) to do such other acts and things as may be necessary or appropriate and consistent with carrying out the intent and purposes of the foregoing.

B. In connection with the foregoing, the Managing Member is authorized, empowered and directed for and on behalf of Company to execute, deliver, file, acknowledge, record and perform any and all amendments, agreements, certificates, instruments and other documents, and to take or cause to be done any and all such other things as it may deem necessary or, in its

judgment, desirable in order to effectuate and carry out the transactions contemplated by Section 4.9.A above, the execution and delivery of all such documents to be conclusive evidence of the approval of such documents, and the transactions contemplated thereby, and of the authority of the officers to execute and deliver such documents in the form executed and delivered.

Section 4.10 Compensation of the Managing Member

A. The Managing Member shall be fully and entirely reimbursed by the Company for its reasonable out-of-pocket costs and expenses incurred by the Managing Member in connection with the management and supervision of the Company's business and operations.

B. Except as set forth in this Section 4.10 the Managing Member shall not be entitled to any compensation for its services to the Company as Managing Member thereof.

Section 4.11 Representations and Warranties of Managing Member

The Managing Member hereby represents and warrants to the HTC Tenant and the HTC Investor that the following are true and correct as of the date hereof and will be true and correct as of the date of each installment of Capital Contributions, unless specifically otherwise provided:

(i) The Company is a duly organized limited liability company validly existing and in good standing under the laws of the State of California and has all necessary power and authority to hold title to the Property and to develop, rehabilitate, operate and maintain the Project in accordance with the terms of this Agreement.

(ii) The Managing Member (a) is a corporation validly existing and in good standing under the laws of the State of California and (b) has full power to enter into and consummate this Agreement and all instruments pertaining hereto and to perform all acts related thereto; and the consummation of all transactions contemplated herein and in the Project Documents to be performed by the Managing Member does not and will not, result in any material breach or violation of, or default under, any governing instrument of the Managing Member or any agreements by which the Managing Member or any of its property is bound, or under any applicable law, administrative regulation, or court decree.

(iii) The Managing Member has made available to the HTC Tenant true, correct and complete copies of the Project Documents.

(iv) To the best of the Managing Member's actual knowledge, no event has occurred which has caused, and the Managing Member has not acted in any manner which will cause (a) the Company to be treated for federal income tax purposes as an association taxable as a corporation, (b) the Company to fail to qualify as a limited liability company under the Act, or (c) the Members to be liable for Company obligations.

(v) Based on the Part 1 Certification received from the National Park Service and to the actual knowledge of the Managing Member each of the buildings and related structural components constructed and to be rehabilitated or constructed on the Property qualifies as a "certified historic structure" within the meaning of Code Section 47(c)(3)(A).

(vi) The Historic Building and any rehabilitation thereof will constitute a “certified rehabilitation”, as such term is defined in Code Section 47(c)(2)(C).

(vii) The Managing Member will cause the Company to book the HTC Tenant’s payments to the Company as a contribution to the capital of the Company under Section 721(a) of the Code and will not book the payment otherwise or hold the transaction out inconsistently with the foregoing.

(viii) The Managing Member represents that it will use each installment of Capital Contributions made by HTC Tenant substantially for the purposes set forth in the Projections, unless the written consent of the HTC Tenant is obtained for a change in the application of funds.

(ix) The Managing Member has or shall make the elections provided for under Section 168(h)(6)(F)(ii) of the Code and it shall take or cause to be taken all other actions within its control necessary to ensure that neither the Property nor Historic Building constitutes “tax exempt use property” within the meaning of Code Section 168.

Section 4.12 Covenants of Managing Member

The Managing Member covenants to the HTC Tenant, from the date hereof through the Outside Date, that:

(i) The Managing Member shall cause the rehabilitation of the Historic Building to be completed substantially in accordance with the Construction Contract and Plans and Specifications and all requirements of the Part 2 Historic Preservation Application Certification approved by the National Park Service. The Managing Member shall obtain all building, zoning, and other applicable certificates, permits, and licenses necessary to permit the rehabilitation, use, occupancy, and operation of the Project that are obtainable only after completion of the Project or a specified portion thereof. The Managing Member will cause the Company to obtain all building, zoning, and other applicable certificates, permits and licenses necessary to permit the construction, rehabilitation, use, occupancy and operation of the Project in accordance with (a) the plans and documents submitted with respect to the Certified Historic Project to the United States Department of the Interior or the State of California, and (b) any other conditions as the U.S. Department of the Interior or the State of California may impose in order for it to certify that the rehabilitation of the Historic Building meets the Department of the Interior’s “Standards for Rehabilitation” or any State of California standard, respectively. All information submitted to the U.S. Department of the Interior, the National Park Service, the Internal Revenue Service, or any State Historic Preservation Officer (or other State of California authority) remains substantially true and correct, or the Company has disclosed any material changes in the facts related to the Project to those parties.

(ii) The Managing Member shall take all actions and make all elections to pass any Historic Tax Credits attributable to the Project- through to the HTC Tenant, as lessee under the Master Lease pursuant to and in accordance with Section 50(d)(5) of the Code.

(iii) The Managing Member shall furnish to the HTC Tenant, within five (5) business days of receipt thereof, a copy of any written notice of default under any of the Project Documents given to the Company or the Managing Member.

(iv) The Managing Member will cause the Project to be operated substantially in compliance with all applicable zoning regulations, ordinances, and subdivision laws, rules, and regulations.

(v) The Managing Member will cause the Company to comply with all of the material terms and conditions of the Project Documents.

(vi) The Managing Member shall not act in any manner that will cause (a) the Company to be treated for federal income tax purposes as an association taxable as a corporation, (b) the Company to fail to qualify as a limited liability company under the Act, or (c) the HTC Tenant to be liable for Company obligations.

(vii) The Managing Member shall take all necessary action within its control to ensure that the Project is in compliance with the Environmental Laws at all times.

(viii) The Managing Member shall take all actions necessary or required to maintain the Company in good standing in California, including, without limitation, the making of all necessary filings.

(ix) The Managing Member shall take all actions necessary in order to obtain the final certification of rehabilitation for completed work and certification from the U.S. Department of the Interior and the appropriate State of California authority that the actual rehabilitation of the Historic Building meets the Department of the Interior's "Standards for Rehabilitation", was carried out in a manner consistent with the historic nature of the Historic Building within the time period specified in the Regulations.

(x) The Managing Member shall take all actions necessary or appropriate to cause the allocations of Tax Items herein to be Qualified Allocations during the entire existence of the Company.

Section 4.13 Removal of Managing Member

A. If a Removal Event shall occur with respect to the Managing Member, the HTC Tenant shall have, in addition to any rights and remedies at law or in equity, the rights set forth in this Section 4.13. For purposes of this Section 4.13, the term "**Removal Event**" shall mean (i) a Material Default or (ii) the Managing Member's breach of a material representation or covenant set forth in this Agreement or the Project Documents.

B. Upon the occurrence of a Removal Event, the HTC Tenant may, at its election, proceed to exercise its rights under this Section 4.13 by giving notice of such Removal Event to the Managing Member (except in the case of a Terminating Event with respect to a sole Managing Member, in which case no such notice shall be required and the rights of the HTC Tenant set forth in this Section shall be immediately exercisable). If such Removal Event is not cured within twenty (20) Business Days following such notice (or cured within a reasonable time in the event

that it is impossible to cure such default within such 20-day period, provided that the Managing Member is diligently and in good faith seeking to cure such default, the Managing Member shall cease to be a Managing Member and shall automatically be removed as a Managing Member, and the powers and authorities conferred on it as Managing Member under this Agreement shall cease.

C. Following the removal of the Managing Member pursuant to Section 4.13B, the HTC Tenant may elect to become the Managing Member or to designate another Person to become, a non-member manager (such entity, the “**Replacement Manager**”), in each case with any or all of the Management Rights held by the Managing Member, without limitation, the right to directly enforce the Company’s rights under the Project Documents, and to give any notices or file any objections permitted or required to be given or filed by the Company under the Project Documents. Such Replacement Manager shall automatically become and shall be deemed to have all of the Management Rights. Upon any Person (including the HTC Tenant) becoming the Replacement Manager:

(i) (a) if the Replacement Manager is the HTC Tenant, its interest in the Company shall not be increased as a result thereof or (b) if the Replacement Manager is not the HTC Tenant, the Replacement Manager shall not have any ownership interest in the Company,

(ii) the Replacement Manager shall neither be liable for any representations, warranties, or covenants of the replaced Managing Member nor owe any fiduciary duty to any Member, except, in each instance, to the extent agreed to in writing by the HTC Tenant and Replacement Manager and

(iii) Managing Member shall cease having any Management Rights and shall instead be a non-managing Member but shall continue to be liable for (A) all monetary obligations, including, without limitation, its obligations to fund Operating Deficit Loans and other obligations hereunder that do not require Management Rights and (B) all of its obligations and liabilities under this Agreement that arose prior to HTC Tenant’s designation of the Replacement Manager. Each Member hereby irrevocably appoints the HTC Tenant (with full power of substitution) as the attorney-in-fact of such Member for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Articles necessary or appropriate to confirm the foregoing.

D. In addition to the foregoing, the HTC Tenant may elect to remove the Managing Member from the Company by causing the Company to pay the Managing Member an amount equal to the sum of (i) any fees earned through the date of removal due to the Managing Member, (ii) an amount equal to 100% of the Managing Member’s positive Capital Account balance, if any, following a deemed sale of the Project and any other Company assets and a deemed liquidation of the Company (but prior to any deemed distributions upon liquidation), and (iii) the principal balance and any accrued but unpaid interest on any loans made to the Company that were permitted to be made under this Agreement, minus an amount equal to any loss or damage suffered by the Company or the HTC Tenant as a result of the Material Default creating the right of the HTC Tenant to remove the Managing Member pursuant to the provisions of this Section 4.13. Notwithstanding the foregoing, if the HTC Tenant elects to exercise the buyout right under this Section 4.13D, the Managing Member shall first have the right to buy out the HTC Tenant’s interest in the Company on the same terms.

(i) Any amounts due to the Managing Member pursuant to the provisions of Section 4.13.D shall be payable from the proceeds of a Capital Transaction after payments made pursuant to Section 5.1. The obligation of the Company to make payments to the Managing Member shall be evidenced by a negotiable nonrecourse unsecured non-interest bearing promissory note issued by the Company.

(ii) For purposes of this Section 4.13.D, the net proceeds from the deemed sale discussed above shall be equal to the Fair Market Value of the Project plus the Fair Market Value of all other Company property, including but not limited to cash and cash equivalents, as encumbered by the Company's remaining obligations under the Project Documents. "**Fair Market Value**" shall be determined as follows: As soon as practicable and in any event within thirty (30) days following the notice from the HTC Tenant to the Managing Member of its election to remove the Managing Member, the Managing Member and the HTC Tenant shall select an Independent Appraiser. In the event the parties are unable to agree upon an Independent Appraiser within such thirty (30) day period, the Managing Member and the HTC Tenant each shall select an Independent Appraiser. If the difference between the two appraisals is within ten percent (10%) of the lower of the two appraisals, the Fair Market Value shall be the average of the two (2) appraisals. If the difference between the two (2) appraisals is greater than ten percent (10%) of the lower of the two (2) appraisals, then the two appraisers shall jointly select a third appraiser whose determination of Fair Market Value shall be deemed to be binding on all parties. If the two (2) appraisers are unable jointly to select a third appraiser, either the Managing Member or the HTC Tenant may, upon written notice to the other, apply to the presiding judge of a court of competent jurisdiction in San Francisco, California for the selection of the third appraiser who shall then participate in such appraisal proceeding, and who shall be selected from a list of names of Independent Appraisers submitted by the Managing Member and the HTC Tenant. Each list of names of Independent Appraisers shall be submitted within ten (10) days after the date on which the appraisal proceeding is invoked, or will be disregarded and the appraiser shall be selected from the list provided. The appraisals shall take into account any legal provisions affecting the Project (including those set forth in any of the Project Documents and in the Code, if applicable) and any increase in real property taxes owed by the Company that are triggered by the removal. Any transfer taxes owed by the Company that are triggered by the removal shall be paid by the removed Managing Member. The Company shall pay the cost of any appraiser(s) selected pursuant to this Section 4.13.

(iii) Upon the removal of any Managing Member under this Section 4.13.D, the Managing Member shall have no further interest in the Company and shall be relieved of all of its future obligations to the Company except that the removed Managing Member shall not be released from any liabilities to the Company or HTC Tenant hereunder from any action or omission to act of the Managing Member prior to its removal.

(iv) The HTC Tenant hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Members and the Company as shall be legally necessary and sufficient to affect all of the foregoing provisions of this Section 4.13.D. The election by the HTC Tenant to remove the Managing Member under this Section shall not limit or restrict the availability and use of any other remedy or action which the HTC Tenant or any other Member might have with respect to the Managing Member in connection with their undertakings and responsibilities under this Agreement. Nothing in this Section 4.13.D

shall reduce or otherwise limit the rights, remedies or other actions available to the HTC Tenant against the removed Managing Member.

ARTICLE V

ALLOCATIONS AND DISTRIBUTIONS

Section 5.1 Distributions of Available Cash and Capital Proceeds

A. Subject to the provisions of Section 3.2, Available Cash for any fiscal year (or other period) shall be distributed in the following order of priority:

(i) First, to the repayment of any Shortfall Loans, with interest at the Interest Rate, pro rata in accordance with the outstanding amount of each such Shortfall Loan; and

(ii) Second, to the Members in accordance with their respective Percentage Interests as shown on Exhibit A.

B. Subject to the provisions of Section 3.2, Capital Proceeds of the Company for any fiscal year (or other period) to be distributed in the following order of priority:

(i) First, to the repayment of any Shortfall Loans, with interest at the Interest Rate; and

(ii) Second, to the Members in accordance with their respective Percentage Interests.

Section 5.2 Allocations of Profit, Loss and Credits.

A. After giving effect to the provisions of Sections 5.2E, 5.2F, and 5.4, Profits shall be allocated to the Members in accordance with their respective Percentage Interests.

B. After giving effect to the provisions of Sections 5.2E, 5.2F, and 5.4, Losses shall be allocated to the Members in accordance with their respective Percentage Interests.

C. After giving effect to the provisions of Section 5.3B, Gain from a Capital Transaction shall be allocated to the Members (i) first, to the Members to the extent of and in proportion to any negative balances in the Members' respective Capital Accounts; (ii) second, to the Members to the extent necessary so that the balances in the Members' Capital Accounts are in proportion to the Members' Percentage Interests; and (iii) third, to the Members in accordance with their respective Percentage Interests. For purposes of the allocations of Gain, a Member's Capital Account shall be determined immediately prior to the event giving rise to the Gain as if, at such time, the books of the Company had been closed as though at the end of the taxable year.

D. After giving effect to the provisions of Section 5.3B, Loss from a Capital Transaction shall be allocated to the Members in accordance with their respective Percentage Interests. For purposes of the allocations of Loss, a Member's Capital Account shall be determined

immediately prior to the event giving rise to the Loss as if, at such time, the books of the Company had been closed as though at the end of the taxable year.

E. Notwithstanding anything to the contrary contained herein, the parties intend that all allocations of Profits, Loss and Tax Items contained herein shall constitute Qualified Allocations and this Agreement shall be construed and interpreted in a manner consistent with such intention and with the provisions of Section 168(h) of the Code and the Treasury Regulations promulgated thereunder (or under any predecessor section(s) of the Treasury Regulations that remain effective).

F. Nonrecourse Deductions shall be allocated to the Members in accordance with their respective Percentage Interests.

Section 5.3 Allocation of Taxable Income and Taxable Loss.

A. Except as otherwise provided herein, each Tax Item entering into the computation of Profits or Loss hereunder shall be allocated to each Member in the same proportion as Profits or Loss are allocated and in accordance with the provisions of Section 704(b) of the Code and the Treasury Regulations thereto.

B. In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial fair market value (as used by the Company as the book value of the property).

C. Allocations pursuant to this Section 5.3. are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits or Loss, other items, or distributions pursuant to any provision of this Agreement.

D. Any taxable income of the Company resulting from its receipt of debt forgiveness, donations, capital contributions, grants, subsidies or other similar items not reflected as income in the Projections hereof shall be allocated entirely to the Managing Member.

Section 5.4 Special Depreciation Allocation

An amount equal to [twenty percent (20%)] of all Depreciation deductions allowable to the Company in any Fiscal year shall be specially allocated to HTC Tenant, and such amounts shall not be taken into account for purposes of calculating the Profits and Losses otherwise allocable to the Members under Sections 5.2 and 5.3 above.

Section 5.5 Liquidation or Dissolution

A. Upon termination and winding up of the Company, the assets of the Company (or the proceeds of any Capital Transaction, as may be determined by the Managing Member) remaining after payment of all liabilities of the Company and funding all reserves (to the extent

deemed reasonable by the Managing Member) shall be distributed to the Members in accordance with the respective positive Capital Account balances, determined after all allocations pursuant to Section 5.2 and all prior distributions pursuant to Section 5.1 are taken into account, but before any distributions pursuant to this Section 5.5 are made.

B. If assets are to be distributed in kind, the Members' Capital Accounts shall be appropriately adjusted, in accordance with Section 5.2, before any such distribution to reflect any Profit or Loss that would have been allocated if the property distributed in kind had been sold for its fair market value (net of liabilities) by the Company prior to dissolution. Upon distribution of such assets, the Capital Accounts of the Members receiving an interest in such distributed assets shall be charged with the fair market value (instead of the adjusted basis) of such assets.

ARTICLE VI

RESTRICTIONS ON TRANSFERS OF INTERESTS; COVENANTS REGARDING OWNERSHIP

Section 6.1 Restrictions on Transfers of Member Interests.

A. Except as specifically permitted in this Article VII, no Member shall Transfer all or any portion of such Member's Interest without the prior written consent of the Managing Member and the HTC Tenant. Further, no constituent interests in either Member may be Transferred without the prior written consent of the Managing Member and the HTC Tenant except that, notwithstanding anything hereinto the contrary, Transfers of the constituent interests in the HTC Tenant may occur without the Managing Member's consent if such Transfers comply with the then-applicable terms of the HTC Tenant Operating Agreement.

B. The Managing Member may not withdraw or resign from the Company as a member in contravention of any covenants and agreements under any Project Documents.

C. Any attempted Transfer or withdrawal in contravention of any of the provisions of this Agreement shall be void ab initio and shall not bind or be recognized by the Company or the other Members.

Section 6.2 Effect of Death, Disability, Bankruptcy, Dissolution or Termination of the HTC Tenant.

The death, adjudication of incompetency, Bankruptcy, dissolution, liquidation or termination of the HTC Tenant (a "**Withdrawn HTC Tenant**") shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, personal representative, administrator, committee or conservator of the HTC Tenant shall have (i) only the right of an assignee of the Interest of the HTC Tenant, and shall not have the right to be admitted to the Company as a Substitute HTC Tenant, except as provided under this Article VI, (ii) the right to exercise all of the Withdrawn HTC Tenant's rights for the purpose of settling the Withdrawn HTC Tenant's estate or administering the Withdrawn HTC Tenant's property, including the right to Transfer the Interest of the Withdrawn HTC Tenant pursuant to his will or by intestate succession, for value, as a gift or otherwise, to any person; and (iii) no right to require the Company to purchase or redeem the

Member Interest of the Withdrawn HTC Tenant or any right to withdraw capital from the Company.

Section 6.3 Admission of Substitute Member.

A. A Member who Transfers all or any part of its Interest in accordance with the provisions of this Article VI shall remain a Member of the Company notwithstanding the assignment or transfer of such Interest, unless and until the assignee is admitted to the Company as a Substitute Member in accordance with the terms of this Section. Upon any permitted assignment of a Member's Interest pursuant to this Article VI, the assignor and assignee shall file with the Company an executed or authenticated copy of the written instrument of assignment.

B. An assignee or successor in interest of a Member may be admitted as a Substitute Member with respect to the Interest acquired by such assignee or successor in interest pursuant to this Article VI only if and when each and all of the following conditions are satisfied:

(i) the prior written consent of the Managing Member and the HTC Tenant is obtained to the substitution of the transferee for the transferor;

(ii) the transferor and transferee have executed and acknowledged such instruments as the Members may reasonably deem necessary or desirable to effect such Transfer;

(iii) a transfer fee has been paid to the Company sufficient to cover all expenses of the Company connected with such Transfer;

(iv) if requested by the Members, the transferor or the transferee has furnished to the Company an opinion of counsel satisfactory to counsel to the Company that the Transfer can be effected without registration under the Securities Act and applicable state securities laws;

(v) a duly executed and acknowledged written instrument of transfer approved in form by the Members has been filed with the Company setting forth the intention of the transferor that the transferee become a substituted Member in his place; and

(vi) the transferee accepts and agrees to be bound by all the provisions of this Agreement by executing a counterpart signature page hereto and any other documents required by the Members.

ARTICLE VII

DISSOCIATION; LIQUIDATION

Section 7.1 Event of Dissociation of Managing Member; Continuation of the Company Following Event of Dissociation.

A. The Company shall be dissolved upon the occurrence of any of the following events:

(i) the sale or other disposition of all or substantially all of the Project and other assets of the Company, and the collection in full of the sales price or other consideration of such assets; or

(ii) the dissolution, termination or Bankruptcy of the last remaining Managing Member or the occurrence of any other event resulting in the Managing Member ceasing to be a member of the Company under the LLC Act (hereafter, an “**Member Termination Event**”), provided that the Company is not continued pursuant to Section 7.1.B hereof; or

(iii) the unanimous agreement of all the Members.

B. Notwithstanding the foregoing, upon the occurrence of any Member Termination Event with respect to the last Managing Member (such that there is no longer any remaining Managing Member), the Company shall be dissolved and terminated, unless within 90 days after the Member Termination Event, the HTC Tenant agrees in writing to continue the business and affairs of the Company and select a successor Managing Member pursuant to Section 4.2 hereof.

Section 7.2 Liquidation and Termination.

A. Upon the dissolution of the Company, the Managing Member of the Company shall cause the Company to liquidate by converting the assets of the Company to cash or its equivalent and arranging for the affairs of the Company to be wound up with reasonable speed but with a view towards obtaining fair value for Company assets, and, after satisfaction (whether by payment of by establishment of reserves therefor) of creditors, including Members who are creditors, shall distribute the remaining assets to and among the Members in accordance with the provisions of Section 5.5.

B. Each Member shall look solely to the assets of the Company for all distributions with respect to the Company (including the Members’ Capital Contributions) and shall have no recourse therefor (upon dissolution or otherwise) against any other Member. No Member shall have any right to demand or receive property other than cash upon dissolution and liquidation of the Company.

ARTICLE VIII

BOOKS AND RECORDS; ACCOUNTING; TAX ELECTIONS, ETC.

Section 8.1 Books and Records

The Managing Member shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of transactions with respect to the conduct of the Company’s business. All books, records and files of the Company shall be available for examination by any Member, or its duly authorized representatives, at any and all reasonable times during normal business hours at the principal office of the Company. The Company may maintain such books and records and may provide such financial or other statements, as the Managing Member may deem advisable.

Section 8.2 Bank Accounts

The bank accounts of the Company shall be maintained with a financial institution designated by the Managing Member, and withdrawals shall be made only in the regular course of business on such signature or signatures as the Managing Member shall determine. All funds of the Company shall be deposited in its name in accounts at such bank or banks or other financial institutions and funds not needed in the operation of the business shall be deposited in interest-bearing accounts or invested in short-term United States Government or state or municipal obligations maturing within one year.

Section 8.3 Accountants and Reports

A. The initial accountants are Novogradac & Company LLP. With the consent of the HTC Tenant (which consent shall not be unreasonably withheld, conditional or delayed), the Managing Member may select and engage a replacement firm of certified, independent public accountants to prepare annual financial statements for the Company, to prepare or to assist the Managing Member (or its delegate) in preparing and filing any and all federal and state tax returns required to be filed by the Company and to assist the Managing Member in such other Company matters as the Managing Member deems appropriate. Notwithstanding anything to the contrary, any cost certification required in connection with the Historic Tax Credits shall be prepared by Novogradac & Company LLP.

B. At the end of each fiscal year, the Managing Member or its delegate shall prepare and furnish, within 90 days after the close of such fiscal year (or as soon thereafter as practicable), for review by each person who was a Member during such fiscal year audited financial statements for the Company, to include (i) statements of profits or losses, (ii) balance sheets as of the close of such fiscal year, (iii) statements of cash flow, and (iv) statements of changes in capital. The cost of preparation of such audited financial statements shall be borne by the Company.

C. At the end of each fiscal year, the Company or its delegate shall prepare and furnish, within 90 days after the close of such fiscal year (or as soon thereafter as practicable), to each person who was a Member during such fiscal year the U.S. Partnership Return of Income (or such similar return as may be required for federal income tax purposes) and such other returns as may be prepared for any state income tax purposes.

Section 8.4 Tax Elections

All elections required or permitted to be made by the Company under the Code shall be made by the Managing Member; provided, however, that prior to the Outside Date, any tax elections that will have, or are reasonably likely to have, an adverse effect on the tax liabilities of the HTC Tenant shall require the Consent of the HTC Tenant.

Section 8.5 Fiscal Year

The fiscal year of the Company shall be as determined by the Managing Member in accordance with the requirements of sound accounting practices and the Code but any change from using the calendar year as the fiscal year shall require the HTC Tenant's prior written consent.

Section 8.6 Partnership Representative

A. The Managing Member initially shall be the “Partnership Representative” of the Company for federal income tax purposes, as that term is defined in the Code. The Partnership Representative shall receive no compensation for its services. All third party costs and expenses incurred by the Partnership Representative in performing its duties shall be borne by the Company. Nothing herein shall be construed to restrict the Company from engaging an accounting firm to assist the Partnership Representative in discharging its duties hereunder, so long as the compensation paid by the Company for such services is reasonable. As Partnership Representative, the Managing Member shall have and perform all of the duties as required under the Code.

B. In the event of any Company-level proceeding instituted by the IRS pursuant to the Code, the Managing Member shall consult with HTC Tenant regarding the nature and content of all action and defense to be taken by the Company in response to such proceeding. The Managing Member also shall consult with the HTC Tenant regarding the nature and content of any proceeding pursuant to the Code instituted by or on behalf of the Company (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous IRS proceeding against the Company or otherwise).

ARTICLE IX

GENERAL PROVISIONS

Section 9.1 Notices

Any notices, offers, requests, and demands herein required or permitted to be given or made shall be made in writing and deemed to be effectively served and delivered when received by the party to whom it is addressed if delivered by hand or by overnight delivery service or three (3) days after the date of postmark if sent by registered or certified mail, postage prepaid, return receipt requested. If the notice, offer, request, or demand is intended for the Company, it shall be addressed to the Company at the principal office of the Company, or if intended for a Member, shall be addressed to the Member at its or its address appearing on Exhibit A or addressed to such other person or at such other address designated by written notice given to the Company and all Members.

Section 9.2 Binding Provisions

The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the respective parties hereto.

Section 9.3 Separability of Provisions

Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect any other provisions of this Agreement.

Section 9.4 No Third Party Beneficiaries

No provision of this Agreement is intended to be for the benefit of any unrelated creditor to whom any debts, liabilities, or obligations are owed by, or who otherwise has any claim against, the Company or any of the Members, and no such creditor shall obtain any right under any such provisions or shall by reason of such provisions make any claim in respect of any debt, liability or obligation (or otherwise) against the Company or any of the Members.

Section 9.5 Entire Agreement

This Agreement, together with all schedules and exhibits hereto, contains the entire understanding and agreement among the Members hereto with respect to the subject matter hereof, and supersedes all prior discussions and understandings (whether oral or written) between them with respect thereto.

Section 9.6 Amendments

This Agreement may be modified or amended only by the written consent of the Managing Member and the HTC Tenant.

Section 9.7 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to conflict of law principles.

Section 9.8 Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart. Any counterpart hereof signed by a party against whom enforcement of this Agreement is sought shall be admissible into evidence as an original hereof to prove the contents hereof.

Section 9.9 Defined Terms

Capitalized terms used in this Agreement and not specifically defined herein shall have the meanings assigned to them in the HTC Tenant Operating Agreement.

Section 9.10 Post-Close Deliverables

[None]

[Signature Page to follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this First Amended and Restated Operating Agreement as of the date first above written.

MANAGING MEMBER:

100 Mcallister Manager Inc.,
a California corporation

By: _____
Name:
Title

HTC TENANT:

100 Mcallister Tenant LLC,
a California limited liability company

By: 100 McAllister Manager Inc.
a California corporation
its managing member

By: _____
Name:
Title

**FIRST AMENDED AND RESTATED OPERATING AGREEMENT
OF
100 MCALLISTER LANDLORD LLC**

EXHIBIT A [*per Novogradac projections as of 7/10/26*]

Members, Addresses, Capital Contributions and Percentage Interest

<u>Name and Address</u>	<u>Capital Commitment</u>	<u>Percentage Interest</u>
100 McAllister Manager Inc. c/o UC Law San Francisco 200 McAllister Street San Francisco, CA 94102 Attn: David Seward	[\$245,844,028]	[90%]
With a copy to:		
Farella, Braun & Martel LLP One Bush Street, Suite 900 San Francisco, California 94104 Attn: Said C. Kordestani		
100 McAllister Tenant LLC c/o UC Law San Francisco 200 McAllister Street San Francisco, CA 94102 Attn: David Seward	[\$48,005,284]	[10%]

With a copy to:

Farella, Braun & Martel LLP
One Bush Street, Suite 900
San Francisco, California 94104
Attn: Said C. Kordestani

With copies to:

[NTCIC]

And

[]

And

[]

Total	[\$293,849,312]	100%
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**FIRST AMENDED AND RESTATED OPERATING AGREEMENT
OF
100 MCALLISTER LANDLORD LLC**

EXHIBIT B

Projections; attached as a separate document

**FIRST AMENDED AND RESTATED OPERATING AGREEMENT
OF
100 MCALLISTER LANDLORD LLC**

SCHEDULE 1.1

Additional Defined Terms

“Affiliate”: when used with reference to a specified person (i) any person who, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the specified person, (ii) any person who is an officer, partner, or trustee of, or serves in a similar capacity with respect to, the specified person, or any person of which the specified person is an officer, partner or trustee, or with respect to which the specified person serves in a similar capacity, (iii) any person who, directly or indirectly, is a partner, or the beneficial owner of any class of equity securities of, or otherwise has a substantial beneficial interest in, the specified person, or any person of which the specified person is directly or indirectly the owner of any partnership interest or class of equity securities or in which the specified person has a substantial beneficial interest, (iv) any Family Member of the specified person (i.e., any spouse, sibling, ancestor, or descendant), and (v) an Affiliate of any affiliated person.

“Architect”: means the architect selected by the Company and approved by the HTC Tenant and the HTC Investor to provide services to the Company with respect to the Project.

“Architect’s Agreement”: means the agreement entered into by the Company and the Architect, which agreement shall be subject to the approval of the HTC Tenant and the HTC Investor.

“Available Cash”: means with respect to any fiscal period, all cash funds derived from operations of the Company (but expressly excluding Capital Contributions, loan proceeds and Capital Proceeds), without reduction for any non-cash charges, less cash funds used to pay operating expenses, parking fees, and parking management fees, payments of principal and interest on loans, fees and expenses payable to third parties and to pay or establish reasonable reserves for future expenses, fees, commissions, debt payments, capital improvements, and replacements, all as determined by the Managing Member.

“Bankruptcy”: means, as to a specified Person:

- (i) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of his property, or ordering the winding-up or liquidation of his affairs and the continuance of any such decree or order is not dismissed within 60 days; or

- (ii) the commencement by such Person of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by him to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of such Person or for any substantial part of his property, or the making by him of any assignment for the benefit of creditors, or the taking of action by the Person in furtherance of any of the foregoing.

“Capital Contribution”: the total amount of cash or property contributed to the Company by a Member. Any reference in this Agreement to the Capital Contribution of a then Member shall include a Capital Contribution previously made by any prior Member for the Interest of such then Member, except to the extent that all or a portion of the Interest of any prior Member shall have been terminated and the portion so terminated not transferred to a successor Member.

“Capital Proceeds”: means the net cash proceeds received by the Company from a Capital Transaction less any portion thereof used, at the discretion of the Managing Member, to (i) establish reserves, (ii) repay any debts or other obligations of the Company to third parties, and (iii) restore the Project following a casualty or condemnation. “Capital Proceeds” shall include all principal, interest and other payments as and when received with respect to any note or other obligation received by the Company in connection with a Capital Transaction.

“Capital Transaction”: means any of the following: (a) a sale, exchange, transfer, assignment or other disposition of all or a portion of the Project (other than the leasing of the Project in the ordinary course of business); (b) any condemnation or deeding in lieu of condemnation of all or a portion of the Project; (c) any financing or refinancing of the Project; (d) any fire or other casualty to the Project; and (e) any other transaction the proceeds of which, in accordance with generally accepted accounting principles, are considered to be capital in nature.

“Code”: the Internal Revenue Code of 1986, as amended (or any corresponding provision of succeeding law).

“Consent of the HTC Tenant”: with respect to any action or decision for which the Consent of the HTC Tenant is required under this Agreement, the written consent or approval of the HTC Tenant.

“Construction Contract”: the construction contract for the construction and rehabilitation of the Project entered into between the Company and the Contractor (as defined in the HTC Tenant Operating Agreement).

“Covered Person”: each of (i) the Managing Member, (ii) any Affiliate of the Managing Member, (iii) any officers, directors, shareholders, partners, employees, trustees, representatives or agents of the Managing Member; and (iv) any successors, assigns, heirs and representatives of the persons described in the preceding clauses (i) through (iii).

“Depreciation”: means for each fiscal year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for the fiscal year or other period, except that if the [Gross Asset Value] of an asset differs from its adjusted basis for federal income tax purposes at the beginning of the fiscal year or other period, Depreciation shall be an amount which bears the same ratio to the beginning [Gross Asset Value] as the federal income tax depreciation, amortization, or other cost recovery deduction for the fiscal year or other period bears to the beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of the fiscal year is zero, Depreciation shall be determined with reference to the beginning Gross Asset Value using any reasonable method selected by the Managing Member.

“HTC Investor”: means Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company.

“HTC Investor Contribution”: The capital contribution to be made by the HTC Investor to the HTC Tenant pursuant to the HTC Tenant Operating Agreement.

“HTC Tenant”: means 100 McAllister Tenant LLC, a California limited liability company, and its respective successors in interest and permitted transferees.

“HTC Tenant Operating Agreement”: the Operating Agreement of the HTC Tenant of even date herewith, as the same may be amended or modified from time to time.

“Final Determination”: with respect to any issue, the earliest to occur of: (i) a decision, judgment, decree, or other order being issued by any court of competent jurisdiction, which decision, judgment, decree, or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), (ii) the IRS or a California tax authority having entered into a binding agreement with the Company or having reached a final administrative or judicial determination which, whether by law or agreement, is not subject to appeal, or (iii) the expiration of the applicable statute of limitation.

“Gain or Loss from a Capital Transaction”: the gain or loss of the Company for federal income tax purposes arising from a Capital Transaction, adjusted in the same manner that taxable income or loss is adjusted pursuant to the definition of Profit and Loss, except for clause (v) thereof.

“Historic Building”: the improvements located at 100 McAllister Street, San Francisco, CA 94102, and related structural components constructed, or to be constructed, on the Property, each of which buildings qualifies as a “certified historic structure” within the meaning of Section 47(c)(3)(A) of the Code.

“Historic Tax Credit”: the credit against federal income tax described in Section 47 of the Code.

“Independent Appraiser”: a duly licensed, and qualified to value the Property, appraiser who has no direct or indirect financial interest in any Member, and is not, directly or indirectly, controlled by or under common control with any Member or any Affiliate of a Member.

“Interest”: the entire ownership interest (which may be segmented into and/or expressed as a percentage of various rights and/or liabilities) of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled as provided in this Agreement and in the LLC Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and of the LLC Act.

“Interest Rate”: with respect to any loan or other amount bearing interest at the Interest Rate, the per annum rate of interest announced by The Wall Street Journal as the “Prime Rate” plus two percent (2%). The Interest Rate shall change on the date each change in the “Prime Rate” is announced by The Wall Street Journal. The Interest Rate shall not exceed the highest rate of interest that may be legally charged by the party collecting such interest.

“Interior” or “Department of Interior”: the Department of Interior of the United States.

“LLC Act”: the California Revised Uniform Limited Liability Company Act, as amended from time to time (or any corresponding provisions of succeeding law).

“Management Rights”: means all rights and privileges hereunder of the Managing Member to control or manage the Company, including, without limitation, the Managing Member’s authority to bind the Company; provided that Management Rights shall not include any obligations or liabilities of the Managing Member hereunder.

“Managing Member”: 100 McAllister Manager Inc., a California corporation, and any substitute or additional Managing Member appointed in accordance with the provisions of this Agreement.

“Master Lease”: the lease of the Historic Building by the Company to the HTC Tenant, pursuant to the terms of that certain Master Lease Agreement of even date herewith.

“Material Default”: means, with respect to the Managing Member: (i) a material violation by the Managing Member of its fiduciary duties as the Managing Member of the Company; (ii) a material breach by the Managing Member in the performance of any of its obligations under this Agreement; (iii) the occurrence of any event of default by the Managing Member or the Company in the performance of any of the Project Documents; (iv) any material violation of any federal, state, municipal, or local laws, ordinances, rules, or regulations by the Company or the Managing Member with respect to the Project; (v) a breach by any [Guarantor] of any material representation, warranty, covenant or obligation under the [Guaranty Agreement]; (vi) the failure of the managing member of the HTC Tenant to make any “project expense loan” as required under the HTC Tenant Operating Agreement; (vii) the commencement of foreclosure proceedings against the Company (or the Property) that are not dismissed within thirty (30) days of such commencement; or (viii) a Terminating Event as to the Managing Member or a Bankruptcy as to the Company.

“Members”: collectively, the Managing Member and the HTC Tenant.

“Nonrecourse Deductions”: the meaning set forth in Section 1.704-2(c) of the Treasury Regulations.

“Notice”: a writing containing the information required by this Agreement and delivered in accordance with the provisions of Section 9.1 hereof.

“Outside Date”: the date that is six (6) months after the last day of the taxable year of the Company in which federal historic tax credits described in Section 47 of the Code which were generated by the rehabilitation of the Project are no longer subject to recapture.

“Percentage Interest”: means a Member’s ownership interest in the Company as set forth in Exhibit A attached hereto and incorporated herein by reference.

“Person”: an individual or entity, such as, but not limited to, a corporation, partnership, joint venture, limited liability company, trust, cooperative, or association and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so admits.

“Plans and Specifications”: Plans and Specifications means the plans and specifications for the rehabilitation of the Project prepared by the Architect and approved by the HTC Investor.

“Profit” and “Loss”: for any fiscal year the profit or loss of the Company for federal income tax purposes for such year as determined by the accountants for the Company without regard to any adjustments to basis pursuant to Sections 734 or 743 of the Code, but subject to the following adjustments:

(i) Any income of the Company that is exempt from federal income tax shall be added to such taxable income or loss.

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B), or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations § 1.704-1(b)(2)(iv)(i), shall be subtracted from such taxable income or loss.

(iii) If the fair market value on the date that an asset is contributed to the Company (or if the basis of such asset for book purposes is adjusted under the Regulations, such adjusted “book” basis) differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, in lieu of the depreciation, amortization and other cost recovery deductions taken into account for computing such taxable income or loss, the amount for depreciation, amortization and other cost recovery deductions shall be equal to an amount that bears the same ratio to such beginning fair market value (or adjusted “book” basis) as the federal income tax deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of the fiscal year is zero, depreciation shall be determined with reference to the beginning fair market value using any reasonable method selected by the Managing Member.

(iv) If the value at which an asset is carried on the books of the Company differs from its adjusted tax basis and gain or loss is recognized from a disposition of such asset, the gain or loss shall be computed by reference to the asset’s “book” basis rather than its adjusted tax basis.

(v) Any Gain or Loss from a Capital Transaction shall be excluded from such taxable income or loss.

“Property”: the parcel of property located at 100 McAllister Street, San Francisco, CA 94102.

“Project”: collectively, (i) the Property, (ii) the Historic Building as presently existing and as further developed, rehabilitated, constructed and improved in accordance with the Project Documents and (iii) all rights, documents, personal property and any other assets of the Company relating to the foregoing.

“Project Documents”: collectively, the following documents and agreements (as the same relate to the Project only): the Architect’s Agreement, Construction Contract, the Master Lease, the HTC Tenant Operating Agreement, and any other material document with respect to the operation or financing of the Project to which the Company is a party.

“Projections”: that certain Financial Forecast as of the date hereof, prepared by Novogradac & Company LLP and attached hereto as **Exhibit B**.

“Qualified Allocation”: shall have the meaning set forth in Section 168(h)(6)(B) of the Code.

“Regulations” or “Treasury Regulations”: the federal income tax regulations promulgated under the Code, as amended from time to time and including corresponding provisions of succeeding Regulations.

“Securities Act”: the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder.

“Special Purpose Entity”: means a limited liability company which, at all times since its formation and thereafter: (i) has not and shall not engage in any business or activity other than the acquisition, ownership, development, rehabilitation, management, leasing and operation of the Project, and activities incidental thereto; (ii) has not and shall not acquire or own any assets other than the Project, and such incidental personal property as may be necessary in connection with owning the same; (iii) has and shall preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization; (iv) has not and shall not merge or consolidate with any other Person; (v) except as otherwise expressly permitted or contemplated in this Agreement, has not taken, and shall not take or seek to take, any action to dissolve, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any membership or other equity interests, as applicable; or to issue additional membership or other equity interests, as applicable; (vi) shall not, without the Unanimous Consent of the Members: (a) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute; (b) seek or consent to the appointment of a receiver, liquidator or any similar official; or (c) make an assignment for the benefit of creditors; (vii) has not and shall not amend or restate its organizational documents if such change would adversely impact the requirements set forth in this definition, unless as

otherwise required by applicable law or regulation; (viii) shall not own any subsidiary; (ix) shall not commingle its assets with the assets of any other Person; (x) except as otherwise expressly permitted or contemplated in this Agreement, has not, and shall not, incur any debt, secured or unsecured, direct or contingent (including, without limitation, guaranteeing any obligation), other than (a) indebtedness incurred in connection with any financing of the Project permitted under the Project Documents, and (b) customary unsecured trade payables incurred in the ordinary course, provided the same do not exceed, in the aggregate, at any time a maximum amount of \$10,000 and are paid within 60 calendar days of the date incurred; (xi) shall (a) maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person; (b) establish bank accounts solely in the name of the Company; (c) enter into contracts and procure goods and services only in the name of the Company; (d) hold title to its assets only in the name of the Company and account for such assets separately from any other Person; (e) use separate letterhead with the Company's name in all correspondence and use separate invoices and checks bearing the Company's name; (f) maintain books and records that are separate and distinct from those of any other Person; (g) conduct meetings of its Members separately from those of any other Person and keep separate minute books of all such meetings and other actions of the Members; and (h) otherwise conduct business solely under its own name; (xii) shall only enter into any contract or agreement with the Managing Member or any Affiliate of the Managing Member, upon terms and conditions that are substantially similar to those that would be available on an arms-length basis with third parties; (xiii) shall not maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person; (xiv) except as otherwise expressly permitted or contemplated in this Agreement, shall not assume or guaranty the debts of any other Person, hold itself out to be responsible for the debts of another Person, or otherwise pledge its assets for the benefit of any other Person or hold out its credit as being available to satisfy the obligations of any other Person; (xv) shall not make any loans or advances to any other Person other than Shortfall Loans permitted under Section 3.9; (xvi) shall file its own tax returns as required under federal and state law; (xvii) shall hold itself out to the public as a legal entity separate and distinct from any other Person; (xviii) shall maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; (xix) shall allocate shared expenses (including, without limitation, shared office space) and use separate stationery, invoices and checks; (xx) except as otherwise expressly permitted or contemplated in this Agreement, shall pay its own liabilities (including, without limitation, salaries of its own employees) from its own funds; and (xxi) except as otherwise expressly permitted or contemplated in this Agreement, shall not acquire obligations or securities of its Members.

“Substitute Member”: any person who, in accordance with the provisions of this Agreement, acquires an Interest in the Company by Transfer from an existing Member or its successors in interest and is admitted to the Company as a substitute member with respect to the Interest so acquired.

“Tax Items” means each item of income, gain, loss, deduction, credit, and basis of the Company.

“Terminating Event”: means the Bankruptcy or dissolution of the Managing Member, the Transfer of its Interest by the Managing Member, or the voluntary or involuntary withdrawal

of the Managing Member from the Company. Involuntary withdrawal shall occur whenever the Managing Member may no longer continue as Managing Member by law or pursuant to any terms of this Agreement.

“Transfer”: (i) as a noun, any voluntary or involuntary sale, assignment, transfer, pledge, hypothecation, exchange or other disposition of an Interest (or any portion thereof) by any means whatsoever, whether by operation of law or otherwise; and (ii) as a verb, any action or actions taken by or on behalf of a Member which result in such sale, assignment, transfer, pledge, hypothecation, exchange or other disposition of an Interest (or any portion thereof).

“Unanimous Consent of the Members”: with respect to any action or decision for which the Unanimous Consent of the Members is required under this Agreement, the prior written consent or approval of each Member.

HTC LEASE

by and between

**100 McAllister Landlord LLC, a California limited liability company
(as HTC Landlord)**

and

**100 McAllister Tenant LLC, a California limited liability company
(as HTC Tenant)**

[April] [], 2027]

HTC LEASE

THIS HTC LEASE (this “HTC Lease”) is made and entered into as of [April] [___], 20[27] (the “Effective Date”) by and between 100 McAllister Landlord LLC, a California limited liability company (the “HTC Landlord”), and 100 McAllister Tenant LLC, a California limited liability company (the “HTC Tenant”).

RECITALS

The following recitals (“Recitals”) are a material part of this HTC Lease:

WHEREAS, HTC Landlord owns the building commonly known as the William Taylor Hotel and Temple Methodist Church, located at 100 McAllister Street, San Francisco, CA 94102 (the “Building”), and the land upon which the Building is located, more particularly described in Exhibit A attached hereto (the “Land” and, together with the Building, other improvements on the Land and rights appurtenant thereto, the “Property”);

WHEREAS, HTC Landlord is rehabilitating the Building into a residential complex to contain 40 apartments, academic/admin shell space, and amenity space that will qualify for Historic Tax Credits (as is hereinafter defined) (the “Project”); and

WHEREAS, HTC Tenant desires to lease the Property from HTC Landlord pursuant to the terms of this HTC Lease, and to hold, maintain, operate, and sell or otherwise dispose of its interest in the Property hereunder (the “Leasehold Interest”).

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

AGREEMENT

ARTICLE I.

DEFINED TERMS

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the HTC Tenant Operating Agreement (as hereinafter defined) as the same is being executed as of the Effective Date, a copy of which is being delivered to HTC Landlord simultaneously herewith. In addition to the defined terms set forth above in the Recitals to this HTC Lease, the following defined terms used herein shall have the meanings specified below:

“Accountants” means Novogradac & Company LLP or such other firm of independent certified public accountants as may be engaged by HTC Landlord with the Consent of HTC Tenant and the Investor Member.

“Additional Rent” has the meaning set forth in Section 3.3.

“Affiliate” means, with respect to a specified Person, (i) any Person directly or indirectly controlling, controlled by or under common control with the Person specified, (ii) any Person owning or controlling 10% or more of the outstanding voting securities or beneficial interests of the Person specified, (iii) any officer, director, partner, trustee or member of the Immediate Family of the Person specified, (iv) if the Person specified is an officer, director, general partner, manager, managing member or trustee, any corporation, partnership or trust for which that Person acts in that capacity or (v) any Person who is an officer, director, general partner, manager, managing member, trustee or holder of 10% or more of outstanding voting securities or beneficial interests of any Person described in clauses (i) through (iv). The term “control” (including the terms “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, Investor Member shall not be deemed an Affiliate of any Developer Entity and vice versa.

“Anticipated Completion Date” means [September 1, 2027].

“Applications” has the meaning set forth in Section 8.6(c)(v).

“Applicable Laws” means any provision of any federal, state, municipal or local laws, ordinances, rules, regulations, requirements, including without limitation Environmental Laws, or any order, judgment, decree, determination, or award of any court binding on HTC Landlord, HTC Tenant, or any other Developer Entity, or their assets including the Property.

“Architect” means Perkins+Will, Inc. or such other firm as may be engaged by HTC Landlord with the Consent of HTC Tenant and the Investor Member to provide architectural services in connection with the Rehabilitation.

“Architect Agreement” means that certain Standard Form of Agreement between Owner and Architect between Guarantor and Architect dated June 28, 2023 [, as assigned from Guarantor to HTC Landlord] (including all exhibits and attachments thereto).

“Base Rent” has the meaning set forth in Section 3.1.

“Bridge Lender” means and refers to Lincoln Savings Bank, an Iowa state banking corporation.

“Bridge Loan” means and refers to that certain loan in the aggregate principal amount of \$[30,000,000] from Bridge Lender to HTC Landlord.

“Building” has the meaning set forth in the Recitals.

“Business Day” means a day during which commercial banks in San Francisco, California, are open for business of the nature required for the implementation or administration of this HTC Lease.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of prior or succeeding law.

“Commencement Date” means the day prior to the first date on which any portion of the Building is Placed in Service for purposes of the Historic Tax Credits.

“Commercial Sublease” means any lease or sublease or other agreement for the use or occupancy of any portion of the Leasehold Interest entered into after the Effective Date by the HTC Tenant with the Consent of the Investor Member, which Consent shall not be unreasonably withheld, conditioned or delayed, other than a lease, sublease or other agreement for the use or occupancy of any portion of the Leasehold Interest as a “dwelling unit” as that term is defined in Section 168(e)(2) of the Code.

“Condemnation Award” means the aggregate amount of any condemnation award or awards payable with respect to a Taking, whether by agreement or pursuant to a judgment or otherwise, including consequential damages, with any interest on such amount, net of any unreimbursed costs and expenses of collecting the same.

“Consent” means prior written consent or approval, as the context may require, to do the act or thing for which the consent is solicited. Unless provided otherwise, any Consent of the Investor Member may be provided or withheld in the Investor Member’s sole discretion.

“Construction Consultant” means LM Consultants, Inc. or such other construction monitor or provider of construction management and inspection services as may be selected by Investor Member.

“Construction Contract” means that certain Construction Manager and General Contractor Agreement between Guarantor and Contractor, dated June 28, 2023, [as assigned from Guarantor to HTC Landlord], and having a guaranteed maximum price in the amount of \$[240,929,168] (including all exhibits, attachments thereto and change orders approved (a) as required under the Operating Documents and (b) by the National Park Service, if required), pursuant to which the Property is being rehabilitated, together with any other agreement, presently existing or executed after the Effective Date, between HTC Landlord and a Contractor for work, labor, services or materials in connection with the Project.

“Construction Documents” means and includes (i) each Construction Contract; (ii) the Plans and Specifications, and (iii) the Project Loan Documents.

“Contractor” means Plant Construction Company, L.P., together with any other Person with whom HTC Landlord contracts, now or hereafter, for work, labor, services or materials in connection with the Project.

“Credit Commencement Date” means the date on which any improvements to the Building (or any portion thereof) funded with QREs arising from the Rehabilitation of the Building achieve Placement in Service for federal income tax purposes and the applicable portion of the Building is eligible for the Historic Tax Credit (other than the subsequent issuance of the Part 3 Approval).

“Date of Taking” has the meaning set forth in Section 7.6(b).

“Designated Prime Rate” means the prime commercial rate of interest as published from time to time in The Wall Street Journal, or such other source as the parties may agree, adjusted as such rate adjusts.

“Developer Entity” means each of the Managing Member, each Guarantor, HTC Landlord, each of the members of HTC Landlord, and any other Affiliate of any of them with any connection to the Property or HTC Tenant; provided, however, that the Investor Member shall not be deemed a Developer Entity.

“Development Costs” means all expenditures of the HTC Landlord which are required to (i) discharge the HTC Landlord’s obligations arising under this HTC Lease during the Property Development Period, (ii) pay any expenses incurred by the HTC Landlord and/or the HTC Tenant as a result of the execution of the HTC Lease, (iii) fund any reserves required to be funded from Development Sources, and (iv) achieve Final Completion. Without limiting the generality of the foregoing, the term “Development Costs” shall include any escrow deposit requirements of the HTC Landlord and/or HTC Tenant which are conditions to this HTC Lease, including without limitation, any amounts necessary for local taxes, utilities, earthquake and other insurance premiums and other purposes, which might be required.

“Development Sources” means the net, funded or available proceeds of the Project Loans, HTC Landlord’s share of any casualty insurance or condemnation award proceeds to the extent received during the Property Development Period, necessary for rebuilding of the Property, and available therefor, and any other funds anticipated to be available to HTC Landlord during the Property Development Period as reflected in the Projections.

“Disbursement Deliverables” has the meaning set forth in the HTC Tenant Operating Agreement.

“Disqualified Person” has the meaning set forth in Section 8.5(c)(ii).

“Effective Date” means the date hereof.

“Election” has the meaning set forth in Section 6.8(a)

“Environmental Laws” means the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act, 42 U.S.C. § 9601 et seq., and/or the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., and/or the Occupational Safety and Health Act, the Clean Air Act, the Clean Water Act, 33 U.S.C. Section 1251, et seq. the Safe Drinking Water Control Act, and the Residential Lead-Based Paint Hazard Reduction Act of 1992, each as amended from time to time and any other federal, state, or local statute, code, ordinance, rule, regulation, permit, consent, approval, license, judgment, order, writ, judicial decision, common law rule, decree, agency interpretation, injunction or other authorization or requirement whenever promulgated, issued, or modified, including the requirement to register underground storage tanks, relating to:

(i) emissions, discharges, spills, releases, or threatened release of pollutants, contaminants, Hazardous Substances (as hereinafter defined), materials containing Hazardous Substances, or hazardous or toxic materials or wastes into ambient air, surface water, groundwater, watercourses, publicly or privately owned treatment works, drains, sewer systems, wetlands, septic systems or onto land; or

(ii) the use, treatment, storage, disposal, handling, manufacturing, transportation, or shipment of Hazardous Substances, materials containing Hazardous Substances or hazardous and/or toxic wastes, material, products, or by-products (or of equipment or apparatus containing Hazardous Substances).

“Environmental Reports” means and refers to each of the following:

[_____];

[_____]; and

[_____].

“Event of Default” has the meaning set forth in Section 9.1.

“Excess Development Costs” means all Development Costs in excess of Development Sources.

“Final Completion” has the meaning set forth in the HTC Tenant Operating Agreement.

“Final Cost Certification” means, for the Building, a final, fully signed, written certification of the Accountants as to (i) the itemized amounts of the Rehabilitation, (ii) the QREs incurred in connection with the Rehabilitation, (iii) the portion of such QREs that qualify as “qualified improvement property” (as defined in Section 168(e)(6) of the Code), and (iv) the Actual Historic Tax Credits (as defined in the HTC Tenant Operating Agreement), which certification shall constitute no less than an “examination report.”

“Force Majeure” means acts of God, fire, storm, strikes, blackouts, labor disputes, riot or civil insurrection, terrorism, inability to obtain materials, equipment or labor, or unusual weather conditions.

“Guarantor” means the University of California College of the Law, San Francisco, a [____], in its capacity as guarantor of certain obligations pursuant to the Guaranty, as adjusted from time to time. If only one Guarantor is identified above, references herein to multiple Guarantors (e.g., ‘each Guarantor’, ‘a Guarantor’, etc.) shall be deemed to refer to the one Guarantor.

“Guaranty” means that certain Guaranty for the benefit of the Investor Member, dated as of even date herewith, pursuant to which each Guarantor has guaranteed certain obligations with respect to the Property, as amended, restated or otherwise modified from time to time.

“Hazardous Substance” means (i) hazardous materials, hazardous wastes, and hazardous substances as those terms are defined under any applicable Environmental Laws, (ii) petroleum and petroleum products including crude oil and any fractions thereof, (iii) natural gas, synthetic gas, and any mixtures thereof, (iv) asbestos and/or any material which contains any hydrated mineral silicate, including but not limited to chrysolite, amosite, crocidolite, tremolite, anthophyllite, and/or actinolite, whether friable or non-friable, (v) polychlorinated biphenyls (“PCBs”), or PCB-containing materials or fluids, (vi) radon, (vii) lead-based paint, (viii) underground storage tanks; (ix) any other hazardous, radioactive, toxic, or noxious substance, materials, pollutant, or solid, liquid or gaseous waste, and (x) any substance with respect to which a federal, state or local agency requires environmental investigation, monitoring, or remediation.

“Historic Approvals” means, collectively, (i) Part 1 Approval; (ii) Part 2 Application and the Part 2 Approval; and (iii) Request for Certification of Completed Work (Form 10-168c) submitted to the U.S. National Park Service (“Part 3 Application”) and the Part 3 Approval.

“Historic District” has the meaning set forth in Section 8.5(c)(iii).

“Historic Tax Credits” means the tax credit allowable pursuant to Section 47 of the Code for QREs incurred in connection with the “certified rehabilitation” of a “certified historic structure.”

“HTC Landlord Operating Agreement” means that certain [Amended and Restated Operating Agreement] of HTC Landlord, dated as of [April __, 2027], by and between Managing Member and HTC Tenant, as amended, restated or otherwise modified from time to time.

“HTC Lease” means this HTC Lease as the same may be amended from time to time.

“HTC Lease Payment” has the meaning set forth in Section 3.2.

“HTC Program Requirements” means, collectively, the provisions of Section 47 and 50(d) of the Code, the Treasury Regulations, any other documents and/or regulations and guidance related to the Building’s qualification for and receipt of the Historic Tax Credits and the valid pass through and/or allocation thereof to HTC Tenant.

“HTC Tenant Cash Flow” shall have the meaning ascribed to the defined term “Net Cash Flow” in the HTC Tenant Operating Agreement.

“HTC Tenant Gross Revenue” means revenues received by HTC Tenant from the operations of the Property, rental, license or shared use income, all royalties, franchise and license fees received by HTC Tenant, and any rights to refunds thereof, any and all proceeds of any insurance, indemnity, warranty or guaranty payable to HTC Tenant from time to time with respect to the operation of the Property or any other property of HTC Tenant, including insurance against business interruption, rental interruption, or other loss of income (but excluding any insurance with respect to a casualty affecting the Building), and any distributions from any other Person in which HTC Tenant has invested mean total revenues of the HTC Tenant in any year, as determined consistent with the Projections.

“HTC Tenant Operating Agreement” means that certain Amended and Restated Operating Agreement of HTC Tenant, dated as of [September __], 2026, by and between Managing Member, as managing member, and Investor Member, as investor member, as amended, restated or otherwise modified from time to time.

“HTC Tenant’s Personal Property” means any personal property of HTC Tenant located upon or used by HTC Tenant in connection with the Property, including without limitation:

(a) all fixtures and other tangible personal property located at or on or intended to be used in connection with the Property; all articles of personal property now or hereafter attached to or intended to be used in or about or in connection with the Property; and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Property;

(b) all contracts, contract rights, accounts, warranties, and agreements, including rights to return of deposits, prepaid premiums or other payments; receivables, rents, chattel paper and instruments, property rights, trade names, plans and specifications, permits, approvals and general intangibles and all other choses in action now or hereafter existing with respect to the Leasehold Interest, and all proceeds from the foregoing;

(c) all Insurance Proceeds, including interest, payable in connection with any damage or loss to the Leasehold Interest; all eminent domain awards made with respect to the Leasehold Interest; and

(d) all books and records maintained by HTC Tenant and relating to the operation of the Property.

“HTC Tenant’s Share” has the meaning set forth in Section 7.6(b).

“HTC Value” has the meaning set forth in Section 7.6(b).

“Immediate Family” means, with respect to any Person, his or her spouse, children, including adopted children, stepchildren, parents, parents-in-law, nephews, nieces, brothers, sisters, brothers-in-law, sisters-in-law, each whether by birth, marriage, or adoption, as well as any inter vivos trusts created for the benefit of such Person or any of the foregoing.

“Impositions” has the meaning set forth in Section 4.2.

“Installment Base Rent” has the meaning set forth in Section 3.1.

“Insurance Proceeds” means the proceeds obtained under any insurance policy maintained by HTC Tenant and/or HTC Landlord with respect to the Property, on behalf of itself, the other party hereto, the Lenders and/or any subtenant of the Property, net of the unreimbursed costs and expenses incurred in the collection of such proceeds.

“Investor Member” means Wells Fargo Community Investment Holdings, LLC, a Delaware limited liability company, and its successors and assigns, and in the event of more than one Investor Member, Investor Member means, collectively, all such Investor Members.

“IRS” means the Internal Revenue Service.

“Knowledge” means that an individual will be deemed to have “Knowledge” of a particular fact or other matter if such individual is actually aware of such fact or a prudent individual could be expected to discover such fact or other matter after reasonable investigation. A Person (other than an individual) will be deemed to have “Knowledge” of a particular fact or other matter if any individual who is serving, or who has at any time during the term of this HTC Lease served, as a director, officer, partner, executor, or trustee of such Person (or in any similar capacity) has, or at any time had, Knowledge of such fact or other matter.

“Land” has the meaning set forth in the Recitals.

“Lease Year” means, in the case of the first lease year, the period from the Commencement Date through [December 31st] of the year which includes the Commencement Date; thereafter, each successive twelve-calendar month period following the expiration of the first lease year of the Term; except that in the event of the termination of this HTC Lease on any day other than the last day of the last Lease Year then such Lease Year shall be the period commencing with the day following the end of the preceding Lease Year through and including the date of termination.

“Leasehold Interest” has the meaning set forth in the Recitals.

“Leasehold Interest Value” has the meaning set forth in Section 7.6(b).

“Leasehold Lender” means any lender of a Leasehold Loan, in such Person’s capacity as such, or its successor and assigns in such capacity.

“Leasehold Loan” means any loan to the HTC Tenant, including any loan secured by a Leasehold Mortgage, but excluding any loan made by a Developer Entity.

“Leasehold Mortgage” means any mortgage or deed of trust granted by the HTC Tenant and secured in whole or in part by the Leasehold Interest.

“Legal Requirements” means all laws, statutes, ordinances, orders, rules, regulations and requirements of all Federal, state and local governmental or quasi-governmental entities,

subdivisions, agencies, authorities or instrumentalities and the appropriate officers, departments, and boards thereof applicable to the Property.

“Lenders” means, collectively, the Project Lenders together with any Leasehold Lender.

“Managing Member” means and refers to 100 McAllister Manager, Inc., a California corporation, and any replacement or successor managing member under the HTC Tenant Operating Agreement.

“Mortgage” means any of the mortgages or deeds of trust given by the HTC Landlord to a Project Lender to secure any of the Project Loans or any other loan obtained in connection with the Project with the written consent of Investor Member.

“National Park Service” means the United States National Park Service, an operating unit of the United States Department of the Interior, or any successor agency.

“NTCIC” means National Trust Community Investment Corporation, a Delaware corporation.

“Operating Documents” means and includes (i) the HTC Tenant Operating Agreement; (ii) HTC Landlord Operating Agreement; (iii) this HTC Lease; (iv) each Construction Contract; (v) the Guaranty; (vi) documents evidencing, guarantying and securing any of the Project Loans, including but not limited to, the Project Loan Documents, and documents evidencing, guarantying and securing any Leasehold Loan, including but not limited to, any Leasehold Mortgage; (viii) the [Commercial Subleases]; (ix) all instruments delivered to (or required by) any Lender or the Secretary including the Certification Application; (x) documents relating to the Leasehold Interest or the pass through of Historic Tax Credits to HTC Tenant by which HTC Tenant is bound; (xi) any SNDA; (xii) any Property Management Agreement; (xiii) [____]; (xiv) [Property Management Agreement/Franchise Agreement/Other Applicable Documents; and (xv) [____]].

“Operating Expenses” means all expenses of the Property, including, but not limited to, management fees and expenses; any applicable insurance premiums covering hazards, casualties, liability, and potential losses; license, permit, inspection and occupancy fees; HTC Tenant’s accountant’s fees and legal fees; materials and supplies, including charges for telephone, fax, computers, postage and supplies; repairs, maintenance and replacements respecting the Property, including costs of materials, supplies, tools and equipment used in connection therewith; costs incurred in connection with the operation, maintenance, repair, replacing, inspection and servicing (including maintenance contracts) of electrical, plumbing, heating, air conditioning and mechanical equipment and the cost of materials, supplies, tools and equipment used in connection therewith; cost of services including heat, air conditioning, electricity, gas, water and sewer, common area expenses, and other utilities not separately metered for units in the Property; and all other expenses and costs necessary or desirable to be incurred for the purpose of operating and maintaining the Property, whether or not similar to the foregoing.

[“Outside Date”] means [December 31, 2028].

“Part 1 Approval” means the determination by the National Park Service pursuant to Part 1 of the applicable Certification Application that the Building is located in a registered historic district (as that term is used in Section 47(c)(3)(B) of the Code) and is certified by the Secretary as contributing to the historic significance of the district.

“Part 2 Application” means Part 2 of the Historic Preservation Certification Application dated as of March 7, 2024, and plans for Rehabilitation of the Property submitted to the National Park Service, and any amendments thereto which amendments shall be approved by Investor Member prior to the submission of such amendment to the National Park Service.

“Part 2 Approval” means the determination by the National Park Service, pursuant to approval of the Part 2 Application dated August 6, 2024 and approval of the amendments to the Part 2 Application dated November 4, 2024, and April 11, 2025, and approval by the National Park Service of any future amendment to the Historic Preservation Certification Application, which is approved by Investor Member prior to the submission of such amendment to the National Park Service, affirming that the Rehabilitation of the Property described in the Historic Preservation Certification Application and amendments thereto is consistent with the historic character of the Building and meets the Secretary’s Standards.

“Part 3 Approval” means the determination by the National Park Service, pursuant to Part 3 of the Historic Preservation Certification Application, that the completed rehabilitation of the Building is a “certified rehabilitation” of a “certified historic structure” under Section 47 of the Code.

“Partial Taking” means a Taking of less than all of the Property.

“Permanent Taking” means any Taking that is not a Temporary Taking.

“Permitted Encumbrances” means the encumbrances and exceptions set forth in the Title Policy.

“Person” means an individual, partnership, joint venture, limited liability company, corporation, trust, cooperative, association or other entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so requires.

“Placement in Service”, “Place in Service”, or “Placed in Service” means with respect to the Rehabilitation or any phase thereof the occurrence of the events necessary to establish placement in service thereof for purposes of Section 1.48-12(f)(2) of the Treasury Regulations and Section 47(b) of the Code such that as determined in accordance with the Treasury Regulations (A) the Rehabilitation of the Building funded with QREs (or such phase or portion thereof) are placed in a condition or state of readiness for a specifically assigned function in the HTC Landlord’s trade or business, and (B) the Building has been Substantially Rehabilitated.

“Plans and Specifications” means the plans and specifications prepared in connection with the Rehabilitation of and construction with respect to the Property, including, without limitation, specifications for materials, a copy of which has been delivered to HTC Tenant, as such plans and specifications may be changed from time to time with the approval of the Lenders (to the extent required under the Project Loan Documents and/or Leasehold Loan Documents) and the Investor

Member, and any applicable governmental entities, if such governmental entity approval shall be required; provided, however, that HTC Landlord shall not authorize any change to the Plans and Specifications inconsistent with the Part 2 Approval and Secretary's Standards.

"Preliminary Cost Certification" means a fully signed, written certification of the Accountants as to the itemized amounts of the Rehabilitation for the Property incurred as of the date the certification and the related QREs incurred in connection with the Rehabilitation of the Building as of such certification date, together with the then-anticipated Actual Historic Tax Credits for the Building based on, among other things, a reasonable estimate of expected QREs for Rehabilitation work, which certification as to QREs incurred shall constitute no less than an "examination report".

"Preservation Consultant" has the meaning set forth in the HTC Tenant Operating Agreement.

"Project" has the meaning set forth in the Recitals.

"Project Lender" means, as the context requires, Bridge Lender or any lender of any replacement or refinancing of the Project Loan.

"Project Loan" means, as the context requires and together with any replacements or refinancings thereof, the Bridge Loan or any other loan borrowed by HTC Landlord in accordance with the terms hereof.

"Project Loan Documents" means and refers to any and all documents executed by HTC Landlord or any guarantors or any other Affiliates of HTC Landlord, as applicable, in connection with any of the Project Loans, including, without limitation, any of the following: loan agreements, promissory notes, mortgages, deeds of trust, security agreements, financing statements, guarantees, pledges, and all other documentation entered into in connection with any of the Project Loans.

"Projections" has the meaning set forth in Section 8.5 hereof.

"Property" has the meaning set forth in the Recitals.

"Property Development Period" means the period commencing as of the date of the formation of the HTC Landlord and terminating upon Final Completion.

"Property Management Agreement" means any property management agreement pursuant to which HTC Tenant contracts with a Person for leasing and/or property management services for the Property.

"QREs" means "qualified rehabilitation expenditures" as such term is defined in Section 47(c)(2) of the Code, as determined by the Accountants.

"Recapture Period" means the time period commencing on the date on which the Credit Commencement Date occurs with respect to the first QREs incurred in connection with the Rehabilitation and ending upon the later of (a) the fifth (5th) anniversary of the date on which the

Credit Commencement Date occurs with respect to the last QREs incurred and included in any Final Cost Certification and federal income tax return of the HTC Tenant, or (b) any longer time period during which Federal Historic Tax Credits attributable to the Property are subject to recapture pursuant to the Code.

“Rehabilitation” means the development, construction, renovation and rehabilitation work on the Property described in this HTC Lease, the Plans and Specifications, the Part 2 Application, and the Part 2 Approval, together with any other work on or related to the Property contemplated in each Construction Contract, the Operating Documents, [____], any Commercial Subleases, and/or the Projections.

“Rent” means, collectively, Base Rent, Supplemental Rent, and Additional Rent.

“Repairs” means all necessary or customary maintenance, replacements, repairs, and renewals, made in the ordinary course of the operation of the Property, interior and exterior, ordinary and extraordinary, foreseen and unforeseen, of every nature, kind and description. Notwithstanding anything to the contrary herein, “Repairs” shall not include any Rehabilitation or replacements or corrections of any defective Rehabilitation.

“Replacement Reserve” has the meaning set forth in Section 5.2.

“Restoration Criteria” has the meaning set forth in Section 7.6(c)(i).

“Secretary” means the Secretary of the U.S. Department of the Interior or any authorized representative thereof, including the National Park Service.

“Secretary’s Standards” means the standards for rehabilitation set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time, together with the Rehabilitation Guidelines, Preservation Briefs and Tech Notes found at <http://www.nps.gov/tps/index.htm>.

“SHPO” means the California Office of Historic Preservation, the State Historic Preservation Officer (as such term is defined in 36 C.F.R. Part 67) for the State of California.

“SNDA” means each subordination, nondisturbance, and attornment agreement entered into after the Effective Date pursuant to Section 2.4.

“Substantial Completion” means, with respect to the Rehabilitation or any phase thereof, the date upon which the following have occurred: (i) the Rehabilitation has been completed in a good and workmanlike manner in accordance with (a) the Plans and Specifications, (b) the Secretary’s Standards, (c) the Part 2 Approval, (d) all HTC Program Requirements, (e) the requirements of the SHPO, (f) Environmental Laws and other Legal Requirements, (g) any Commercial Subleases, (h) the Project Loan Documents, and (i) [____]; (ii) HTC Landlord has equipped the Property with all necessary and appropriate fixtures, equipment and articles of personal property contemplated by the Projections; (iii) the Property has been delivered to HTC Tenant, free from mechanic’s and materialmen’s liens (except liens insured over in a manner satisfactory to HTC Tenant), (iv) a fully executed AIA Form Certificate of Substantial Completion for the Rehabilitation has been prepared and certified by [Architect][HTC Landlord]

and in form and substance acceptable to the Investor Member and/or its independent inspection and disbursement advisor, which certification may be subject to non-material punchlist items that do not impede the rental of any space in the Property on a full rent paying basis, provided, that HTC Landlord has furnished cash funds or cash equivalents, in escrow, to provide for the completion of such punchlist items, in form, substance and amount reasonably acceptable to the Investor Member; (v) all necessary certificates of occupancy from the applicable governmental jurisdiction(s) or authority(ies) have been received, including without limitation, permanent certificates of occupancy for the portions of the Building as contemplated in the Projections to be immediately used and occupied, or temporary certificates, containing conditions to issuance of a permanent certificate which are acceptable to Investor Member, in its reasonable discretion, (vi) the HTC Tenant and Investor Member have received from the HTC Landlord each of the following: (a) a certificate from the Preservation Consultant in form and substance acceptable to the Investor Member certifying the Project's compliance with the Part 2 Approval and the Secretary's Standards; and (b) any other documentation necessary to establish placement in service for purposes of Section 47(b) of the Code.

"Substantially Rehabilitated" has the meaning set forth in Treasury Regulations Section 1.48-12(b)(2), such that the QREs incurred with respect to the Rehabilitation, or any phase thereof, during the 60-month measuring period ending with or within the applicable tax year, selected by the HTC Landlord, subject to the Consent of HTC Tenant and the Investor Member, exceed the adjusted basis of the applicable Building at the commencement of such measuring period, as determined in accordance with the Treasury Regulations.

"Supplemental Rent" has the meaning set forth in Section 3.1 hereof.

"Survey" means the ALTA (or an equivalent) survey prepared, certified and submitted to the HTC Tenant and the Investor Member.

"Taking" means any taking of the title to, access to, or use of all or any part of the Property and/or any interest therein or right accruing thereto, as a result of the exercise of the right of condemnation or eminent domain affecting the Property or any part thereof. A conveyance in lieu of or in anticipation of the exercise of any such right of condemnation or eminent domain shall be considered a Taking. Any such Taking shall be deemed to have occurred upon the earlier to occur of (a) the date on which the property, right or interest so taken must be surrendered to the condemning authority, or (b) the date title vested in a condemning authority or other party pursuant to any Taking. A Taking may be total or partial, permanent or temporary.

"Temporary Taking" means a Taking that does not extend beyond the Term, so that HTC Landlord's reversionary interest hereunder is unaffected by such Taking.

"Term" means the term commencing on the Commencement Date and ending on the day preceding the [twenty-second (22nd)] anniversary of the date of the Commencement Date, unless sooner terminated as provided for herein.

"Title Company" means [_____].

“Title Policy” means that certain ALTA extended coverage leasehold title insurance policy issued by Title Company in the amount of at least \$[_____]¹, in favor of HTC Tenant and in force as of the Effective Date insuring HTC Tenant’s leasehold title to the Property.

“Total Taking” means a Taking other than a Partial Taking.

“Treasury Regulations” or “Treasury Reg.” means the final and temporary regulations promulgated from time to time under the Code.

“Utility Charges” has the meaning set forth in Section 4.3.

“Work” has the meaning set forth in Section 7.2.

ARTICLE II.

PROPERTY, TERM AND SUBORDINATION

Section 2.1 Property.

HTC Landlord hereby leases and demises to HTC Tenant, and HTC Tenant hereby leases from HTC Landlord, subject to and with the benefit of the terms, covenants, conditions and provisions of this HTC Lease, the Property and all related personal and tangible property. In addition, HTC Landlord hereby assigns to HTC Tenant all of HTC Landlord’s right to and under any and all leases, contracts and intangible property related to the operation of the Property following the Rehabilitation.

Section 2.2 Term.

The Property is hereby leased unto HTC Tenant and its successors and assigns for the Term. HTC Tenant hereby acknowledges that, except for HTC Tenant’s Personal Property, all tangible personal property located at the Property (as of the Effective Date and acquired hereafter) is owned by HTC Landlord and the same is being made available for HTC Tenant’s use in connection with its use, occupancy and operation of the Property and nothing herein shall create any ownership interest in favor of HTC Tenant in any such tangible personal property.

Section 2.3 Delivery of Possession; Leasehold Title.

HTC Landlord shall deliver possession of the Property to HTC Tenant on the Commencement Date, in its current condition as modified by the Rehabilitation (subject, however, to the provisions of Article VIII hereof) and free of all title defects and encumbrances except the Permitted Encumbrances.

¹ Will be equal to Aggregate Expected Capital Contribution plus max upward adjuster

Section 2.4 Subordination.

It is not anticipated that HTC Landlord will execute or deliver any Mortgages to the Project Lenders in connection with the Project Loans. In the event that HTC Landlord does execute and deliver a Mortgage to a Project Lender, HTC Landlord shall cause each Project Lender now or hereafter holding a Mortgage to enter into a SNDA, in form and substance reasonably acceptable to HTC Tenant and Investor Member.

Section 2.5 Limitation on HTC Landlord's Rights to Refinance or Borrow.

On or after the Effective Date and continuing throughout the Term, HTC Landlord shall not enter into any new financing or obtain any replacement refinancing or extend or modify any existing financing secured by a mortgage or other encumbrance on the Property or any portion thereof, or any membership interest (director or indirect) in HTC Landlord without the Consent of the Project Lenders, HTC Tenant and the Investor Member, and shall provide not less than thirty (30) days prior written notice of any such anticipated financing. Any request for a refinance, additional financing, or loan modification during the Recapture Period shall be subject to (and in all instances contingent upon) payment of the following charges: (i) a minimum financing evaluation fee in the amount of \$25,000 payable to NTCIC plus (ii) any and all expenses of Investor Member and NTCIC related to such financing request. HTC Landlord shall not finance or refinance in a manner which would reduce the credit base by reason of the at-risk rules under Section 49 of the Internal Revenue Code or cause recapture of Historic Tax Credits.

Section 2.6 HTC Tenant Not Liable on the Project Loans.

Nothing contained herein shall obligate HTC Tenant to pay any principal, interest, prepayment premiums or other amounts in connection with the Project Loans, it being acknowledged that at all times the responsibility for payment of the Project Loans (or any replacements, accretions or additions to such loans) shall remain the responsibility of HTC Landlord. In the event of any default by HTC Landlord on its obligation to make any such payments, HTC Tenant shall have the right to pay such amounts on behalf of HTC Landlord, whether pursuant to a SNDA or otherwise, and HTC Landlord shall be obligated to reimburse HTC Tenant for such payment and any costs thereof and, in addition, HTC Tenant shall have the right to set-off against the next HTC Lease Payment payable hereunder such amounts as are advanced by HTC Tenant on behalf of HTC Landlord, together with interest from the date advanced until paid or set-off at the annual rate of two percent (2%) in excess of the Designated Prime Rate, but in all events the HTC Tenant shall pay to HTC Landlord the HTC Lease Payment without setoff equal to the amount of the next due payment under the Project Loans.

ARTICLE III.

RENT

Section 3.1 Base Rent and Supplemental Rent.

(a) Base Rent. HTC Tenant shall pay an annual base rent (hereinafter referred to as “Base Rent”) to HTC Landlord for the Property for each Lease Year, in the amounts set forth on Schedule A attached hereto, payable in equal [monthly/quarterly] installments (hereinafter

referred to as “Installment Base Rent”) payable on the [first] Business Day of each [month/quarter], prorated based on the number of days for any partial [month/ quarter], commencing on the Commencement Date. In furtherance of the foregoing, upon completion of the Rehabilitation in accordance with the terms of this HTC Lease, HTC Landlord shall execute and deliver to HTC Tenant a rent commencement notice in a form reasonably acceptable to and approved by HTC Tenant, and HTC Tenant shall have fifteen (15) calendar days to approve or disapprove such notice, and once approved, HTC Tenant shall execute and return such notice to HTC Landlord (the “Rent Commencement Notice”). If at any time a portion of the Property is Placed in Service, as evidenced by a Rent Commencement Notice or otherwise, then the Installment Base Rent set forth in Section 3.1 shall only be due from HTC Tenant in an equal amount to the Installment Base Rent multiplied by a fraction, the numerator of which is the square footage in the portion of the Building that has been Placed in Service as of the date such Installment Base Rent is due and the denominator of which is the aggregate square footage of the Building. Installment Base Rent shall thereafter be adjusted using the same formula as additional portions of the Building are Placed in Service until the entirety of the Building has been Placed in Service. Any payment due on a day other than a Business Day shall be payable on the next Business Day.

(b) Supplemental Rent. In addition to the Base Rent, the HTC Tenant shall pay the HTC Landlord supplemental rent (“Supplemental Rent”) on an annual basis, commencing as of the delivery of a Rent Commencement Notice (annually by the later of (i) January 31st of each year or (ii) the date on which HTC Tenant distributes HTC Tenant Cash Flow) in an annual amount equal to the least of the following: (i) [9.25]% of HTC Tenant Gross Revenue, (ii) [6.50]% of then available HTC Tenant Cash Flow (pursuant to Section 11.01 of the HTC Tenant Operating Agreement or (iii) \$[765,000]. Unpaid Supplemental Rent does not accrue.

Section 3.2 Manner of Payment.

Rent and other amounts becoming due from HTC Tenant to HTC Landlord hereunder (hereinafter collectively referred to as the “HTC Lease Payment”) shall be paid in lawful money of the United States to HTC Landlord at the office of HTC Landlord, or as otherwise designated from time to time by written notice from HTC Landlord to HTC Tenant. Except as otherwise expressly provided in this HTC Lease, all HTC Lease Payments shall be payable without deduction, offset, recoupment, counterclaim or demand, and regardless of HTC Tenant’s loss of rental income or damage to the Property caused by a casualty. Any HTC Lease Payment and all other sums payable hereunder by HTC Tenant shall be paid (except as otherwise provided for herein) without notice or demand.

Section 3.3 Additional Rent.

This HTC Lease is what is commonly called a “net lease,” it being understood that HTC Landlord shall receive the HTC Lease Payment set forth in Section 3.2 hereof free and clear of any and all charges, costs and expenses for which HTC Tenant is responsible pursuant to Article IV hereof. During the Term, all of such charges, costs and expenses when due shall constitute additional rent hereunder (the “Additional Rent”), even though not necessarily payable to HTC Landlord, and upon the failure of HTC Tenant to pay any of such Additional Rent in accordance with the terms of this HTC Lease, HTC Landlord shall have the same rights and remedies as otherwise provided in this HTC Lease for the failure of HTC Tenant to make any other HTC Lease

Payment (subject to Section 9.11 and subject to HTC Tenant's right to cure such failure upon receipt of written notice from HTC Landlord as set forth in Section 9.1(a) of this HTC Lease). Nothing herein contained shall obligate HTC Tenant for the payment of any expenses payable by HTC Landlord herein or any income or franchise taxes payable by HTC Landlord of the type described in Section 4.1.

Section 3.4 Default Rate of Interest.

HTC Lease Payments not paid within ten (10) calendar days from the date when due shall bear interest from the date due until paid at the annual rate of two percent (2%) in excess of the Designated Prime Rate. HTC Tenant shall pay as Additional Rent an amount equal to any late fees, default interest or other penalties incurred by HTC Landlord in connection with any loan as a result of failure by HTC Tenant to make any HTC Lease Payment when due.

ARTICLE IV.

TAXES AND OPERATING EXPENSES

Section 4.1 Operating Expenses Generally.

Throughout the Term, HTC Tenant covenants and agrees to pay all Utility Charges, costs of all Repairs, liens for work provided to or on behalf of HTC Tenant, insurance, and all other Operating Expenses, if any, which are due and payable during the Term hereof; provided, however, that HTC Tenant shall have no obligation to undertake any maintenance, repairs or replacements for which the subtenants under the Commercial Subleases are otherwise obligated. HTC Tenant will furnish to HTC Landlord, upon request, a proof of payment of all items referred to in this Section 4.1, including, without limitation, proof of payment of any Impositions and proof of payment of insurance premiums promptly after demand therefor.

Section 4.2 Impositions.

Throughout the Term, HTC Landlord shall pay or cause to be paid, directly to the authority charged with the collection thereof, all real estate taxes, personal property taxes, [betterment assessments][NTD: Tenderloin District payments], and all other impositions, ordinary and extraordinary, general and special, of every kind and nature whatsoever, as well as any payments in lieu of taxes, which may be levied, assessed, charged or imposed during the Term of this HTC Lease (prorated for any tax or installment period partially included in the Term) upon the Property or any part thereof, or upon any improvements at any time situated thereon (such taxes, payments and installments of assessments being hereinafter together referred to as "Impositions"), all such payments to be made not less than five (5) calendar days prior to the last date on which the same may be paid without interest or penalty. HTC Tenant agrees to send promptly to HTC Landlord copies of any notices in respect of any such Impositions.

HTC Landlord, at its sole cost and expense, (a) in its own name or (b) in the name of HTC Tenant, may contest the validity or amount of any Impositions relating to all or any portion of the Property, in which event HTC Landlord may (i) make such payment under protest or (ii) if postponement of such payment will not jeopardize HTC Landlord's title to the Property or subject HTC Landlord or HTC Tenant to the risk of any criminal liability or civil penalty, or cause a breach

under any of the Project Loans, HTC Landlord may postpone the same. To the extent an Imposition relates to real estate taxes, the Landlord will deal with any contest or appeal of such Imposition.

As may be necessary or desirable, each of HTC Tenant or HTC Landlord, as applicable, upon the request of the other, shall use its reasonable efforts to assist in any such proceeding to contest the validity or amount of any Impositions. Either party paying Impositions shall be entitled to recover, receive and retain for its own benefit all abatements and refunds of such Impositions unless previously reimbursed by the other party with respect thereto.

Nothing contained in this Section 4.2, however, shall be construed to allow any such contested Impositions to remain unpaid for a length of time which shall permit the Property or any part thereof, to be sold by any governmental authorities for the non-payment of such Impositions. HTC Landlord shall promptly furnish HTC Tenant with copies of all notices, appeals, pleadings, motions and orders in any proceedings commenced with respect to such contested Impositions.

If HTC Landlord fails to make any payment referred to in this Section 4.2 when due pursuant to the terms hereof, HTC Tenant shall have the right after five (5) calendar days' written notice to HTC Landlord to make any such payment on behalf of HTC Landlord and charge HTC Landlord therefor, together with interest from the date advanced until paid or set-off at the annual rate of two percent (2%) in excess of the Designated Prime Rate.

Section 4.3 Utilities.

Throughout the Term, HTC Tenant shall pay or cause to be paid all charges for water, gas, sewer, electricity, light, heat or power, telephone or other service used, rendered or supplied to HTC Tenant in connection with the Property ("Utility Charges") and shall not contract for the same in HTC Landlord's name without the Consent of HTC Landlord; and HTC Tenant shall have no responsibility hereunder for the payment of utilities supplied by the respective providers directly to any subtenant (or any subtenant of a subtenant) for such subtenant's (or for any subtenant's of such subtenant) use in connection with the occupancy of the Property.

Section 4.4 Other.

HTC Tenant covenants to pay and discharge, when the same shall become due, all other amounts, liabilities and obligations which HTC Tenant assumes or agrees to pay or discharge pursuant to this HTC Lease, together with every fine, penalty, interest and cost which may be added for nonpayment or late payment thereof and which payment HTC Tenant has failed to make when due.

Section 4.5 Tenant Improvements:

HTC Landlord agrees that, to the extent any new Commercial Sublease or any other lease, sublease or other agreement for the use or occupancy of any portion of the Leasehold Interest as a "dwelling unit" as that term is defined in Section 168(e)(2) of the Code which is not contemplated in the Projections that requires any tenant fit out or other tenant improvements ("Sublease TI") to be constructed within the Premises is executed with the consent of the HTC Landlord, HTC Landlord will undertake and complete such Sublease TI in accordance with the terms of the applicable new leases and the terms of this HTC Lease without any contribution or payment from

HTC Tenant except that HTC Tenant shall be obligated to promptly pay over to HTC Landlord as Additional Rent any sums paid to HTC Tenant by any tenant under the applicable new leases with respect to such Sublease TI.

ARTICLE V.

INDEMNITY, LIENS AND INSURANCE

Section 5.1 Indemnification.

HTC Tenant agrees to pay and to defend, indemnify and hold harmless HTC Landlord from and against any and all liabilities, losses, damages, causes of action, suits, claims, demands, judgments, costs and expenses of any kind or any nature whatsoever (including, without limitation, remediation costs, environmental assessment costs, governmental compliance costs, and reasonable expert's and attorneys' fees and expenses), known or unknown, foreseen or unforeseen, which may at any time be imposed upon, incurred by, or asserted or awarded against HTC Landlord, its employees, agents, members, or other persons serving in an advisory capacity to any of them or against the Property or any portion thereof, arising from: (a) any injury to or death of or claim of injury to or death of any person or any damage to or loss of or claim of damage to or loss of property on the Property, in each case arising out of the use, possession, ownership, condition or occupation of the Property or any part thereof (but not of any other property) from and after the Commencement Date to the extent arising solely out of the acts or omissions of the HTC Tenant, its employees, agents, or members or invitees of any of them, or (b) violation by HTC Tenant, its employees, agents, or members, or invitees of any of them, of any Environmental Law affecting the Property or any part thereof or the ownership, occupancy or use thereof from and after the Commencement Date; provided, however, that notwithstanding the foregoing, HTC Tenant shall not have any liability to HTC Landlord for any loss or damage arising out of the acts or omissions of HTC Landlord or persons under the control or direction of HTC Landlord or out of any release or threat of release of Hazardous Substances for which HTC Landlord is responsible under Section 8.4 hereof. HTC Landlord shall give HTC Tenant prompt and timely written notice of any claim made or suit instituted against it or any other party of which it has knowledge, relating to any matter which in any way may result in indemnification pursuant to this Section 5.1. The obligations of HTC Tenant under this Section 5.1 shall survive the Term. The foregoing indemnification shall not be construed as creating any rights in or conferring any rights to any third parties.

Section 5.2 Repairs to the Property.

During the Term, at its sole cost and expense, HTC Tenant shall (a) take care of the Property and any personal property leased hereunder in a manner that is consistent for improvements of similar construction and class as the Property; (b) keep the same in good order and condition in a manner that is consistent with improvements of similar construction and class as the Property; and (c) subject to the obligations of the subtenants under the Commercial Subleases, make and perform all Repairs or cause all such Repairs to be made, including, without limitation, those Repairs required to be made under any sublease of the Property. All Repairs

made by HTC Tenant shall be (x) at least equal in quality to the original improvements, (y) during the Recapture Period, consistent with the Secretary's Standards and Historic Approvals, and (z) made by HTC Tenant in accordance with all Legal Requirements and HTC Program Requirements. The necessity for or adequacy of Repairs shall be measured by the standards which are appropriate for improvements of similar construction and class, provided, that HTC Tenant shall in any event make or cause to be made all Repairs reasonably necessary to avoid any structural damage or other damage or injury of the Building.

HTC Landlord shall make all Repairs which are capital expenditures under the Code that are required prior to Substantial Completion and the amortization of such Repairs will not be added to the HTC Lease. The foregoing notwithstanding, any Repairs which are capital expenditures under the Code and which are made during the last year of the Term shall not be required to be made, except to the extent that HTC Landlord and HTC Tenant agree to an allocation of the costs thereof. If the parties cannot so agree, HTC Landlord shall have the right to cause such Repairs to be made and the cost thereof shall be amortized over the useful life thereof, as determined and in accordance with the Code, and HTC Tenant shall pay as Additional Rent the amortized costs thereof relating to the remainder of the Term. HTC Tenant shall be entitled to the tax benefits (including depreciation) attributable to Repairs or capital expenditures made by it hereunder.

Except as otherwise provided herein, HTC Landlord shall not be required to furnish any services or facilities or to make any Repairs in, about or to the Property or any improvements erected thereon after the Commencement Date. HTC Tenant hereby assumes the full and sole responsibility for the condition, operation, repair, and management of the Property after the Commencement Date. HTC Tenant shall establish a replacement reserve in the manner set forth in Section 8.13 of the HTC Tenant Operating Agreement (the "Replacement Reserve"). The proceeds held in such Replacement Reserve will be applied to the cost of Repairs.

Section 5.3 Alterations.

(a) Except for Repairs described in Section 5.2 hereof, HTC Landlord shall not, without the Consent of HTC Tenant and Investor Member (which shall not be unreasonably withheld, delayed or conditioned) make any alterations, additions or improvements to the Property, including tenant improvement work. Any such HTC Landlord work (i) must be completed in a good and workmanlike manner, with comparable materials and equipment, free and clear of all mechanics', materialman's or similar liens, and in conformity with the Secretary's Standards, Historic Approvals, all applicable Legal Requirements, HTC Program Requirements and requirements of Project Lenders, and (ii) shall not give rise to a Recapture/Disallowance Event (as defined in the HTC Tenant Operating Agreement) or otherwise cause a recapture of any Historic Tax Credits. Before commencement of any work for which HTC Tenant's Consent is required, HTC Landlord shall furnish to HTC Tenant and Investor Member for approval:

- (i) copy of the fully executed sub-tenant leases for the space;
- (ii) copy of the final plans and specifications;
- (iii) copy of the SHPO and NPS design approvals;
- (iv) copies of the executed construction contract or change order;

- (v) copies of the building permit(s);
- (vi) copies of any approvals, certificates of occupancy, or permit close-outs;
- (vii) a schedule of all subcontractors and material suppliers, their addresses, and the amounts of such subcontracts;
- (viii) required lien waivers;
- (ix) evidence of clear title;
- (x) a description of impact the tenant improvements have on the overall construction schedule and timing of Placement in Service of the improvements to the Building funded with QREs; and
- (xi) calculation of amounts, separate from rent, payable to HTC Tenant by any tenant as reimbursement for costs and/or expenses related to the improvements.

(b) Except as otherwise provided in Section 6.7, HTC Landlord shall make, or cause to be made, prompt payment of all monies due and legally owing to all persons, firms and corporations doing any work, furnishing any materials or supplies or renting any equipment to HTC Landlord or any of its contractors or subcontractors in connection with the reconstruction, furnishing, repair, or operation of the Property, and in all events will bond or cause to be bonded, with surety companies reasonably satisfactory to HTC Tenant and Investor Member, or pay or cause to be paid in full forthwith, any mechanic's, materialmen's or other lien or encumbrance that arises, whether due to the actions of HTC Landlord or any person under the control of HTC Landlord, against the Property.

(c) Except for Repairs described in Section 5.2 hereof, HTC Tenant shall not, without the Consent of HTC Landlord (which shall not be unreasonably withheld, delayed or conditioned) make any alterations, additions or improvements to the Property, including tenant improvement work. Any such HTC Tenant work (i) must be completed in a good and workmanlike manner, with comparable materials and equipment, free and clear of all mechanics', materialman's or similar liens, and in conformity with the Secretary's Standards, Historic Approvals, all applicable Legal Requirements, HTC Program Requirements and requirements of Project Lender, and (ii) shall not give rise to a Recapture/Disallowance Event (as defined in the HTC Tenant Operating Agreement) or otherwise cause a recapture of any Federal Historic Tax Credits. Subject to the provisions of Section 6.8 below, any and all buildings, fixtures and improvements placed in, on, or upon the Property by HTC Tenant shall vest in HTC Tenant until the expiration or earlier termination of the Term of this HTC Lease, at which time said buildings, fixtures and improvements shall automatically vest in HTC Landlord, subject to the rights of HTC Tenant in HTC Tenant's Personal Property.

Section 5.4 Insurance.

Subject to the requirements of Section 6.7 below with respect to HTC Landlord's obligation to maintain insurance in connection with the Rehabilitation (and from and after the date any portion of the Building is Placed in Service), HTC Tenant shall maintain such insurance coverages as may be required by the Project Lenders in connection with the Project Loans (except employee insurance) and any Leasehold Loan, in form and amount satisfactory to the Lenders, and

in any event shall maintain the following in form and amount consistent with the requirements of HTC Tenant Operating Agreement:

- (i) Commercial General Liability Insurance (Bodily Injury and Property Damage);
- (ii) Automobiles/Hired and Non-Owned Liability Insurance;
- (iii) Excess/Umbrella Liability insurance, with the Commercial General Liability, Automobile Liability and Employers Liability policies schedules as underlying policies (limits of the policy shall be at least \$[5 million] per occurrence and in the annual aggregate);
- (iv) Boiler and Machinery: Comprehensive Form Insurance;
- (v) Fidelity Bond to be provided in name of HTC Tenant or, where appropriate, its managing member;
- (vi) Property Insurance; and
- (vii) Rental Interruption Insurance [during the Recapture Period].

Evidence of insurance coverage must be provided to HTC Landlord upon request and be evidenced by certificates of insurance and properly endorsed policies certified as true and correct by the insurance agent. All evidence of insurance must satisfy the following requirements: (a) the HTC Tenant (rather than the Managing Member) should be the named insured where indicated, (b) HTC Landlord and the [Project Lenders] should be named as additional insureds; (c) policies must be written with an A.M. Best rated company of “A-” or better and a financial size category rating by A.M. Best of [A-IX] or higher; (d) all binders and policies should contain a cancellation clause stating that the policy will not be canceled or non-renewed without at least thirty (30) calendar days prior written notice to HTC Landlord and Investor Member, except for non-payment of premium where ten (10) calendar days written notice will be given; (e) certificates must document the amount of all deductibles; and (f) all binders and policies must be accompanied by evidence of premium payment.

ARTICLE VI.

USE AND ASSIGNMENT

Section 6.1 Use.

Throughout the Term, HTC Tenant shall use and occupy the Property only for lawful uses, and for no other use or purpose. HTC Tenant shall not use or occupy the Property for any use that would violate or cause a breach under this HTC Lease. HTC Tenant shall not use any Hazardous Substances, except to the extent reasonable or appropriate in connection with the lawful use of the Property in the ordinary course of HTC Tenant’s or any subtenant’s business, and HTC Tenant shall comply with all Environmental Laws in connection with such use.

HTC Tenant shall not use or allow the use of the Property in any way that would cause the Property to be treated as “tax-exempt use property” as defined in Section 168(h) of the Code.

HTC Tenant shall assist HTC Landlord in satisfying any reporting requirements imposed by Project Lenders, the holder of any Mortgage or any governmental authority and, in connection therewith, shall, at HTC Landlord’s expense, promptly, upon request, supply HTC Landlord with such reports and records relating to the Property as it shall reasonably request. HTC Landlord shall assist HTC Tenant in satisfying any reporting requirements imposed by the United States Department of the Interior, Department of Treasury, IRS or other governmental authority and, in connection therewith, shall promptly, upon request, supply HTC Tenant with such requests for approval, reports, information and other certifications as it shall reasonably request, including, without limitation, such documents as are required to avoid a Recapture/Disallowance Event (as defined in the HTC Tenant Operating Agreement).

Section 6.2 Transfer or Assignment.

HTC Tenant shall have the right, subject to the Legal Requirements, to sublease the Property or spaces therein, including any sublease to subtenants, without HTC Landlord’s approval (but subject to the requirements of Project Lenders and the requirements set forth in the HTC Tenant Operating Agreement). A copy of each executed sublease shall be supplied to HTC Landlord upon request to HTC Tenant. At no time shall any part of the Property be subleased to any subtenant in such a manner that would cause: (x) the Property to be treated as “tax-exempt use property,” pursuant to Section 47(c)(2)(B)(v) of the Code; and/or (y) the amount of Historic Tax Credits available to the Property to be reduced, recaptured or disallowed in any amount.

Each sublease shall provide that any violation of the foregoing use restrictions shall constitute a material event of default by such subtenant giving rise to an immediate right of lease termination by HTC Tenant. Neither HTC Landlord nor HTC Tenant may sell or assign its respective interest in, to and under this HTC Lease without the Consent of the other party.

Notwithstanding anything herein to the contrary, HTC Landlord shall not assign or transfer either the Property or this HTC Lease to a Disqualified Person or any other Person that would cause a disallowance, recapture or loss of all or any portion of the Federal Historic Tax Credits passed through to HTC Tenant hereunder.

Section 6.3 Compliance with Law.

HTC Landlord and HTC Tenant shall, at its respective expense, perform all its respective activities on the Property in compliance, and HTC Tenant shall use commercially reasonable efforts to cause all subtenants of any portion thereof to comply, with the Legal Requirements, as the same may be administered by authorized governmental officials, and, to the extent that either party should fail to do so beyond any applicable grace or cure period, the other party shall have the right to cause such requirements to remain in compliance and the amount expended or advanced on behalf of such party to the other on account thereof shall be payable by such party upon written demand.

Section 6.4 Mechanics' Liens.

HTC Landlord and HTC Tenant shall use all reasonable commercial efforts from the date of Closing and throughout the Term hereof to prevent any mechanic's liens or other liens for their respective work, labor, services or materials from being filed or recorded against the Property or any portion thereof; in the event that any such lien shall be filed, the party that commissioned the work, labor, services or materials in question, shall procure the release or discharge thereof in order to avoid a default under any Mortgage, but in any event within thirty (30) calendar days, either by payment or in such other manner as may be prescribed by law, and shall hold the other party harmless from and indemnified against any loss or damage related thereto.

Section 6.5 Surrender of Property.

At the expiration or earlier termination of this HTC Lease or any portion thereof, HTC Tenant shall peaceably leave, quit and surrender the Property or the portion thereof so terminated, subject to the rights of subtenants in possession. Upon such expiration or termination, the Property or portion thereof so terminated, other than the HTC Tenant's Personal Property, shall become the sole property of HTC Landlord at no cost to HTC Landlord and shall be free of all liens and encumbrances other than the Permitted Encumbrances and in "as-is, where-is" condition, and, in the event of a casualty, shall be subject to the provisions of Article VII hereof. Upon such termination, HTC Tenant shall assign to HTC Landlord all of HTC Tenant's right, title and interest in and to any subleases (and all security deposits thereunder), parking contracts, if any, service contracts, licenses, and any proprietary rights, records, documents and intangible property required in the ordinary course of business in operating the Property (the "Assigned Items"). Upon termination of this HTC Lease and surrender of the Property by HTC Tenant, HTC Landlord shall assume all of the Assigned Items and perform or otherwise cause to be performed all of HTC Tenant's obligations thereunder relating to any period after the date of termination of this HTC Lease. HTC Landlord and HTC Tenant agree to execute whatever quitclaims or other documentation is reasonably required to evidence any such termination and assignment.

Section 6.6 Easements; Annexation.

HTC Tenant agrees that it shall not unreasonably withhold or delay its Consent, and, to the extent deemed necessary by HTC Landlord, shall join with HTC Landlord from time to time during the Term in the following: (a) the granting of easements affecting the Property which are for the purpose of providing utility services for the Property; and (b) the dedication or conveyance, as required, of portions of the Land for road, highway and other public purposes to provide access to the Building or to permit widening of existing roads or highways. If any monetary consideration is received by HTC Landlord as a result of the granting of any such easement or the dedication or conveyance of any portion of the Property as provided, such consideration shall be apportioned as provided for in Section 7.6(b)(ii).

Section 6.7 Rehabilitation.

HTC Landlord represents, warrants and covenants that, at HTC Landlord's sole cost and expense:

(a) HTC Landlord shall cause Substantial Completion of the Rehabilitation to occur on or before the Outside Date, subject to extension upon the agreement of HTC Landlord, HTC Tenant and Investor Member.

(b) HTC Landlord shall promptly fund all Excess Development Costs with the proceeds of equity contributions from the members of HTC Landlord other than HTC Tenant.

(c) HTC Landlord shall keep HTC Tenant informed as to the progress of the Rehabilitation and shall notify HTC Tenant, promptly in writing, of any potential failure to complete the Rehabilitation by the Anticipated Completion Date or the Outside Date.

(d) HTC Landlord shall cause the Contractor to hold regular monthly draw meetings, which the Architect shall attend pursuant to the Architect Agreement, and to which the Construction Consultant is timely invited to attend, and which may be held by teleconference.

(e) HTC Tenant and Investor Member shall have the right to inspect such work and/or retain a Construction Consultant (at HTC Landlord's expense) to inspect and/or review from time to time, (i) the construction of the Project, and all materials used or held in storage on site to be used in the construction of the Project, (ii) the construction disbursements and (iii) such other matters, documents and information as HTC Tenant and/or Investor Member deem necessary or desirable. HTC Landlord shall facilitate the efficiency and effectiveness of the inspection process by coordinating inspections among the interested parties (as well as assuring the correction of any deficiencies that may arise) and timely providing all applicable and/or requested documentation to the Construction Consultant. Notwithstanding the foregoing, HTC Tenant shall have no obligation to make or have its representative make any such inspection of the Rehabilitation. Such inspections are for HTC Tenant's and Investor Member's information only and HTC Landlord shall not be relieved of its obligation to complete the Rehabilitation in accordance with this HTC Lease. In no event shall HTC Tenant's and/or the Investor Member's inspection of the work be deemed acceptance of all or any of the work, equipment, or materials, or a waiver of any right of HTC Tenant under this HTC Lease and/or subsequent documents for the applicable phase. HTC Landlord shall provide to HTC Tenant, Investor Member, and Construction Consultant written notice of construction meetings, and HTC Tenant, Investor Member, and Construction Consultant shall have the right to attend and receive copies of all draw requests and third party inspection reports with respect to the Rehabilitation.

(f) HTC Landlord agrees that prior to funding any construction draw submitted by the Contractor, making any request for disbursement of proceeds of any of the Project Loans (or construction funds or reserves managed by a Project Lender), or applying any other Development Source (each, a "Request For Disbursement"), HTC Tenant and its Investor Member must approve each of the foregoing in writing. HTC Tenant and Investor Member shall have ten (10) Business Days from the receipt of an executed copy of the proposed Request for Disbursement (to be given to such Project Lender or other capital provider), all Disbursement Deliverables, and a Construction Consultant's inspection report to provide their approval, which shall not be unreasonably withheld, conditioned or delayed. In the event that either HTC Tenant or Investor Member does not approve such disbursement, such disbursement shall not be made until such time as HTC Tenant and Investor Member have approved in writing such Request for Disbursement.

(g) HTC Landlord's environmental responsibilities with respect to the Rehabilitation are as follows:

(i) HTC Landlord, its agents, employees, and each Contractor shall not, and shall not permit any other person, including, but not limited to, third parties with whom HTC Landlord contracts, to bring onto the Property any Hazardous Substance or incorporate any Hazardous Substance into the improvements constructed on the Property in violation of Environmental Laws. For purposes of this Section 6.7, the term Hazardous Substance shall not include construction materials in reasonable quantities for lawful and customary use in the construction of the Rehabilitation, so long as such material is used, held, stored, and disposed of in accordance with applicable Environmental Laws. Subject to Section 8.4, HTC Landlord shall be liable for the consequences of and is responsible for removal and/or remediation of any Hazardous Substance on the Property in violation of this provision;

(ii) HTC Landlord will comply, and shall cause each Contractor and any subcontractors of each such Contractor to comply, with all Environmental Laws with respect to the Rehabilitation; and

(iii) Except as described in the Environmental Reports, neither HTC Landlord nor any of its Affiliates or members has ever received notification from any federal, state or other governmental authority of (x) any potential, known, or threat of release of any Hazardous Substance on to or from the Property or (y) the incurrence of any expense or loss by any such governmental authority or by any other Person in connection with the assessment, containment or removal of any release or threat of release of any Hazardous Substances from the Property, and no Hazardous Substance is now or, to the best of its knowledge, was ever, stored on, transported, or disposed of on the Property except to the extent any such storage, transport or disposition was at all times in compliance with all laws, ordinances, and regulations pertaining thereto. Any actions required to be taken by any Environmental Law or recommended to be taken which were contained in the Environmental Reports or any other environmental assessment reports prepared in conjunction with the Property and the development and rehabilitation thereof shall be appropriately completed in a manner that fully complies with such recommendations and all laws, regulations, ordinances, orders or decrees pertaining thereto;

(h) Prior to the Commencement Date, the following types of insurance shall be maintained or caused to be maintained by HTC Landlord in form and amounts satisfactory to Lenders and HTC Tenant:

(i) With respect to each Contractor, General Contractor's Commercial General Liability and Property Damage Insurance; Automobile/Hired and Non-Owned Liability; and Workers' Compensation and Employer's Liability Insurance;

(ii) With respect to the Architect, Architect's Errors and Omissions Professional Liability Insurance; Commercial General Liability; Automobile/Hired and Non-Owned Liability; and Workers' Compensation and Employer's Liability Insurance;

- (iii) All-Risk Builder's Risk Insurance; and
- (iv) Commercial General Liability.

(i) In the event that HTC Landlord or any Contractor or any of its licensed professional(s) fail or refuse to provide insurance certificates or policies or fails or refuses to renew any insurance policy required to be maintained in this Section, or if such a policy is canceled or modified in a manner not permitted in this Section, such action shall constitute an Event of Default if not cured within ten (10) calendar days after notification of such default by HTC Tenant. HTC Tenant shall have the right (and not the obligation) to purchase insurance on behalf of said parties and HTC Landlord shall promptly reimburse HTC Tenant for the cost of the premiums;

(j) Evidence of insurance coverage, as described in Section 6.7(g), must be provided to HTC Tenant upon request and be evidenced by certificates of insurance and properly endorsed policies certified as true and correct by the insurance agent. All evidence of insurance must satisfy the following requirements: (a) HTC Tenant, the Lenders, and their respective members should each be named as an additional insured where indicated; (b) policies must be written with an A.M. Best rated company of "A-" or better and a financial size category rating by A.M. Best of [IX] or higher; (c) all binders and policies should contain a cancellation clause stating that the policy will not be canceled or non-renewed without at least thirty (30) calendar days prior written notice to HTC Tenant and Investor Member; (d) certificates must document the amount of all deductibles; and (e) all binders and policies must be accompanied by evidence of premium payment;

(k) HTC Landlord shall not permit the rehabilitation schedule set forth in the any Construction Contract to be delayed by more than forty five (45) calendar days (or any shorter cure period permitted under any of the Project Loans), unless (i) such delay was the result of Force Majeure, provided, however, that in no event, including Force Majeure, shall the rehabilitation schedule set forth in such Construction Contract be delayed by more than sixty (60) calendar days, or (ii) each Lender and HTC Tenant consent to such delay(s) in writing under the terms and conditions acceptable to the Investor Member within such time period. HTC Landlord shall fund, or shall cause Guarantors to fund, any material construction cost overruns within ten (10) Business Days after written notice from HTC Tenant and in such a manner so as not to materially adversely affect the Project and/or the Rehabilitation thereof and so as to not affect the amount, timing or allocation of Historic Tax Credits to the Investor Member; and

(l) As soon as practicable, HTC Landlord shall deliver to HTC Tenant: (i) evidence of Substantial Completion of the Project reasonably acceptable to HTC Tenant; (ii) all necessary certificates of occupancy from the applicable governmental jurisdiction(s) or authority(ies) for one hundred percent (100%) of the improvements therein; and (iii) any other documentation necessary to establish that the Building has been Placed in Service for purposes of Section 47(b) of the Code.

(m) Other than in connection with Substantial Completion, HTC Landlord will not take any action, authorize or consent to any or otherwise permit any physical alterations to the Building (or any applicable portion thereof) without the prior written consent of HTC Tenant and Investor Member in accordance with Section 5.3.

Section 6.8 Tax Attributes and HTC Election.

(a) Subject to the terms and conditions of this HTC Lease, the HTC Landlord agrees to elect, pursuant to Section 50(d) of the Code, and Section 1.48-4 of the Treasury Regulations, to pass-through to the HTC Tenant the Historic Tax Credits to which the HTC Landlord is otherwise entitled as a result of the Rehabilitation, agrees to file an appropriate election (the “**Election**”), and take any and all other actions necessary under the Code to entitle the HTC Tenant to claim one hundred percent (100%) of the Historic Tax Credits generated by the Project.

(b) Subject to the terms and conditions of this HTC Lease, the HTC Landlord shall file the Election and provide the same to HTC Tenant, which shall be substantially in the form attached hereto as Exhibit B, on or before the due date (including any extensions of time) of the Investor Member’s federal income tax and information returns for the year ending 2027, if applicable, and for each other year in which improvements to the Building funded with QREs within the meaning of Section 47(c)(2) of the Code) are Placed in Service, which is expected to occur by [September 1], 2027.

(c) Except as otherwise provided herein, HTC Tenant in its capacity as tenant under this HTC Lease expressly waives and relinquishes in favor of HTC Landlord any rights to claim the benefit of or to use any state tax credits or rebates or federal depreciation benefits that are currently or may become available during the Term as a result of the improvements constituting part of the Property, or any equipment, furniture or fixtures installed by HTC Landlord on the Property whether or not such items become a part of the realty, and HTC Tenant agrees to execute and deliver to HTC Landlord any election form required to evidence HTC Landlord’s right to claim such state tax credits or depreciation benefits on improvements made or property installed by HTC Landlord; provided, however, that in connection with any claim or use of such other credits or benefits, HTC Landlord shall not take any position inconsistent with the Historic Tax Credits being passed through to HTC Tenant pursuant to the provisions herein. HTC Landlord and HTC Tenant agree that HTC Tenant shall be entitled to any investment tax credits or depreciation attributable to Repairs, alterations, additions, capital expenditures and/or improvements made by or property installed by HTC Tenant and paid for by HTC Tenant following the Commencement Date. HTC Landlord shall (i) inform HTC Tenant and Investor Member promptly of any oral or written communication or request for information which it receives from, or any conference with, the IRS directly relating to the amount of the Historic Tax Credit relating to the Property or the right of HTC Landlord to pass through the Historic Tax Credit and QREs to HTC Tenant in accordance with the terms of this HTC Lease; (ii) promptly provide HTC Tenant and Investor Member with copies of any such communications or information referred to in Section 6.8(c)(i); (iii) provide HTC Tenant and Investor Member with a draft of any proposed communication or correspondence from HTC Landlord to the IRS and allow HTC Tenant and Investor Member a reasonable amount of time to provide any comments to such communication or correspondence; (iv) provide HTC Tenant and Investor Member (and their counsel) with the opportunity, to the extent permitted by relevant law or practice, to attend and participate in (at their own expense) any substantive meetings with the IRS; and (v) consult in good faith with HTC Tenant and Investor Member concerning strategic and major tactical decisions related to dealings with the IRS.

(d) To the extent there is an audit of HTC Landlord in which material questions are raised concerning (i) the amount of QREs related to the Property; (ii) the eligibility of any expenses to be treated as a QREs; or (iii) any other matter impacting the Historic Tax Credits and/or their availability to HTC Tenant and Investor Member, HTC Tenant shall control all decisions, communications, and strategic dealings with the IRS. For the avoidance of doubt, the parties agree that HTC Landlord shall act as directed by HTC Tenant with respect to any such audit and shall not take any actions unless approved by HTC Tenant. To the degree that an audit of HTC Landlord involves an issue for which HTC Landlord or its Affiliates believe they are required to indemnify HTC Tenant or Investor Member under the Operating Documents, HTC Tenant will consult in good faith with HTC Landlord regarding the approach and all decisions related to such audit and shall not settle or concede any issues or adjustments without the consent of HTC Landlord during the audit stage; provided that HTC Landlord and its Affiliates have provided HTC Tenant and Investor Member with (x) a written acknowledgement of their obligation to indemnify under the Operating Documents, and (y) any reasonably requested assurances or evidence from HTC Landlord and its Affiliates of their ability to satisfy such indemnity obligations.

(e) If following the end of the 24th month after the date on which Investor Member filed the tax return on which the Historic Tax Credit was claimed, the National Park Service has not issued the Part 3 Approval, HTC Landlord, HTC Tenant, and Investor Member shall consult in good faith regarding how to resolve any issues and matters with the National Park Service with respect to the Part 3 Approval. However, at any time following the 24th month after the date on which Investor Member filed the tax return on which the Historic Tax Credit was claimed, HTC Tenant shall have the right (exercisable in its sole discretion) (i) to assume control of all discussions and negotiations with the National Park Service regarding the Part 3 Approval and (ii) to take any and all actions necessary to effectuate and implement the results of such negotiations and discussions, including, but not limited to, entering into related agreements and hiring third parties.

(f) HTC Landlord hereby unconditionally and irrevocably guarantees to HTC Tenant and Investor Member, to the extent not paid or performed by the Managing Member the punctual payment when due, and at all times hereafter the obligation of the Managing Member to make any payment or advance any funds under the terms and conditions of Sections 5.03 and 8.07 of the HTC Tenant Operating Agreement, to the extent such obligation arises due to a breach by HTC Landlord of this HTC Lease or any SNDA.

(g) Notwithstanding anything else herein, it is the parties' intention to comply with Section 4.05(2)(b) of Revenue Procedure 2014-12 that states that no person involved in a rehabilitation transaction may pay an Investor Member's costs or indemnify an Investor Member for the Investor Member's costs if the IRS challenges the Investor Member's claim of Historic Tax Credits ("Costs of Challenge"). Therefore, the parties acknowledge that HTC Landlord shall have no liability hereunder for any amounts payable to HTC Tenant or Investor Member with respect to any Costs of Challenge. To the extent that Revenue Procedure 2014-12 is clarified, amended, or modified after the Effective Date with respect to Section 4.05(2)(b), then any such clarification or modification shall be deemed incorporated hereunder and this HTC Lease shall be read consistently with any such clarification, amendment, or modification.

ARTICLE VII.

CASUALTY AND TAKING

Section 7.1 Casualty.

If any improvements from time to time constructed at the Property are damaged or destroyed by fire or other casualty, HTC Landlord and/or HTC Tenant, as applicable, shall proceed promptly to establish and collect all valid claims which may have arisen against insurers or others based upon any such damage or destruction. If collected by HTC Tenant, such Insurance Proceeds shall be turned over to HTC Landlord to repair, restore, replace and rebuild the Building subject to the provisions of this Section 7.1. HTC Landlord, using the Insurance Proceeds (if the Project Lenders make them available to HTC Landlord for such purposes), shall within one hundred and twenty (120) calendar days after the Insurance Proceeds become available, repair, restore, replace or rebuild the Building to substantially the same condition as existed immediately prior to the damage or destruction and substantially in accordance with the originally approved Construction Documents for the Building other than leasehold improvements that are not covered by insurance; provided, however, that (i) if HTC Landlord commences such repair, restoration or rebuilding within one hundred and twenty (120) calendar days after such Insurance Proceeds become available and proceeds diligently therewith, HTC Landlord shall be in compliance with this Section 7.1 notwithstanding that such restoration, repair, replacement or rebuilding is not complete within one hundred and twenty (120) calendar days after such Insurance Proceeds became available and (ii) the exception with respect to leasehold improvements shall not apply to the extent that the failure to restore any such leasehold improvements would impair the Historic Tax Credits. If such amounts are not available or are insufficient, then HTC Landlord shall restore the Property and shall fund such restoration as required under Section 7.2 hereof. Notwithstanding the foregoing, in the event of substantial damage or destruction by casualty (i) which damage the Investor Member in good faith determines is such that the reconstruction of an economically viable Building is not practicable (taking into account any loss, disallowance, or recaptured Historic Tax Credits resulting from such failure to reconstruct the Building), because (a) the Insurance Proceeds made available to HTC Landlord, plus the applicable deductible are not sufficient to repair such loss or damage, (b) the Project Lenders have elected to use the Insurance Proceeds made available to HTC Landlord to repay all or a portion of the Project Loans, or (c) such reconstruction cannot be carried out under Applicable Laws, including then current building or zoning laws and/or such reconstruction cannot be carried out in a manner that would ensure that all Historic Tax Credits previously claimed, or projected to be claimed, by the Investor Member would not be subject to loss, disallowance or recapture as determined by the Investor Member, or (ii) which damage occurs during the last three (3) years of the Term, then HTC Landlord, subject to the rights of Project Lenders or the holder of any Mortgage, shall have the right to terminate this HTC Lease upon thirty (30) calendar days' written notice to HTC Tenant. Upon such termination, subject to any rights of the Project Lenders, the Insurance Proceeds shall be apportioned and disbursed in the following priority and amounts:

- (i) First, to HTC Tenant, an amount equal to the lesser of the HTC Tenant's Share (as defined in Section 7.6) and the amount of such Insurance Proceeds; and
- (ii) Second, to HTC Landlord, the remainder of such Insurance Proceeds.

Section 7.2 Insurance Proceeds: Deficits or Excess.

If the Building is being reconstructed as provided for in Section 7.1 above, and if the Insurance Proceeds received by HTC Landlord plus the undisbursed portion of the Project Loans are insufficient to pay the entire cost of the work necessary in order to avoid recapture or disallowance of the Historic Tax Credits (the “Work”), then the amount of any such deficiency shall be paid by HTC Landlord. If the Insurance Proceeds received by HTC Landlord shall exceed the entire cost of the Work, then such excess proceeds shall first be used to reimburse HTC Tenant up to the amount of any deductible actually funded by HTC Tenant, and the remaining proceeds (if any) shall belong to HTC Landlord to be paid to the Project Lenders.

Section 7.3 Taking.

If a Taking occurs at any time during the Term, then the provisions of this Article VII shall apply to the condemnation proceedings and the distribution of any Condemnation Award pertaining to such Taking, subject to the rights of the holder of any Mortgage.

Section 7.4 Apportionment of Condemnation Award.

Whether or not separate awards are made to HTC Landlord and HTC Tenant, any Condemnation Award attributable to the respective interests of HTC Landlord and HTC Tenant in the Property shall be first used to satisfy any requirements of any Mortgage, and any remaining proceeds shall be apportioned between HTC Landlord and HTC Tenant as provided in Sections 7.6(b) and 7.6(c), as applicable.

Section 7.5 Requests for Separate Awards by Court.

The court in such condemnation proceedings shall, if not prohibited by law, be requested by HTC Landlord and HTC Tenant to make separate Condemnation Awards to HTC Landlord and HTC Tenant apportioned in accordance with Sections 7.6(b) and 7.6(c) hereof. The provisions of Sections 7.6(b) and 7.6(c) concerning termination of the Term and receipt and payment of the award shall also apply to circumstances governed by this Section 7.5 and the court shall be requested to take such matters into account in rendering separate awards.

Section 7.6 Single Award by Court.

(a) If the court in such condemnation proceedings is prohibited by law from making separate Condemnation Awards to HTC Landlord and HTC Tenant, or declines to do so, then the provisions of this Section 7.6 shall apply to the distribution of the single Condemnation Award made by such court.

(b) If a Total Taking (other than a Temporary Taking) occurs, then the HTC Lease Payment shall be prorated between HTC Landlord and HTC Tenant as of the effective date of such Total Taking (the “Date of Taking”), and this HTC Lease shall be terminated as of the Date of Taking. The following provisions shall apply to the apportionment of any Condemnation Award for such Total Taking:

(i) All sums, including damages and interest, constituting the Condemnation Award shall be deposited promptly with a mutually agreeable escrow agent, and shall be apportioned pursuant to the terms of this Section 7.6(b); and

(ii) Subject to the rights of the Project Lenders, the Condemnation Award, after the payment of all reasonable fees and expenses related thereto and after payment of all amounts due to the Project Lenders, shall be apportioned and disbursed in the following amounts and priority:

(A) First, to HTC Tenant, an amount equal to the lesser of the HTC Tenant's Share and the amount of such Condemnation Award; and

(B) Second, to HTC Landlord, the remainder of such Condemnation Award.

For the purposes of the foregoing, the "HTC Tenant's Share" shall equal the sum of the Leasehold Interest Value and the HTC Value. The "Leasehold Interest Value" shall be the fair market value of the Leasehold Interest as of the date of the Taking calculated as if the Taking had not occurred. The "HTC Value" shall equal the value of the Historic Tax Credits associated with the Project lost or recaptured by reason of the Taking.

(c) Subject to the terms of any Mortgage, in the event of a Partial Taking (other than a Temporary Taking),

(i) if HTC Landlord and HTC Tenant reasonably determine that the continued use and occupancy of the remainder of the Property by HTC Tenant is or can reasonably be made to be economically viable, structurally sound, consistent with any Mortgage and the HTC Tenant and Investor Member reasonably determine that the restoration of the Property can be carried out in a manner that would ensure that all Historic Tax Credits previously claimed, or projected to be claimed, by the Investor Member would not be subject to loss, disallowance or recapture, then this HTC Lease shall remain in effect as to the remainder of the Property, and, if otherwise feasible based upon the amount of the Condemnation Award and any other funds of HTC Landlord that are available for the purpose of paying for such restoration (the "Restoration Criteria"), then the Property shall be restored pursuant to Section 7.9 hereof,

(ii) if HTC Landlord and HTC Tenant reasonably determine that the continued use and occupancy of the remainder of the Property by HTC Tenant is not or cannot reasonably be made to be economically viable and structurally sound, consistent with any Mortgage, and otherwise feasible, if a holder of a Mortgage applies the Condemnation Award to the obligations secured by a Mortgage, or if HTC Tenant or Investor Member do not reasonably determine that the restoration can be carried out in a manner that would ensure that all Historic Tax Credits previously claimed, or projected to be claimed, by the Investor Member would not be subject to loss, disallowance or recapture, then this HTC Lease may be terminated and the Condemnation Award shall be applied in accordance with Section 7.6(b).

(d) If a Temporary Taking occurs, provided that the Condemnation Award is paid over to HTC Tenant as provided in this Section 7.6(d), then the Term shall not be reduced or affected

in any way and HTC Tenant shall continue to pay in full the HTC Lease Payment, without reduction or abatement, in the manner and at the times specified in this HTC Lease. Except only to the extent that HTC Tenant is prevented from so doing pursuant to the terms of the order of the condemning authority, HTC Tenant shall continue to perform and observe all of the other covenants, agreements, terms and provisions of this HTC Lease as though such Temporary Taking had not occurred. Upon any such Temporary Taking, HTC Tenant shall be entitled to receive the entire amount of any Condemnation Award made for such Temporary Taking whether such award is paid by way of damages, HTC Lease Payment or otherwise; provided, however, that if the period of temporary use or occupancy shall extend beyond the date of the expiration or termination of the Term, then such Condemnation Award shall be prorated by HTC Landlord and HTC Tenant as of such date of expiration.

Section 7.7 Condemnation Proceedings.

HTC Tenant, Investor Member, HTC Landlord and each holder of a Mortgage shall each have the right, at its own expense, to appear in any condemnation proceeding and to participate in any and all negotiations, hearings, trials and appeals in such proceeding.

Section 7.8 Notice of Condemnation.

If HTC Landlord or HTC Tenant receives notification of any proposed or pending condemnation proceeding affecting the Property, then the party receiving such notification shall promptly give written notice to the other party and the holder of any Mortgage.

Section 7.9 Restoration.

If a decision is made pursuant to Section 7.6(c) following a Partial Taking to restore the remainder of the Property, and/or the Building, as applicable, HTC Tenant and HTC Landlord shall reasonably agree upon and approve plans and specifications for doing so and each of the HTC Tenant and HTC Landlord agree that such plans and specifications will be prepared in a manner that complies with the Part 2 Approval and the Part 3 Approval and that would ensure that all Historic Tax Credits previously claimed, or projected to be claimed, by the Investor Member would not be subject to loss, disallowance or recapture. Subject to the rights of the Project Lenders, upon approval of said plans and specifications, HTC Landlord shall promptly proceed to commence and complete the restoration pursuant to the approved plans and specifications. Subject to the rights of the Project Lenders, HTC Landlord shall use the entire Condemnation Award for such restoration; provided, however, that any portion of the Condemnation Award remaining after the completion of the restoration shall be applied in accordance with Section 7.6(b). If HTC Landlord has decided pursuant to Section 7.6(c) to restore the remainder of the Property and/or the Building, as applicable, said restoration shall be at HTC Landlord's expense, and if the cost of the restoration shall exceed the amount of the Condemnation Award and the undisbursed proceeds of the Project Loans, the deficiency shall be paid by HTC Landlord, except if said deficiency exists by virtue of the failure or refusal of any holder of a Mortgage or any other lender to release all or any portion of the Condemnation Award to HTC Landlord to pay for said restoration, in which case the provisions of Section 7.6(b) shall apply.

ARTICLE VIII.

CONDITION OF PROPERTY

Section 8.1 Condition; Title.

Except for the obligations of HTC Landlord regarding the Rehabilitation or as specifically provided for elsewhere herein, the Property is demised and let in an “as is” condition as of the Effective Date. The Property is demised and let to HTC Tenant subject to:

- (a) zoning regulations, restrictions, rules, laws and ordinances now in effect or hereafter adopted by any governmental authority;
- (b) use of the Property which is consistent with the terms of this HTC Lease; and
- (c) the Mortgages and any other Permitted Encumbrances.

Section 8.2 No Encumbrances.

Subject to Section 8.1, HTC Landlord covenants that it has good and marketable fee simple title to the Land and the Building, and that it has full right and lawful authority to enter into this HTC Lease in accordance with the terms hereof and to grant the estate demised hereby, and that no other party has any right, lease or option to or in connection with the Property except for the Permitted Encumbrances. Except for any Mortgage and other Permitted Encumbrances, HTC Landlord covenants that it will not encumber the title of the Property or cause or permit said title to be encumbered in any manner whatsoever after the Effective Date without the Consent of HTC Tenant, and HTC Tenant may reduce or discharge any encumbrance or lien not permitted hereunder by payment or otherwise at any time after giving ten (10) calendar days’ written notice thereof to HTC Landlord and recover or recoup all costs and expenses thereof from HTC Landlord. HTC Landlord further covenants that HTC Landlord has received no written notice and has no knowledge of the intention of any party holding an easement affecting the Property or any part thereof to expand the exercise of any such easement beyond the scope of the present exercise thereof (as by replacing, or expanding existing facilities, conduits (including underground or overhead wires, cables or pipes) or systems for sewers, water, electric, gas, cable and other utilities). None of the Permitted Encumbrances has or will have a material adverse effect upon the Rehabilitation or operation of the Property.

Section 8.3 Quiet Enjoyment.

HTC Landlord covenants and warrants that HTC Tenant, upon payment of all sums herein provided and upon performance and observance of all of its covenants herein contained, shall peaceably and quietly have, hold, occupy, use and enjoy and shall have the full, exclusive and unrestricted use and enjoyment of, all of the Property during the Term, free from hindrance by HTC Landlord or any person claiming by, through or under HTC Landlord, and subject only to the provisions of this HTC Lease, the Permitted Encumbrances and all applicable Legal Requirements, including without limitation the use restrictions set forth in Section 6.1 hereof. Subject to any Mortgage and the other Permitted Encumbrances, HTC Landlord agrees to warrant and forever defend the title to the Property against the claims of any and all persons whomsoever

lawfully claiming by, through or under the HTC Landlord, but not otherwise, subject only to the provisions of this HTC Lease, the Permitted Encumbrances, and all applicable Legal Requirements. Notwithstanding the foregoing, subject to the rights of subtenants, HTC Landlord, in person or through its agents, upon reasonable prior written notice to HTC Tenant, shall have the right to enter upon the Property for purposes of reasonable inspections performed during reasonable business hours in order to assure compliance by HTC Tenant with its obligations under this HTC Lease. In addition, prior to the Building being Placed in Service, HTC Tenant hereby grants HTC Landlord, its agents and employees, each Contractor, and their agents with a revocable license entitling them to full access to the Property, including the Building, rights-of-way and easements for access thereto, subject to preexisting rights of other parties, if any, for purposes of performing the Rehabilitation and any repairs, maintenance and similar obligations of HTC Landlord under this HTC Lease. HTC Landlord hereby agrees to indemnify HTC Tenant from any and all loss, damage, or claim incurred by it as a result of any negligence, misfeasance, and/or malfeasance on the part of HTC Landlord, its employees, agents, or any Contractor in connection with such activities on the Property. HTC Landlord shall provide such insurance required by this HTC Lease and as may be necessary with respect to any activity to be undertaken on the site by HTC Landlord under said license.

Section 8.4 Environmental Indemnity.

Subject to HTC Landlord's obligation to complete any environmental remediation of the Property prior to any portion of the Building being Placed in Service, HTC Tenant covenants and agrees to indemnify, protect, defend (by counsel reasonably satisfactory to HTC Landlord), and save HTC Landlord, its employees, agents, members and any successor thereof (but excluding any indemnitor under any environmental indemnity provided for the benefit of the HTC Tenant or the Investor Member and the respective officers, directors and shareholders of such indemnitors), harmless against and from any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, without limitation, remediation costs, environmental assessment costs, governmental compliance costs, and reasonable attorneys' and experts' fees and disbursements), known or unknown, foreseen or unforeseen, which may at any time be imposed upon, incurred by or asserted or awarded against HTC Landlord, its employees, agents, managers and members (but excluding any indemnitor under any environmental indemnity provided for the benefit of the HTC Tenant or the Investor Member and the respective officers, directors and shareholders of such indemnitors) or the Property or any portion thereof and arising directly or indirectly, in whole or in part, from or out of any Hazardous Substances on, in, under or affecting all or any portion of the Property, (i) from and after the Commencement Date, or (ii) which migrate off of the Property (or portion thereof) after the Commencement Date, except that any increase in scope or exacerbation of any such release or threat of release covered in clauses (i) and (ii) above is excluded from the foregoing indemnity if said increase in scope or exacerbation arises out of HTC Landlord's negligence or willful misconduct.

HTC Landlord covenants and agrees to indemnify, protect, defend (by counsel reasonably satisfactory to HTC Tenant), and save HTC Tenant, its employees, agents, members and any successor thereof, harmless against and from any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action

requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, without limitation, remediation costs, environmental assessment costs, governmental compliance costs, and reasonable attorneys' and experts' fees and disbursements), known or unknown, foreseen or unforeseen, which may at any time be imposed upon, incurred by or asserted or awarded against HTC Tenant, its employees, agents, managers and members or the Property or any portion thereof and arising directly or indirectly, in whole or in part, from or out of any Hazardous Substances on, in, under or affecting all or any portion of the Property, (i) which exist at any time prior to the Commencement Date, (ii) which exists in violation of the requirements of Section 6.7; or (iii) which migrate onto the Property hereafter from any other property owned by HTC Landlord, except that any increase in scope or exacerbation of any such release or threat of release covered above is excluded from the foregoing indemnity if said increase in scope or exacerbation arises solely out of HTC Tenant's gross negligence or willful misconduct.

Section 8.5 Representations, Warranties and Covenants of HTC Landlord.

HTC Landlord hereby represents and warrants to HTC Tenant that the following are true and correct as of the Effective Date and covenants that each will be true and correct for the Term and shall be deemed to be remade on the date any portion of the Project is Placed in Service:

(a) HTC Landlord Entity-Level Representations:

(i) HTC Landlord is a duly organized limited liability company, validly existing and in good standing under the laws of the State of California and has undertaken all acts, including without limitation, the filing of all certificates and the payment of all fees, taxes, and other sums necessary for HTC Landlord to operate as a limited liability company in the State of California and to enable HTC Landlord to engage in its business and operate HTC Landlord's property and its interests in the Property in accordance with its operating agreement and this HTC Lease.

(ii) [reserved]

(iii) HTC Landlord has full power and authority to enter into, consummate and deliver this HTC Lease, all instruments pertaining hereto, and the other Operating Documents to which is it a party, and to perform all acts related thereto.

(iv) The organizational documents and authorizing resolutions of HTC Landlord submitted to HTC Tenant on or prior to the Effective Date are true, correct and complete and have not been amended.

(v) The execution and delivery of HTC Landlord Operating Agreement and the execution and delivery of the Project Loan Documents and the Operating Documents have not resulted in a breach of any of the terms, provisions or conditions of any agreement or instrument known to the members of HTC Landlord or by which HTC Landlord or any member thereof may be bound.

(vi) No default (or event that, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any Operating Documents or any other contract, agreement, or instrument to which HTC Landlord or its

members is subject, and the Operating Documents are, or upon execution and delivery by the parties thereto will be, in full force and effect and HTC Landlord is or will be entitled to the benefit of the Operating Documents.

(vii) This HTC Lease has been duly and validly authorized, executed and delivered by HTC Landlord, and constitutes the legal, valid and binding obligation of HTC Landlord, enforceable in accordance with its terms (subject to any applicable provisions of bankruptcy or insolvency law or equitable principles);

(viii) The execution and delivery of this HTC Lease, the incurrence of the obligations set forth in this HTC Lease, and the consummation of the transactions contemplated by this HTC Lease, the Operating Documents, and the Project Loan Documents by HTC Landlord, its members, and/or any of their Affiliates do not violate or conflict with any provision of any applicable federal, state, municipal or local laws, ordinances, rules, regulations, requirements, codes or any order, judgment, decree, determination, or award of any court binding on either HTC Landlord or HTC Landlord's members or manager(s), or their assets, including the Property; nor do they conflict with, result in a breach of, constitute a violation or default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel, or require any notice (which notice has not been furnished) under any agreement, contract, lease, license, instrument, or other arrangement to which either HTC Landlord or HTC Landlord's members or manager(s) is a party or by which either is bound or to which any of its assets is subject, including the organizational documents and authorizing resolutions of HTC Landlord, its members, and/or their Affiliates.

(ix) No consent, authorization, approval or permit of or from, or notice to or filing with, any governmental body or any party to any contract, agreement or instrument to which HTC Landlord is a party or by which HTC Landlord is bound, is required for the execution, delivery or compliance with the terms of this HTC Lease by HTC Landlord.

(x) No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, event of Bankruptcy, reorganization or other proceedings have occurred or are pending or, to HTC Landlord's Knowledge, been threatened against or with respect to HTC Landlord, its members, or any Guarantor, or any of HTC Landlord's Affiliates, and none of the foregoing Persons is contemplating taking any action that would constitute an event of Bankruptcy.

(xi) No litigation, action, investigation, event, or proceeding is pending, or, to the best of HTC Landlord's Knowledge, threatened, against HTC Landlord, its members, any Guarantor, any of HTC Landlord's Affiliates and/or the Property that, if adversely resolved, would: (i) have a material adverse effect on any of HTC Landlord, its members, any Guarantor, any of HTC Landlord's Affiliates or the Property; (ii) have a material adverse effect on the ability of HTC Landlord, its members, any Guarantor, any of HTC Landlord's Affiliates to perform their respective obligations under this HTC Lease, any Operating Documents and/or any Project Loan Documents, as applicable; (iii) have a material adverse effect on the financial condition of HTC Landlord or any Guarantor; or (iv) constitute or result, if true, in a material breach of any representation, warranty,

covenant, or agreement set forth in this HTC Lease any Operating Documents and/or any Project Loan Documents, as applicable.

(xii) The HTC Landlord will take all actions reasonably necessary (or requested by the HTC Tenant) to cooperate with HTC Tenant to facilitate disposition or transfer of ownership interest in the members of HTC Tenant or any other upper tier entities and/or the receipt of such consents, including, but not limited to, delivering an updated legal opinion, providing financial statements, information and reports with respect to the HTC Landlord, Guarantor, and or any of their respective Affiliates and reaffirming the accuracy of the representations and covenants set forth in the HTC Landlord Operating Agreement. If the approval of any lender, U.S. Department of Housing and Urban Development, or governmental authority is required pursuant to the terms of the Operating Documents, the HTC Landlord will take all actions requested by HTC Tenant to cooperate with HTC Tenant to obtain and deliver such approvals to HTC Tenant. HTC Tenant and its members are authorized to update UCC, judgment and tax lien searches with respect to HTC Landlord and its members and to disclose such information to potential transferees and to initiate contact (and take any other actions needed to obtain required consents) with any lender or third-party whose consent to such disposition is required.

(xiii) HTC Landlord has not at any time filed an election to be treated as other than a partnership for federal income tax purposes.

(b) HTC Landlord Real Estate Representations:

(i) Neither HTC Landlord nor any of its members is presently under any commitment to any real estate broker, rental agent, finder, syndicator or other intermediary with respect to the Property, or any portion thereof, except for any arrangements specifically described in this HTC Lease and the arrangements previously disclosed in writing to HTC Tenant, which have received the written consent of HTC Tenant.

(ii) Neither HTC Landlord nor its members has entered into any contracts for the sale of the Property, the HTC Landlord, or any interest in HTC Landlord, nor do there exist any rights of first refusal or options to purchase the Property, the HTC Landlord, or any interest in HTC Landlord, except provided for in this HTC Lease.

(iii) Throughout the Term, HTC Tenant will hold leasehold title in and to the Property and all rental space therein (and the tangible and intangible personal property thereof), free and clear of any liens, charges, or encumbrances other than this HTC Lease and the Permitted Encumbrances. As of the Effective Date, neither HTC Landlord nor its members have received notice of any such liens, charges, or encumbrances.

(iv) As of the Effective Date, the good and marketable fee simple title to the Land and Building was and is held solely by the HTC Landlord, free and clear of any liens, charges or encumbrances other than the matters approved by the Investor Member in writing prior to the Effective Date, and mechanics or other liens which have been bonded or insured against in such a manner to preclude the holder of such lien or such surety or insurer from having any recourse to the Property, the HTC Tenant, or the HTC Tenant's

interest in the Property under the HTC Lease for payment of any debt secured thereby. None of the liens, charges, encumbrances, or exceptions has or will have a material adverse effect on the construction or operation of the Property.

(v) There is no delinquent tax or any actual or threatened assessment of deficiency or additional tax or other governmental charge or a basis for such a claim with respect to the Property. There are no tax liens on the Property other than liens for real property taxes that are not yet due and payable.

(vi) All building, zoning, health safety, business, and other applicable certificates, permits, and licenses necessary to permit the Rehabilitation, use, occupancy, and operation of the Property have been issued and remain in full force and effect, or if the present stage of design, construction and rehabilitation does not allow such issuance, then such certificates, permits and licenses will be issued when the Property or any specified portion thereof, reaches such stage, pursuant to the requirements of this HTC Lease, all improvements rehabilitated or to be rehabilitated on the Property have been or will be constructed and equipped in full compliance with the requirements of all governmental authorities having jurisdiction over the Property, the Operating Documents and, as applicable, the Secretary's Standards, all requirements and approvals of the United States Department of Interior, including, without limitation, the Part 1 Approval and Part 2 Approval and any conditions therein, the State and the SHPO in connection with the historic rehabilitation and environmental remediation of the Property.

(vii) Neither HTC Landlord nor its members has received any notice, or has any Knowledge, of any violation with respect to the Property of any law, rule, regulation, order, or decree of any governmental authority having jurisdiction that would have a material adverse effect on the Property or HTC Tenant's investment in the Property (including HTC Tenant's ability to transfer its interest in and to the Property in accordance with terms of this HTC Lease) or the rehabilitation, use, occupancy, or operation thereof.

(viii) Upon completion of the Rehabilitation, the Property will not be in violation of any Applicable Laws, including, without limitation, matters relating to zoning or use of the Property for its intended purposes, nor with respect to construction, fire protection, building code, health code, housing code, traffic, flood control or fire safety.

(ix) Neither HTC Landlord nor its members has received any notice from any insurance company or any applicable governmental entity, nor has any Knowledge, of any violation of applicable codes or insurance requirements or any defect in, on or about the Property

(x) The completion of any improvements, alteration or rehabilitation on or of the Property or any portion thereof will not require the dedication of any portion of the Property to any applicable governmental entities.

(xi) No "common area" assessments or assessments for public improvements have been made against the Property which remain due and unpaid and all bills and claims for labor performed and services and materials furnished for the Property are or will be

timely paid-in-full and the Property is or will be free from mechanic's or materialman's liens.

(xii) To the best of HTC Landlord's Knowledge (including without limitation the Knowledge of HTC Landlord's members), there is not any plan, study or effort of any applicable governmental entities, which in any way would materially adversely affect the use of the Property for its intended uses or any intended public improvements which will result in any material charge being levied against, or any material lien assessed upon, the Property

(xiii) None of the prior tenants of the Property or occupants thereof are eligible for relocation and/or moving payments or benefits under applicable federal, State and/or local law.

(xiv) The Property is not subject to any pending or, to the best of HTC Landlord's Knowledge, threatened Taking.

(xv) There are no defects or conditions of the soil which will materially adversely affect the use, occupancy and operation of the Property, and no need for unusual or new subsurface excavations, fill, footings, caissons or other installations on or about the Property.

(xvi) HTC Landlord has not received any notice of, nor does HTC Landlord have Knowledge of, any existing, proposed, contemplated, threatened, or pending plans or proceedings to change, re-zone, or down-zone the existing zoning classifications as to any portion of the Property or to widen, modify or realign any street or highway contiguous to the Property.

(xvii) The Property has and will continue to have permanent unrestricted access to appropriate public roadways. All public utilities necessary to the operation of the Property, including, but not limited to, sanitary and storm sewers, water, gas (if applicable), telephone and electricity, are or will by the date any and each portion of the Project is Placed in Service be, and will remain available to and connected to, the Property and each portion thereof. The Property is an independent unit which does not rely on any drainage, sewer, access, parking, structural or other facilities not located on the Property or on public or utility easements for the (A) fulfillment of any zoning, building code or other requirement of any governmental entity that has jurisdiction over the Property, (B) structural support, or (C) the fulfillment of the requirements of any lease or other agreement affecting the Property. HTC Landlord, HTC Tenant and any tenants thereof, directly or indirectly, have the right to use all amenities, easements, public or private utilities, parking, access routes or other items necessary for the rehabilitation or operation of the Property. The Property is adjacent to a physically open, dedicated public street, and has all necessary permits for ingress and egress and adequate public water, sewer systems and utilities are available at the Property. The Property will satisfy all Legal Requirements related to the number of parking spaces at the Property. Other than the common elements, no building or other improvement not located on the Property relies on any part of the Property to fulfill any zoning requirements, building code or other requirements of any governmental entity

that has jurisdiction over the Property for structural support or to furnish to such building or improvement any essential building systems or utilities.

(xviii) To the best of HTC Landlord's Knowledge, except as described in the Environmental Reports, neither HTC Landlord nor any of its Affiliate or its members has ever received notification from any federal, state or other governmental authority of (A) any violation of the Environmental Laws, (B) any potential, known, or threat of release of any Hazardous Substance on to or from the Property or (C) the incurrence of any expense or loss by any such governmental authority or by any other Person in connection with the assessment, containment or removal of any release or threat of release of any Hazardous Substances from the Property, and no Hazardous Substance is now or, to the best of its knowledge, was ever, stored on, transported, or disposed of on the Property except to the extent any such storage, transport or disposition was at all times in compliance with all laws, ordinances, and regulations pertaining thereto. The Property is in compliance with all applicable Environmental Laws, and any actions required to be taken by any Environmental Law or recommended to be taken which were contained in the Environmental Reports or any other environmental assessment reports prepared in conjunction with the Property and the development and rehabilitation thereof shall be appropriately completed in a manner that fully complies with such recommendations and all laws, regulations, ordinances, orders or decrees pertaining thereto. For purposes of this Section 8.5(b)([xviii]), HTC Landlord's Knowledge consists of the Knowledge of HTC Landlord's members, review of said Environmental Reports, any additional reports or testing of the Property required or suggested in said Environmental Reports, and the Knowledge of HTC Landlord.

(xix) If, at any time during the Term, HTC Tenant reasonably determines that the foregoing representations were not true when made, or may have become untrue, HTC Landlord, upon request from HTC Tenant, shall promptly obtain an environmental audit of the Property. The scope of such audit and the company performing it shall be acceptable to HTC Tenant.

(xx) HTC Landlord maintains and will continue to maintain insurance on all HTC Landlord activities and the Property which complies with the terms specified in this HTC Lease.

(xxi) Subject to the terms of Section [7.1], HTC Landlord has or shall have no discretion under any of the Operating Documents to elect not to rebuild the Project (or a portion thereof) to the extent that Insurance Proceeds realized from a casualty are sufficient therefor.

(xxii) No additional financing for or in connection with the Project not discussed or contemplated herein, whether for completion of construction, operations or otherwise, will be obtained without the prior written Consent of Investor Member.

(xxiii) Except in connection with the Bridge Loan, neither the Property nor any membership interest in any of the Developer Entities and/or HTC Tenant serves or will serve as collateral for any financing without prior written Consent of Investor Member.

(xxiv) HTC Landlord, its members, or any of its Affiliates have not entered into any agreement or contract for the payment or offset of any rehabilitation loan or loan discounts, additional interest, yield maintenance or other charges or financing fees or any agreement to incur any financial responsibility with respect to the Property or providing for the guaranty of payment of any such interest charges or financing fees relating to any Project Loan Documents or for any kickback or rebate of fees under any Project Loan Document or Operating Document, other than those disclosed in this HTC Lease; and in no event have they or HTC Landlord entered into any such agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) that may in any way affect allocation of the anticipated Historic Tax Credits.

(xxv) [_____]

(c) HTC Landlord Tax Credit Representations:

(i) To the best Knowledge of HTC Landlord, HTC Landlord has delivered to HTC Tenant copies of all material documents in its possession with respect to the acquisition, construction, Rehabilitation, financing, ownership, leasing, maintenance and operation of the Property and the factual statements contained in such documents, taken as a whole, are not materially misleading in light of the circumstances under which they were made. The HTC Landlord has disclosed to the HTC Tenant all material facts and transactions known to it that relate to the Property or this HTC Lease. Such documents and information have been furnished to HTC Tenant for HTC Tenant to rely upon in connection with the transactions contemplated by this HTC Lease.

(ii) Neither the HTC Landlord nor any of its members or partners, nor, to the extent any such member or partner is a pass-through entity, any of its members or partners, if any, is (i) a mutual saving bank, cooperative bank, or domestic building and loan association to which Section 593 of the Code applies; (ii) a regulated investment company or real estate investment trust subject to taxation under Subchapter M, Chapter 1 of the Code; (iii) “tax-exempt organization” as used in Section 50(b)(3) or a “tax-exempt entity” as defined in Section 168(h) of the Code or “tax-exempt controlled entity” as defined in Section 168(h) of the Code that has not made (or will not make, when such election is required) an election provided for in the Section 168(h)(6)(F)(ii) of the Code with any “tax-exempt entity” (which term includes the United States, any state or political subdivision thereof, or any agency or instrumentality of any of the foregoing; any organization exempt from federal income tax; and any foreign person or entity), or (iv) a cooperative organization described in Section 1381(a) of the Code (any Person described by any of (i)-(iv) of the foregoing, a “Disqualified Person”).

(iii) The Building is a “certified historic structure” for rehabilitation purposes and contributes to the significance of the Uptown Tenderloin Historic District (the “Historic District”).

(iv) The HTC Landlord has received a determination by the National Park Service, pursuant to the Part 2 Approval, that, subject to the satisfaction of the conditions listed therein, the Rehabilitation is consistent with the historic character of the Building,

contributes to the significance of the Historic District, and meets the Secretary's Standards. All rehabilitation incurred through the Effective Date has been completed (and all future rehabilitation is expected to be completed) in accordance with the Part 2 Approval and the Secretary's Standards

(v) The Rehabilitation will be completed in all material respects in accordance with the Historic Approvals. The HTC Landlord shall not undertake any of the Rehabilitation work unless such work has been approved as part of the Part 2 Approval.

(vi) Following the submission of the Part 3 Application, HTC Landlord will use commercially reasonable efforts to secure Part 3 Approval, including, but not limited to responding to questions or comments from the National Park Service, performing such additional or corrective work as required by the National Park Service, and resubmitting the Part 3 Application as necessary to secure Part 3 Approval.

(vii) The Part 3 Approval is expected to be received on or prior to [December 31], 2027.

(viii) No default by the HTC Landlord has occurred or is continuing (nor has there occurred any continuing event which, with the giving of notice or the passage of time or both, would constitute such a default in any material respect) under any documents delivered to or required by the Secretary, the National Park Service, the IRS or any other governmental authority designated for such purpose related to Historic Tax Credits (including Part 1 and Part 2 of the Historic Preservation Certification Application), as any of the foregoing may be or has been amended or supplemented from time to time in accordance with this HTC Lease.

(ix) HTC Landlord shall retain, or have the Architect retain, and consult with the Preservation Consultant as necessary and appropriate and direct the Preservation Consultant to share any information, findings, reports, and/or correspondence related to the Rehabilitation with Investor Member upon a written request with Investor Member.

(x) Each of the Architect and Preservation Consultant has demonstrated expertise in the area of historic preservation and compliance with the Secretary's Standards.

(xi) The Building is subject to depreciation (or amortization in lieu of depreciation). The QREs that form the basis for Historic Tax Credits generated by the Rehabilitation of the Building will not include (A) any expenditure with respect to which a method other than the straight-line method for depreciation over a recovery period determined under Section 168(c) or (g) of the Code for residential rental property will be used, (B) the cost of acquiring the Building or any interest therein or (C) the cost of any enlargement of the Building, excluding any increase in floor space resulting solely from interior remodeling. With respect to any portion of the Building attributable to the QREs, HTC Landlord will elect out of the special bonus depreciation allowance for certain expenditures and tenant improvements set forth in Section 168(k) of the Code or any other elective depreciation method that would result in any improvements to the Building funded

with QREs being depreciated on any method other than the method permitted by this Section 8.5(c)(xi).

(xii) Upon the date any improvements to the Building funded with QREs are Placed in Service, such improvements will be “new section 38 property” (within the meaning of Treas. Reg. Section 1.48-2) in the hands of the HTC Landlord, and the “original use” of such improvements funded with QREs (within the meaning of Treas. Reg. Section 1.48-4(b)) will commence with the HTC Landlord for federal income tax purposes. No portion of the Building attributable to the QREs has been Placed in Service prior to the Effective Date, or if later, the admission of Investor Member as a member of the HTC Tenant. The QREs incurred in connection with the Rehabilitation of the Building would constitute “new section 38 property” to the HTC Tenant if the HTC Tenant had actually purchased such improvements funded with QREs, and the HTC Tenant will be deemed to be the “original user” of such improvements funded with QREs (within the meaning of Treas. Reg. Section 1.48-4(b)).

(xiii) The Building was Placed in Service at least once by a prior owner before the beginning of its Rehabilitation by the HTC Landlord as a [student housing facility].

(xiv) HTC Landlord did not use for personal or business purposes or Place in Service any portion of the Building on or prior to the Effective Date. As of the Effective Date, the Building was not in a condition or state of readiness for its operation or occupancy as “residential rental property” within the meaning of Section 168(e)(2)(A) of the Code. Without limiting the generality of the foregoing, as of the Effective Date, (A) no portion of the Building has received, nor could it have received, a certificate of occupancy permitting its use and operation for its intended purpose, and (B) neither the Building nor any portion of the Project is currently Placed in Service.

(xv) Before HTC Landlord will deliver the Property (or any portion thereof) to HTC Tenant to take possession of the Property under this HTC Lease, HTC Landlord will ensure that the Rehabilitation meets all requirements or will meet all requirements to qualify for Federal Historic Tax Credits such that HTC Tenant will be entitled to claim the Federal Historic Tax Credits and confirm that the Rehabilitation was in strict accordance with all of the requirements imposed by the Historic Approvals, the historic standards and guidelines of the National Park Service, or pursuant to applicable state law.

(xvi) The HTC Landlord shall prepare and submit to the Secretary, the Secretary of the Treasury and/or the IRS (or any other governmental authority designated for such purpose), on a timely basis, any and all requests for approval, reports, information returns and other certifications and information required:

(A) To cause the Rehabilitation to qualify the HTC Landlord for Historic Tax Credits;

(B) To pass through the Historic Tax Credits to the HTC Tenant; and

(C) To avoid any event or circumstances that result in the adjustment, disallowance or recapture of Historic Tax Credits or any portion thereof under the Code.

(xvii) HTC Landlord has not obtained any debt or financing that would cause a reduction or deferral in the Historic Tax Credit otherwise allowed with respect to the Rehabilitation of the Building under any provision of the Code (including, but not limited to, Section 49 of the Code) or in the amount thereof that may be passed through to HTC Tenant under Section 50(d) of the Code, and the Project Loans constitute indebtedness of the HTC Landlord that (i) is secured by the Property, and (ii) is not convertible into an equity interest in the HTC Landlord

(xviii) HTC Landlord has not made any elections under the Code without the written consent of HTC Tenant that would affect the amount, timing, availability, or allocation of Historic Tax Credits.

(xix) HTC Landlord is, and has always been, on an accrual method of accounting for financial and federal tax purposes, and will properly elect the accrual method of accounting for federal income tax purposes. HTC Landlord has filed any and all certifications and other documents on a timely basis with the IRS and/or the State taxing authorities and any other federal, state or local governmental agency or political subdivision as have been required to support the allocation of Historic Tax Credits.

(xx) HTC Landlord is the sole fee owner of the Property for federal income tax purposes and will hold fee title to the Building at all times during the term of this HTC Lease. The Property is not (i) subject to any reversion of title or (ii) subject to any restrictions on use that would contravene any provision of this HTC Lease.

(xxi) HTC Landlord has reviewed the financial projections attached hereto as Schedule B (the “Projections”) and the assumptions set forth therein. Any information HTC Landlord provided, with respect to HTC Landlord and Project, to the accountants in connection with the preparation of the Projections was true, correct, and complete. No circumstances now exist that would materially and adversely affect the reasonable likelihood of achieving the objectives and the benefits set forth in the Projections. All of the Property information and assumptions in the Projections, including, without limitation, Property budget costs, rents, utility costs and other operating and maintenance expenses, and depreciation are reasonable, accurate and achievable. Without limiting the foregoing, the assumptions as to rehabilitation costs for each taxable year shown in the Projections correspond, or can be reasonably expected to correspond, in all material respects, to the actual work that will be completed within that taxable year.

(xxii) HTC Landlord is expected to expend not less than \$[273,816,890] for the renovation, restoration, or reconstruction of the Property which will qualify as QREs, not including acquisition, enlargement of existing building, new construction or peripheral items such as sidewalks, parking lots or landscaping, which QREs are anticipated to result in Historic Tax Credits in an amount not less than \$[54,763,378]. The expenditures included in the calculation of qualified rehabilitation expenditures shown in the Projections are properly chargeable to a capital account for “residential rental property” as defined in Section 168(e)(2)(A) of the Code (or an addition or improvement thereto) for which depreciation is allowable under Section 168 of the Code. All site improvements included in the QREs set forth in the Projections are improvements, which by their nature, as a

factual matter, will be retired contemporaneously with the physical assets funded with eligible QREs and are not inextricably associated with the Land underlying the Property; none of the costs of the Rehabilitation of the Building set forth as QREs in the Projections relate to syndication costs, costs of organizing HTC Landlord or HTC Tenant; rent-up or lease-up costs, including advertising, sample unit costs, initial rental incentives, and any other costs to fully rent out the Property; or rental management, consisting of the day-to-day management of the Property, including all dealings with tenants, renewal of leases, and procurement of new tenants. None of the rehabilitation expenditures have been made by tenants of the Property.

(xxiii) HTC Landlord's basis in the Building allocable to hard costs will be attributable to QREs and the basis attributable to QREs will reflect HTC Landlord's actual costs for such expenditures, and such costs will be incurred as the result of arm's length negotiations with unrelated third parties and will be consistent with the market value for the same.

(xxiv) No one has claimed or will claim any Historic Tax Credits with respect to the QREs incurred by HTC Landlord with respect to the Building except the members of HTC Tenant.

(xxv) The construction costs and contractor fees payable are reasonable and do not exceed similar fees and costs that would be charged in connection with an arm's length transaction between unrelated third parties.

(xxvi) The Rent constitutes reasonable rent for the Property and all other terms of this HTC Lease are reasonable.

(xxvii) As of the Effective Date, there are no outstanding loans or advances from HTC Landlord to HTC Tenant and HTC Tenant has no unsatisfied obligation to make any payments of any kind to HTC Landlord, its members or its Affiliates.

(xxviii) HTC Landlord has a *bona fide* business purpose for entering into the HTC Lease, including achieving fixed returns over the term of the HTC Lease and reducing lease up and re-leasing risk for HTC Landlord.

(xxix) HTC Tenant's rental payments to the HTC Landlord, made pursuant to the terms of the HTC Lease and indirectly Investor Member's contributions to HTC Tenant are necessary for the Rehabilitation as a source of upfront capital to construct the Property.

(xxx) Except as provided in Section 9.11, there is no agreement or understanding that HTC Landlord will forbear from exercising its rights to terminate the HTC Lease if HTC Tenant fails to pay any rents or other obligations that are otherwise due pursuant to the terms of the HTC Lease.

(xxxi) No Developer Entity has filed with the IRS a Reportable Transaction Disclosure Statement (Form 8886) with respect to this transaction, any prior transaction involving the Property, or any portion thereof and, the best of its knowledge, no Developer Entity is required to file the same as a result of this transaction, any prior transaction

involving the Property, or any portion thereof. No Developer Entity has participated or will participate in a syndicated conservation easement or substantially similar transaction within the meaning of Notice 2017-10, 2017-4 I.R.B. 544 with respect to the Property or any portion thereof

(xxxii) Prior to the commencement of the Rehabilitation, HTC Landlord reasonably expected to complete such Rehabilitation in phases pursuant to written architectural plans and specifications in a manner that satisfies the requirements of Treasury Regulations, § 1.48-12(b)(2)(v).

(xxxiii) HTC Landlord will treat this HTC Lease as a lease (as opposed to a sale) for federal income tax purposes and will not take any position inconsistent with such treatment.

Section 8.6 Further Covenants of HTC Landlord. HTC Landlord shall have the following duties and obligations during the Term and hereby covenants as follows:

(a) HTC Landlord Entity-Level Covenants:

(i) HTC Landlord shall do all things necessary to maintain its status as a validly existing limited liability company in good standing in the State of California and qualified to do business in the State of California.

(ii) HTC Landlord shall continue to have full power and authority to hold its interest in and to the Property and to develop, operate, and maintain the Property in accordance with the terms of this HTC Lease and to enable HTC Landlord to engage in its business as contemplated by this HTC Lease. HTC Landlord will not change its organizational structure and will not make any changes or amendments to its organizational documents and authorizing resolutions which would impair its ability to act in accordance with this HTC Lease without the prior written consent of HTC Tenant.

(iii) HTC Landlord shall promptly inform HTC Tenant of any litigation, action, investigation, event, or proceeding that is pending respecting HTC Landlord, its members, the Property, and/or any Guarantor and, further, upon receipt of any notice or Knowledge shall promptly inform HTC Tenant of any such matter which is threatened which, if adversely resolved, would (i) have a material adverse effect on HTC Landlord, its members or the Property; (ii) have a material adverse effect on the ability of HTC Landlord, its members, a Guarantor or any of their respective Affiliates to perform their respective obligations under any Project Loan Documents or this HTC Lease; (iii) have an adverse effect on any adjacent property, which would have a material adverse effect on the Property or HTC Landlord's investment in the Property; (iv) have a material adverse effect on the financial condition of HTC Landlord, its members or any Guarantor; or (v) constitute or result, if true, in a material breach of any representation, warranty, covenant, or agreement set forth in this HTC Lease.

(iv) Upon request, HTC Landlord shall provide HTC Tenant with true and correct copies of all Project Loan Documents and Operating Documents. HTC Landlord shall not amend any of the Project Loan Documents or the Operating Documents without

the prior written consent of HTC Tenant and Investor Member, which consent shall not be unreasonably withheld.

(v) HTC Landlord shall furnish to HTC Tenant, within ten (10) Business Days of receipt thereof, a copy of any notice of default under any of the Project Loan Documents or Operating Documents.

(vi) HTC Landlord shall cause to be prepared and delivered to HTC Tenant each of the documents and other information necessary to allow HTC Tenant to remain in compliance with Section 13.04 of the HTC Tenant Operating Agreement

(vii) HTC Landlord shall not accept any grant of funds without the written consent of HTC Tenant, which consent shall not be unreasonably withheld, conditioned or delayed.

(viii) HTC Landlord shall not permit its members to convey any of such member's membership interests in HTC Landlord without the consent of HTC Tenant, which consent shall not be unreasonably withheld, conditioned or delayed.

(ix) HTC Landlord shall not amend the HTC Landlord Operating Agreement in effect as of the Effective Date without the prior written consent of HTC Tenant and Investor Member nor shall HTC Landlord admit any additional or substitute member as a member of HTC Landlord.

(b) HTC Landlord Real Estate Covenants

(i) HTC Landlord shall promptly inform HTC Tenant upon receiving any notice of or having any Knowledge of, any violation with respect to the Property of any law, rule, regulation, order, or decree of any governmental authority having jurisdiction, which would have a material adverse effect on the Property (including HTC Landlord's ability to transfer its interest in and to the Property in accordance with the terms of this HTC Lease) or the Rehabilitation, use, occupancy, or operation thereof

(ii) HTC Landlord shall keep all public utilities necessary to the operation of the Property, including, but not limited to, sanitary and storm sewers, water, gas (if applicable), and electricity, operating in working condition to the extent that HTC Landlord is responsible for the operation and maintenance of such utilities under this HTC Lease.

(iii) HTC Landlord will cause the Property to be operated in compliance with all applicable zoning regulations, ordinances, and subdivision laws, rules, and regulations.

(iv) HTC Landlord shall maintain insurance against risks that are of a character usually insured by Persons engaged in a similar business and in form and amount and covering such risks as is usually carried by such Persons including, but not limited to, insurance of the type described in this HTC Lease; provided, however, that: (i) in addition to such requirements, HTC Landlord shall at all times comply with the insurance requirements required by the Project Lenders under the Project Loan Documents; (ii) all such insurance policies and any renewals or substitutions thereof are and shall be in full

force and effect during the Term of the this HTC Lease; and (iii) the Investor Member shall be named as a certificate holder and an additional insured or loss payee on each policy where applicable pursuant to Exhibit A of the HTC Tenant Operating Agreement and shall have the right to receive thirty (30) calendar days' notice from the HTC Landlord prior to any termination or reduction of coverage by the insurer.

(v) HTC Landlord shall take all actions necessary to ensure that the Property contains no, and is not affected by the presence of, any Hazardous Substance, and to ensure that the Property is not in violation of any federal, state, or local statute, law, regulation, rule, or ordinance, including any Environmental Law. HTC Landlord shall promptly deliver to HTC Tenant any notice received from any source whatsoever of the existence of any Hazardous Substance on the Property or of a violation of any federal, state, or local statute, law, regulation, rule or ordinance, including any Environmental Law with respect to the Property. If any Hazardous Substance (including lead-based paint and asbestos) is found to exist or be present, HTC Landlord shall commence promptly the taking of action to assure such Hazardous Substance will be either removed from the Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state and local statutes, laws (including any Environmental Laws), regulations, rules and ordinances, any recommendations set forth in the Environmental Reports, and any requirements in any Project Loan Documents, this HTC Lease and/or any agreement with a governmental authority.

(vi) HTC Landlord shall report to HTC Tenant any proposal or offer of any Person to acquire the Property that HTC Landlord desires to further investigate

(vii) HTC Landlord will cause the Project to be rehabilitated and renovated in a manner compatible with the soil condition at the time of construction and all necessary excavations, fills, footings, caissons and other installations, if any, will then have been provided.

(viii) The Property is not and shall not be subject to any right of first refusal or option to acquire in favor of any person.

(ix) Prior to any dissolution of HTC Landlord, HTC Landlord will cause a successor entity to assume the obligations of HTC Landlord pursuant to this HTC Lease and to execute any documents necessary to evidence such assumption of obligations, and this HTC Lease shall remain in full force and effect.

(x) HTC Landlord shall not, in the event of the Bankruptcy of HTC Tenant (i) terminate or cancel this HTC Lease solely as a result of such event of Bankruptcy; or (ii) acquiesce in the rejection of this HTC Lease; or (iii) modify, change, supplement, alter or amend this HTC Lease in any respect, either orally or in writing except pursuant to court order.

(xi) HTC Landlord shall not, in the event of the Bankruptcy of HTC Landlord, (i) surrender its estate or any portion thereof, nor terminate, cancel or reject this HTC

Lease; or (ii) modify, change, supplement, alter or amend this HTC Lease in any respect, either orally or in writing, except pursuant to court order.

(c) HTC Landlord Tax Credit Covenants.

(i) All portions of the Project will be Placed in Service on or before the Outside Date.

(ii) HTC Landlord will do all things necessary to ensure (i) that the rehabilitation and construction of the Project is done in accordance with the Part 2 Approval, the standards for rehabilitation set forth in Title 36 of the Code of Federal Regulations, Part 67.7, and the Projections, (ii) that the Building will receive a final certification (Part 3 Approval) of completed work from the Secretary stating that the Rehabilitation is consistent with the historic character of the Building, and (iii) upon completion of the Rehabilitation, the Building will constitute a “certified rehabilitation” of a “certified historic structure” as described in Section 47(c)(3) of the Code, upon issuance of the Part 3 Approval. HTC Landlord will not take any action, authorize or consent to any or otherwise permit any physical alterations to the Building that might reasonably negatively impact the status of the Building as a certified historic structure or that violate or conflict with the Part 2 Approval.

(iii) HTC Landlord will cause all of (i) the personal property, fixtures, maintenance supplies, tools, equipment and like owned or to be owned by HTC Landlord to be used in the operation of the Property as well as (ii) the rents, revenues and profits earned from the operation of the Property, to be free and clear of all security interests and encumbrances, except for the lien of any Project Loan Documents or other Permitted Encumbrances. HTC Landlord will cause the Rehabilitation to be completed in a good and workmanlike manner, with comparable materials and equipment, free and clear of all mechanics’, materialman’s or similar liens, and in conformity with the relevant Construction Documents, Secretary’s Standards, Historic Approvals, all applicable Legal Requirements, HTC Program Requirements, and requirements of Project Lenders, and thereafter operated, in accordance with all applicable federal, state and local historic rehabilitation requirements (including without limitation the Historic Approvals and HTC Program Requirements) in order to qualify for and maintain the Historic Tax Credits and other tax benefits anticipated in connection therewith. No changes shall be made to the Part 2 Application or any Part 2 Approval after the Effective Date without the prior written Consent of HTC Tenant, which Consent shall not be unreasonably withheld. Any resolution of any conditions and/or exceptions to the Part 2 Approval shall be subject to the written Consent of HTC Tenant, which approval shall not be unreasonably withheld. In addition, HTC Landlord shall obtain all applicable permanent certificates of occupancy for the Property (for the portions of the Building as contemplated in the Projections to be immediately used and occupied) no later than the date the Rehabilitation is completed. HTC Landlord shall obtain all building, zoning, environmental, wetland and other applicable certificates, permits, and licenses necessary to permit the rehabilitation, use, occupancy, and operation of the Property that are obtainable only after completion of the Rehabilitation or a specified portion thereof. All improvements constructed or to be

constructed on the Property shall be constructed and equipped in full compliance with the requirements of all governmental authorities having jurisdiction over the Property.

(iv) HTC Landlord will file any and all certifications and other documents on a timely basis with the IRS and/or the State taxing authorities and any other federal, state or local governmental agency or political subdivision as may be required to support the allocation of Historic Tax Credits, all of which certifications and other documents (including without limitation Part 3 Application and the Final Cost Certification) shall be in all respects reasonably acceptable to HTC Tenant as to form and substance and in full accordance with Applicable Laws.

(v) By way of example, and not in limitation of the foregoing, the HTC Landlord has or will, as applicable, prior to any QREs relating to the Property being Placed in Service, prepare and submit to the Secretary Part 1 and Part 2 of the Historic Preservation Certification Application and any other requests for approval, reports, or other certifications and information required in order to obtain Part 1 Approval and Part 2 Approval, including but not limited to the approval of any conditions contained therein (the “Applications”), and shall thereafter in a timely fashion obtain Part 3 Approval.

(vi) Upon receipt, HTC Landlord will deliver the Part 3 Approval to HTC Tenant and Investor Member.

(vii) The HTC Landlord shall cause to be prepared and delivered to the HTC Tenant (i) immediately, upon learning of a condition or circumstance which is expected to reduce Federal Historic Tax Credits below \$[NTD: will equal 70% of projected credits], a detailed statement describing such matters; (ii) immediately, upon learning of any information which would indicate a previously issued Final Cost Certification is incorrect, a detailed statement describing such matters; (iii) within two (2) Business Days after receipt by HTC Landlord, copies of all reports, notices, filings, or correspondence sent or received regarding the Federal Historic Tax Credits; and (iv) as soon as practicable, and in all cases no later than when required under the HTC Tenant Operating Agreement, the Preliminary Cost Certification, the Final Cost Certification and the Part 3 Approval.

(viii) HTC Landlord will take all actions necessary or appropriate to prevent any portion of the Property from being treated as tax-exempt use property as defined in Section 168(h) of the Code, and in furtherance thereof, any “tax-exempt controlled entity” which is a direct or indirect owner of HTC Landlord shall make an election in accordance with Section 168(h)(6)(F) of the Code. Neither HTC Landlord nor any of its direct or indirect owners will become, or admit, or permit the admission as a direct or indirect owner, a “tax-exempt entity” or a “tax-exempt controlled entity” as defined in Section 168(h) of the Code or any other Disqualified Persons. Less than 30% of the rentable square footage within the Building will be leased to any tax-exempt entity.

(ix) During the Recapture Period, the HTC Landlord shall not (i) permit a disposition of the Property within the meaning of Section 50 of the Code, including taking any action that would interfere with HTC Tenant’s rights in the HTC Lease, or take any action that would cause a Recapture/Disallowance Event (as defined in the HTC Tenant

Operating Agreement); including without limitation, taking any action that causes or is likely to cause the Building to no longer contribute to the significance of the Historic District; (ii) enter into any “disqualified lease” with respect to any portion of the Property as such term is defined in Section 168(h) of the Code (for purposes of this clause) with any Tax Exempt Entity; or (iii) act or fail to act in any manner that would cause a Recapture/Disallowance Event.

(x) HTC Landlord (A) will not file an election to be treated as other than a partnership for federal income tax purposes at any time during the term of this HTC Lease, (B) will, at all times, have at least two members for federal income tax purposes and for purposes of the California Revised Uniform Limited Liability Company Act, (C) will file tax returns consistent with its status as a partnership for federal income tax and state law purposes, and (iv) will not take any position to the contrary of the foregoing, and (D) shall not become a “publicly traded partnership” as defined in the Code and in the Treasury Regulations.

(xi) Without limiting any other obligations of HTC Landlord hereunder or otherwise, HTC Landlord shall promptly provide HTC Tenant with copies of all periodic construction reports received from any inspector or inspecting engineer received by HTC Landlord relating to the rehabilitation, use, occupancy, or operation of the Property.

(xii) The qualified rehabilitation expenditures (within the meaning of Section 47(c)(2) of the Code) incurred during any sixty (60) month period ending within the taxable year in which the applicable portion of the Building is Placed in Service shall exceed the greater of (i) \$5,000 or (ii) the adjusted basis (within the meaning of Section 47(c)(1)(C)(i) of the Code) of the Building and its respective structural components as of the first day of such sixty (60) month period. The qualified rehabilitation expenditures incurred in rehabilitating the Project shall not exceed the fair market value of the Project.

(xiii) None of the depreciable basis in the Building will be treated as "qualified improvement property" within the meaning of Section 168(e)(6) of the Treasury Regulations without the prior written consent of HTC Tenant and Investor Member except as provided in the Projections.

(xiv) HTC Landlord will depreciate the Building over 27.5 years in accordance with Section 168 of the Code.

(xv) The fair market value of the Property attributable to QREs as of the date of the Building is Placed in Service will equal or exceed the aggregate adjusted basis of the HTC Landlord therein as of such date. Upon completion of the Rehabilitation, the fair market value of the Property is expected to exceed the total amount of indebtedness, including accrued interest thereon, encumbering the Property and is expected to do so throughout the term of such indebtedness, and each of the Project Loans has a fixed maturity date which is prior to the end of the anticipated economic life of the Property. The economic useful life of the Project is greater than [30] years.

(xvi) HTC Landlord shall make valid and timely elections under Section 48(d) of the Code to pass through to HTC Tenant all Historic Tax Credits otherwise allocable to HTC Landlord with respect to the Property. The HTC Landlord will not elect to cause the Historic Tax Credits to be passed through to any lessee of the Property other than the HTC Tenant.

(xvii) None of the rehabilitation expenditures will be made by tenants of the Property.

(xviii) Neither HTC Landlord nor any of its Affiliates shall enter into any agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) that may in any way affect allocation of the anticipated Historic Tax Credits to HTC Tenant.

(xix) Other than the Bridge Loan, HTC Landlord, its members, and any of their Affiliates shall not enter into any agreement or contract for the payment or offset of any rehabilitation loan or loan discounts, additional interest, yield maintenance or other interest charges or financing fees or any agreement to incur any financial responsibility with respect to the Property or providing for the guaranty of payment of any such interest charges or financing fees relating to any Project Loan Documents or for any kickback or rebate of fees under any Project Loan Document or Operating Document, other than those disclosed in this HTC Lease, and in no event shall HTC Landlord, its members, and any of their Affiliates enter into any such agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) that may in any way affect allocation of the anticipated Historic Tax Credits.

(xx) HTC Landlord will not obtain any debt or financing that will cause a reduction or deferral in the Historic Tax Credit otherwise allowed with respect to the Rehabilitation of the Building under any provision of the Code (including, but not limited to, Section 49 of the Code) or in the amount thereof that may be passed through to HTC Tenant under Section 50(d) of the Code. Prior to execution of any documents in connection with any financing or refinancing transaction following the Effective Date, HTC Landlord shall submit such documents to HTC Tenant for review for compliance with this covenant, and HTC Landlord shall not execute any such documents without HTC Tenant's consent (which consent shall include the consent of Investor Member), such consent not to be unreasonably withheld or delayed.

(xxi) For federal income tax purposes, HTC Landlord shall treat the HTC Lease as a lease, and it shall not take any positions contrary thereto.

(xxii) No direct or indirect member of HTC Landlord is subject to the "at-risk" rules set forth in Section 49 of the Code.

(xxiii) HTC Landlord will at no time have more than 100 partners, including partners in tiered entities that would be counted as partners of a partnership for purposes of the 100 partner test under Treasury Regulations under Section 7704 of the Code.

Section 8.7 Representations, Warranties and Covenants of HTC Tenant.

HTC Tenant hereby represents, warrants and covenants to HTC Landlord as follows:

(a) HTC Tenant Entity-Level Representations:

(i) The HTC Tenant is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of California.

(ii) The execution and delivery of this HTC Lease, the incurrence of the obligations set forth in this HTC Lease, and the consummation of the transactions contemplated by this HTC Lease do not violate or conflict with any provision of any applicable federal, state, municipal or local laws, ordinances, rules, regulations, requirements, or any order, judgment, decree, determination, or award of any court binding on HTC Tenant or its managing member, or their assets including the Leasehold Interest; nor do they conflict with, result in a breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel, or require any notice (which notice has not been furnished) under any agreement, contract, lease, license, instrument, or other arrangement to which HTC Tenant or its managing member is a party or by which it is bound or to which any of its assets is subject;

(iii) No consent, authorization, approval or permit of or from, or notice to or filing with, any governmental body or any party to any contract, agreement or instrument to which HTC Tenant is a party or by which HTC Tenant is bound, is required for the execution, delivery or compliance with the terms of this HTC Lease by HTC Tenant;

(iv) The execution and delivery of this HTC Lease and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to HTC Tenant or the Property by HTC Tenant have been duly authorized by all necessary company or other action, and the consummation of any such transactions with or on behalf of HTC Tenant will not constitute a breach or violation of, or a default under, the articles of organization, operating agreement or other governing documents of HTC Tenant or any agreement by which HTC Tenant or its managing member is bound;

(b) HTC Tenant Tax Credit Representations:

(i) Subject to the satisfaction by the HTC Landlord of its obligations herein, the HTC Tenant shall claim such portion of the Historic Tax Credits passed through to it pursuant to the provisions herein beginning on its United States Federal income tax return for any fiscal year in which any portion of the Building is Placed in Service (subject to any available carryback and carryforward election), 99.00% of which Historic Tax Credits claimed by the HTC Tenant shall be allocated to the Investor Member as the investor member of the HTC Tenant;

(ii) The improvements to the Building funded with QREs incurred in connection with the Rehabilitation would constitute “new section 38 property” to the HTC Tenant if the HTC Tenant had actually incurred the costs consisting of such QREs;

(iii) The HTC Tenant (or the Investor Member) shall file its tax returns, shall execute and deliver such certifications, statements, and other documents and shall take such other action as may be necessary to effectuate the pass-through of the Historic Tax Credits relating to the Building to the HTC Tenant in accordance with the provisions of Section 50(d) of the Code and Treas. Reg. Section 1.48-4.

(iv) The HTC Tenant shall not (i) take any action or suffer any action to be taken by any of the subtenants or any of its Affiliates that would (A) cause any portion of the Building to constitute “tax-exempt use property” within the meaning of Section 168(h) of the Code (or any successor provisions), or (B) cause or be likely to cause the Building to be delisted from the National Register of Historic Places; (ii) enter into any “disqualified lease” with respect to any portion of the Property as such term is defined in Section 168(h) of the Code (for purposes of this clause) with any Tax Exempt Entity; or (iii) permit a disposition of the Property within the meaning of Section 50 of the Code, or cause a Recapture/Disallowance Event to occur.

(v) The HTC Tenant shall not lease any portion of the Property for residential use.

(vi) The HTC Tenant will treat this HTC Lease as a lease (as opposed to a sale) for federal income tax purposes and will not take any position inconsistent with such treatment.

ARTICLE IX.

DEFAULTS

Section 9.1 Default.

The occurrence of any of the following events shall constitute an event of default (“Event of Default”) hereunder:

(a) if HTC Tenant fails to pay when due any HTC Lease Payment, and any such default shall continue for ten (10) calendar days after the receipt of written notice thereof from HTC Landlord;

(b) if HTC Tenant fails in any material respect to observe or perform any covenant, condition, agreement or obligation hereunder not addressed by any other event described in this Section 9.1, and, to the extent such failure is susceptible to cure, HTC Tenant shall fail to cure, correct or remedy such failure within thirty (30) calendar days after the receipt of written notice thereof; provided, however, that if such failure is not monetary in nature such that it cannot be cured by the payment of a sum certain to HTC Landlord (or other required payee), then, if such failure is susceptible to cure, but cannot with due diligence be cured within such thirty (30) day period, the time within which HTC Tenant may cure such failure shall be extended so long as HTC Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof within a reasonable period of time; Further, if an Event of Default pursuant to this

Section 9.1(b) occurs and the HTC Tenant fails to cure such default within the applicable cure period, HTC Landlord shall notify the Investor Member within ten (10) calendar days of the lapse of the applicable cure period and shall provide the Investor Member with an additional ninety (90) calendar days to cure such Event of Default;

(c) if after taking possession of the Property or applicable portion thereof, HTC Tenant abandons the Property or any substantial portion thereof and such abandonment is not cured within thirty (30) calendar days following written notice from HTC Landlord; or

(d) if an event of Bankruptcy occurs with respect to HTC Tenant or HTC Tenant suffers foreclosure with respect to any Leasehold Mortgage.

Notwithstanding anything herein to the contrary, there shall be no Event of Default by HTC Tenant where such Event of Default is the result of a default by a subtenant and HTC Tenant is diligently pursuing the cure thereof.

Section 9.2 Rights and Remedies.

(a) Upon the occurrence of any Event of Default hereunder (including the expiration of all applicable notice and cure periods), subject in all respects to (i) Section 9.11 of this HTC Lease, (ii) the provisions of this HTC Lease with respect to HTC Landlord's rights to cure defaults by HTC Tenant and (iii) the rights of the holder of any Mortgage, HTC Landlord shall have the right to pursue any and all remedies available at law or in equity including, without limitation, a preliminary or permanent injunction, specific performance or other equitable relief; actual (but not consequential or punitive) damages; and/or termination of this HTC Lease.

(b) No default in the performance of the terms, covenants or conditions of this HTC Lease on the part of HTC Tenant or HTC Landlord (other than in the payment of amounts due) shall be deemed to continue if and so long as HTC Landlord or HTC Tenant, as the case may be, shall be delayed in or prevented from remedying the same due to Force Majeure; but if and when the occurrence or condition which delayed or prevented the remedying of such default shall cease or be removed, it shall be the obligation of HTC Landlord or HTC Tenant, as the case may be, without further delay, to commence the correction of such default or to continue and complete the correction thereof.

(c) The defaulting party shall be liable for the reasonable legal expenses of the non-defaulting party in connection with any collection of funds owed under this HTC Lease, the remedying of any Event of Default under this HTC Lease or any termination of this HTC Lease where such collection, remedying or termination results from an Event of Default, as finally determined by a court of competent jurisdiction. If a default is alleged and it shall be determined that no Event of Default exists the court may determine for just cause that the alleging party shall be liable for the legal costs and expenses of the other party in defending such claim.

(d) Notwithstanding anything to the contrary set forth in this HTC Lease, HTC Landlord, for itself and for each and every succeeding owner of the Property, agrees that it shall never be entitled to seek a personal judgment against HTC Tenant's member(s), and that upon any Event of Default hereunder, the rights of HTC Landlord to enforce the obligations of HTC Tenant, its successors or assigns, or to collect any judgment, shall be limited to the termination of this HTC

Lease and/or to collection from the assets of HTC Tenant and the enforcement of any other equitable rights and remedies specifically granted to HTC Landlord hereunder; provided, however, that the limitations set forth in this paragraph shall not be applicable to fraud or other criminal action, or misappropriation of any Condemnation Award or Insurance Proceeds, for which HTC Tenant shall be personally liable.

Section 9.3 Termination of HTC Lease for HTC Tenant's Default.

Upon a termination of this HTC Lease pursuant to Section 9.2(a), the Leasehold Interest shall automatically revert to HTC Landlord, HTC Tenant shall promptly quit and surrender the Property to HTC Landlord, without cost to HTC Landlord, and, if any sublease remains in full force and effect as of the date of the termination, may assign to HTC Landlord all its rights under such subleases. The obligations of HTC Tenant under this HTC Lease which arose prior to termination shall survive such termination.

Section 9.4 Rights Upon Termination.

Upon termination of this HTC Lease pursuant to Section 9.2(a), HTC Landlord may:

- (a) at the time of such termination, collect any unpaid HTC Lease Payment or any other amount due hereunder through the date of such termination, without any deduction, offset or recoupment whatsoever;
- (b) enforce its rights under any bond outstanding at the time of such termination;
- (c) require HTC Tenant to deliver to HTC Landlord, or otherwise effectively transfer to HTC Landlord, any and all security deposits and governmental approvals and permits, and any and all rights of possession, ownership or control HTC Tenant may have in any and all financing arrangements, plans, specifications, and other technical documents or materials related to the Property; and
- (d) request the assignment to it of all of HTC Tenant's right, title and interest in and to any subleases in connection with the Property.

Section 9.5 Performance by HTC Landlord.

If HTC Tenant shall fail to make any payment or perform any act required under this HTC Lease, HTC Landlord may (but need not), after giving not less than thirty (30) calendar days written notice in addition to any written notice required under Section 9.1 or any other Section of this HTC Lease (except in case of emergencies and except where a shorter time period is specified elsewhere in this HTC Lease) to HTC Tenant and without waiving any default or releasing HTC Tenant from any obligations, cure such default for the account of HTC Tenant. HTC Tenant shall promptly pay HTC Landlord the amount of such charges, costs and expenses as HTC Landlord shall have incurred in curing such default, together with interest at the Designated Prime Rate plus two percent (2%) per annum.

In addition to any other remedies of HTC Landlord under this HTC Lease, HTC Tenant agrees to reimburse HTC Landlord for any and all actual expenditures incurred by HTC Landlord

by reason of such failure, whether or not such failure shall constitute an Event of Default or termination, however caused, including all costs, claims, losses, liabilities, damages and expenses (including without limitation, reasonable attorneys' fees and costs) incurred by HTC Landlord as a result thereof.

Section 9.6 Remedies Cumulative.

Unless otherwise specifically provided in this HTC Lease, no remedy herein shall be exclusive of any other remedy or remedies, and each such remedy shall be cumulative and in addition to every other remedy; and every power and remedy given by this HTC Lease may be exercised from time to time and as often as may be deemed expedient by either party. No delay or omission by HTC Landlord to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein.

Section 9.7 Default by HTC Landlord.

(a) Except as set forth in Section 9.7(b) below, HTC Landlord shall be in default of this HTC Lease if it fails to perform any provision of this HTC Lease or any other Operating Document that it is obligated to perform or if any of HTC Landlord's covenants, representations or warranties under any such document are untrue as of the date made or become untrue in any material respect, and if the failure to perform or the failure of such representation or warranty is not cured within thirty (30) calendar days after written notice of the default has been given to HTC Landlord. If the default cannot reasonably be cured within thirty (30) calendar days, HTC Landlord shall not be in default of this HTC Lease if HTC Landlord commences to cure the default within such thirty-day period and diligently and in good faith continues to cure the default within a reasonable period of time, but in no event shall such period exceed ninety (90) calendar days.

(b) HTC Landlord shall be in default of this HTC Lease upon the occurrence of material construction cost overruns, unless such construction cost overruns are funded by HTC Landlord, HTC Landlord's managing member or a Guarantor, in each case within ten (10) Business Days (or such shorter period of time to avoid a delay in the Rehabilitation schedule or default under the Construction Documents) after written notice from Investor Member and in such a manner so as to not materially adversely affect the Property and/or the rehabilitation thereof and so as to not affect the allocation of Historic Tax Credits to the Investor Member.

(c) HTC Landlord shall be in default of this HTC Lease if it submits a Request for Disbursement, makes any payment to the Contractor, or otherwise applies any Development Sources before receiving written approval to do so by HTC Tenant and Investor Member pursuant to the terms of Section 6.7([f]).

(d) If HTC Landlord shall have failed to cure a default by HTC Landlord after expiration of the applicable time for cure of such default, HTC Tenant, at its election, but without obligation therefor (i) may set-off against the HTC Lease Payment the amount of any loss resulting from HTC Landlord's default (but in all events the HTC Tenant shall pay the HTC Landlord the HTC Lease Payment without set-off equal to the amount of the next payment due under the Project Loans), (ii) may seek specific performance of any obligation of HTC Landlord after which HTC

Tenant shall retain and may exercise and enforce any and all rights that HTC Tenant may have against HTC Landlord as a result of such default, (iii) from time to time without releasing HTC Landlord in whole or in part from the obligations to be performed by HTC Landlord hereunder, may cure the default at HTC Landlord's cost, or (iv) may exercise any other remedy given hereunder or now or hereafter existing at law or in equity. Any reasonable costs incurred by HTC Tenant in order to cure such a default by HTC Landlord (including without limitation, reasonable attorneys' fees and costs) shall be due immediately from HTC Landlord, and may be set-off against any amounts due from HTC Tenant to HTC Landlord.

(e) In the event that: (i) HTC Landlord has not substantially complied with any material provisions of this HTC Lease; (ii) any financing commitment of any Lenders, or any agreement entered into by HTC Landlord for financing related to the Property, has terminated as the result of a default by HTC Landlord thereunder and the same has not been replaced within sixty (60) calendar days with a substitute, which substitute shall be acceptable to HTC Tenant in its reasonable discretion; or (iii) foreclosure proceedings have been commenced against the Property, then HTC Landlord shall be in default of this HTC Lease, and HTC Tenant, at its sole election, subject to the provisions of any SNDA or other agreement between HTC Tenant and a Project Lender, may withhold payment of any Installment Base Rent otherwise payable to HTC Landlord; provided, however, that if a payment of all or any portion of the Installment Base Rent or any other rent then due would cure in whole or in part the event justifying the withholding, then HTC Tenant shall pay such Installment Base Rent otherwise payable if it is applied to cure such event. Nothing herein shall preclude HTC Tenant from pursuing or realizing upon its other remedies at law or in equity by reason of any default hereunder by HTC Landlord.

(f) In the event that HTC Landlord fails to apply for the Part 3 Approval within sixty (60) days after the day on which the Building is Placed in Service, HTC Tenant shall have the right to direct any affiliate, member or party having common ownership with HTC Landlord to do so. In the event such other entity fails to comply with this Section 9.7(f), HTC Tenant is authorized, on behalf of HTC Landlord, to take such action and file such documents as are necessary to obtain the Part 3 Approval, and HTC Landlord hereby grants to HTC Tenant a power of attorney, coupled with an interest, to execute any and all necessary documents in connection therewith.

(g) Notwithstanding anything to the contrary contained in this HTC Lease, after the commencement of foreclosure proceedings (or acceptance of a deed in lieu) by any Project Lender or its designees, HTC Tenant shall have no offset rights under this HTC Lease for any defaults by HTC Landlord hereunder and its sole recourse shall be a separate suit against HTC Landlord for such defaults; provided, however, that HTC Tenant shall have a set-off right against any foreclosure transferee for any losses resulting from the condition of the Property (excluding any such damages arising out of a recapture of the Historic Tax Credits) that (i) arises after the date of the foreclosure sale (or deed in lieu) and (ii) arises after such foreclosure transferee has gained sole control of the Property.

Section 9.8 Default Notices.

Notices given by HTC Landlord or by HTC Tenant under this Article IX shall specify the alleged default and the applicable HTC Lease provisions, and shall demand that HTC Tenant or HTC Landlord, as applicable, perform the appropriate provisions of this HTC Lease within the

applicable period of time for cure. No such notice shall be deemed a forfeiture or termination of this HTC Lease unless expressly set forth in such notice.

Section 9.9 Limitation of HTC Tenant's Liability.

Notwithstanding anything in this HTC Lease to the contrary, no member of HTC Tenant nor any Affiliate thereof (other than a Guarantor) shall have any personal liability hereunder, including for any HTC Lease Payment hereunder.

Section 9.10 Notice to Investor Member.

So long as Investor Member is a member of HTC Tenant, HTC Landlord agrees, simultaneously with the giving of each notice hereunder, to give a duplicate copy thereof to Investor Member. Investor Member, during the cure periods provided herein for curing a default, may itself remedy the default or cause the same to be remedied, and HTC Landlord agrees to accept such performance on the part of such Investor Member as though the same had been done or performed by HTC Tenant.

Section 9.11 Forbearance During Recapture Period.

Notwithstanding anything to the contrary set forth in this HTC Lease, HTC Landlord, for itself and for each and every succeeding owner of HTC Landlord's interest in the Property, agrees that, prior to termination of the Recapture Period, upon any Event of Default hereunder, HTC Landlord's rights and remedies on account of such Event of Default shall be limited (regardless of whether such rights and remedies arise under the terms of this HTC Lease, at law or in equity, HTC Landlord hereby expressly and absolutely waiving such rights and remedies for said period) such that in no event whatsoever shall HTC Landlord have any right or remedy (i) to terminate this HTC Lease or HTC Tenant's right to possession of the Property hereunder; or (ii) to accelerate Base Rent hereunder.

LEASEHOLD MORTGAGES

Section 10.1 Leasehold Mortgages.

HTC Tenant shall not enter into any Leasehold Mortgage without the Consent of HTC Landlord and the Investor Member. The documentation evidencing any such Leasehold Mortgage shall be in a form and substance reasonably acceptable to HTC Landlord and Investor Member.

ARTICLE XI.

ESTOPPEL CERTIFICATE

From time to time upon not less than twenty (20) calendar days' prior request, each of HTC Tenant and HTC Landlord agree to deliver to the other requesting party, or to the holder of any Mortgage, a statement in writing signed by HTC Landlord certifying (a) that this HTC Lease is unmodified and in full force and effect (or if there have been modifications, that this HTC Lease as modified is in full force and effect and identifying the modifications); (b) the date upon which HTC Tenant began paying Rent and the dates to which the Rent and any other HTC Lease Payment

have been paid; (c) that the requesting party is not in default under any provision of this HTC Lease, or, if in default, the nature thereof in detail; (d) that (if applicable) the Project has been completed in accordance with the terms hereof and HTC Tenant is in occupancy and paying Rent on a current basis with no Rent offsets or claims; (e) that there has been no prepayment of Rent other than that provided for in this HTC Lease; (f) that there are no actions, whether voluntary or otherwise, pending against HTC Tenant or HTC Landlord, as applicable, under the bankruptcy laws of the United States or any state thereof; and (g) such other matters as may be reasonably requested by the other party.

ARTICLE XII.

MISCELLANEOUS

Section 12.1 Construction.

HTC Landlord and HTC Tenant agree that all the provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section thereof.

Section 12.2 Performance Under Protest.

In the event of a dispute or difference between HTC Landlord and HTC Tenant as to any obligation which either may assert the other is obligated to perform or do, then the party against whom such obligation is asserted shall have the right and privilege to carry out and perform the obligation so asserted against it without being considered a volunteer or deemed to have admitted the correctness of the claim, and shall have the right to bring an appropriate action at law, equity or otherwise against the other for the recovery of any sums expended in the performance thereof and in any such action, the successful party shall be entitled to recover in addition to all other recoveries such reasonable attorneys' fees as may be awarded by the court.

Section 12.3 No Waiver.

Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by either party at any time, express or implied, of any breach of any provision of this HTC Lease shall be deemed a waiver of a breach of any other provision of this HTC Lease or a Consent to any subsequent breach of the same or any other provision. If any action by either party shall require the Consent or approval of the other party, the other party's Consent to or approval of such action on any one occasion shall not be deemed a Consent to or approval of said action on any subsequent occasion or a Consent to or approval of any other action on any subsequent occasion. In addition, HTC Landlord acknowledges that pursuant to HTC Tenant Operating Agreement, HTC Tenant must obtain the Consent of Investor Member prior to responding to any request for the Consent of HTC Tenant or approval hereunder. Except as expressly limited by the terms of this HTC Lease, any and all rights and remedies which either party may have under this HTC Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other; and no one of them whether exercised by said party or not, shall be deemed to be in exclusion of any other; and two or more or all of such rights and remedies may be exercised at the same time.

Section 12.4 Headings.

The headings used for the various articles and sections of this HTC Lease are used only as a matter of convenience for reference, and are not to be construed as part of this HTC Lease or to be used in determining the intent of the parties of this HTC Lease.

Section 12.5 Partial Invalidity.

If any term, covenant, provision or condition of this HTC Lease or the application thereof to any person or circumstance shall be declared invalid or unenforceable by the final ruling of a court of competent jurisdiction having final review, the remaining terms, covenants, provisions and conditions of this HTC Lease and their application to persons or circumstances shall not be affected thereby and shall continue to be enforced and recognized as valid agreements of the parties, and in the place of such invalid or unenforceable provision there shall be substituted a like, but valid and enforceable, provision mutually agreeable to HTC Landlord and HTC Tenant which comports to the findings of the aforesaid court and most nearly accomplishes the original intention of the parties.

Section 12.6 Bind and Inure.

Unless the context requires otherwise, the words “HTC Landlord” and “HTC Tenant” shall be construed to mean the original parties, their respective permitted successors and assigns and those claiming through or under them respectively. Subject to the provisions of Section 6.2, the agreements and conditions in this HTC Lease contained on the part of HTC Tenant to be performed and observed shall be binding upon HTC Tenant and its permitted successors and assigns and shall inure to the benefit of HTC Landlord and its permitted successors and assigns, and the agreements and conditions in this HTC Lease contained on the part of HTC Landlord to be performed and observed shall be binding upon HTC Landlord and its permitted successors and assigns and shall inure to the benefit of HTC Tenant and its successors and assigns. No holder of a Leasehold Mortgage shall be deemed to be the holder of said Leasehold Interest until such holder shall have acquired indefeasible title to said Leasehold Interest.

Section 12.7 Time of Essence.

Time is of the essence of this HTC Lease and of all provisions hereof.

Section 12.8 Recordable Form of HTC Lease.

Simultaneously with the delivery of this HTC Lease the parties have delivered a notice or short form of this HTC Lease, which HTC Tenant shall record in the public office in which required to put third parties on notice. If this HTC Lease is terminated before the Term expires, the parties shall execute, deliver and record an instrument acknowledging such fact and the date of termination of this HTC Lease.

Section 12.9 Notices.

Any and all notices, consents, approvals and other communications required or permitted under this HTC Lease shall be deemed adequately given only if in writing delivered either (i) in

hand, by mail or by expedited commercial carrier which provides evidence of delivery or refusal, addressed to the recipient, postage prepaid and certified or registered with return receipt requested, if by mail, or with all freight charges prepaid, if by commercial carrier or (ii) via electronic mail but solely if (x) the sender of the notice includes a disclaimer at the top of the electronic mail notice stating in bolded font "Any response to this e-mail will constitute an acknowledgement of receipt of this message," (y) the notice party receiving the written notice has provided an e-mail address in this Section 12.9, and (z) such notice party responds to such notice via electronic mail in any manner other than an automated response, provided, that (1) such acknowledgement will not, alone, constitute any consent or other affirmation with respect to the content of the electronic mail notice, and (2) if the notice party receiving an electronic mail notice has included more than one recipient or copy recipient, then an acknowledgement from one such recipient shall be considered acceptance of the written notice without regard to any other recipients.

All notices and other communications shall be deemed to have been given for all purposes of this HTC Lease upon the date of receipt or refusal, or if sent via electronic mail, the date of the acknowledgement described in this Section 12.9.

Any notice required by the provisions of this HTC Lease to be given to HTC Landlord shall be addressed as follows:

100 McAllister Landlord LLC
100 McAllister Street
San Francisco, CA 94102
Attention: [_____]
Email: [_____]

with a copy to:

Farella Braun + Martel LLP
One Bush Street, Suite 900
San Francisco, CA 94104
Attention: Said C. Kordestani, Esq.
Email: skordestani@fbm.com

Any notice required by the provisions of this HTC Lease to be given to HTC Tenant shall be addressed as follows:

100 McAllister Tenant LLC
100 McAllister Street
San Francisco, CA 94102
Attention: [_____]
Email: [_____]

with a copy to:

Farella Braun + Martel LLP

One Bush Street, Suite 900
San Francisco, CA 94104
Attention: Said C. Kordestani, Esq.
Email: skordestani@fbm.com

And:

Wells Fargo Community Investment Holdings, LLC
c/o National Trust Community Investment Corporation
1155 15th Street NW, Suite 300
Washington, DC 20005
Attention: Director of Asset Management
Email: NTCICAM@ntcic.com

With a copy to:

Rierner & Braunstein LLP
100 Cambridge Street, 22nd Floor
Boston, MA 02114
Attention: Jeffrey D. Gaulin, Esq.
Email: jgaulin@riernerlaw.com

Section 12.10 Entire Agreement.

This instrument contains all the agreements made between the parties hereto and may not be modified in any other manner than by an instrument in writing executed by the parties or their respective successors in interest and to which each holder of a Mortgage, if applicable, has Consented, if such Consent is required pursuant to the terms of the applicable Mortgage.

Section 12.11 Governing Law.

This HTC Lease, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the substantive laws of the State of California.

Section 12.12 Relationship of Parties.

No relationship exists between HTC Landlord and HTC Tenant other than that of landlord and tenant under the terms of this HTC Lease. The parties hereto expressly declare that, in connection with the activities and operations contemplated by this HTC Lease, they are neither partners nor joint venturers, nor does a debtor-creditor, principal-agent or any other relationship except as aforesaid, exist between them.

Section 12.13 Legal Fees.

All legal fees incurred by the HTC Landlord, the HTC Tenant and/or Investor Member, including, without limitation, those in the preparation and/or amendment of this HTC Lease and

all other Operating Documents and legal fees incurred by the HTC Tenant and/or Investor Member with respect to any consent requested of the HTC Tenant and/or Investor Member, shall be paid or caused to be paid by the HTC Landlord without reimbursement.

Section 12.14 Waiver of Jury Trial.

HTC Landlord and HTC Tenant waive trial by jury in any action or proceeding brought by either of the parties hereto against the other or on any counterclaim in respect thereof on any matters whatsoever arising out of, or in any way connected with, this HTC Lease, the relationship of HTC Landlord and HTC Tenant, HTC Tenant's use or occupancy of the Property and/or any claim of injury or damage under this HTC Lease.

Section 12.15 Holding Over.

Should HTC Tenant hold over in possession of the Property after the expiration of this HTC Lease, HTC Tenant shall be deemed to be occupying the Property from month to month, subject to such occupancy's being terminated by either party upon at least thirty (30) days' written notice, as though this HTC Lease had continued. Such occupancy shall be subject to all of the terms, covenants, and conditions of this HTC Lease insofar as the same may be applicable to a month-to-month tenancy except that the Base Rent shall be calculated at two-hundred percent (200%) of the Base Rent and Additional Rent in effect at the expiration of this HTC Lease. In addition, HTC Tenant shall pay as Additional Rent to HTC Landlord for all damages sustained by reason of HTC Tenant's retention of possession. Nothing in this Section 12.15 excludes HTC Landlord's rights of re-entry or any other right hereunder.

Section 12.16 Counterparts.

This HTC Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this HTC Lease by telecopier, facsimile machine, portable document format ("PDF"), Electronic Signature (as defined below) or other electronic means shall be as effective as delivery of a manually executed counterpart of this HTC Lease. The effectiveness of any such documents and signatures shall, subject to Applicable Laws, have the same force and effect as manually signed originals and shall be binding on the parties. No party may raise the use of a telecopier, facsimile machine, PDF or other electronic means, or the fact that any signature was transmitted through the use of a telecopier, facsimile machine, PDF or other electronic means, as a defense to the enforcement of this HTC Lease. "Electronic Signature" means any symbol or process attached to a document or instrument and executed or adopted by a person with the intent to sign the document or instrument, including, without limitation, any digital representation of a party's signature created by scanning such party's signature or by any electronic signature service such as DocuSign.

Section 12.17 No Merger.

There shall be no merger of this HTC Lease or of the leasehold estate hereby created with the fee estate in the Property or any part thereof by reason of the fact that the same person, firm, corporation, or other legal entity may acquire or hold, directly or indirectly, this HTC Lease or the leasehold estate and the fee estate in the Property or any interest in such fee estate.

Section 12.18 Third-Party Rights.

Notwithstanding anything to the contrary set forth elsewhere in this HTC Lease, HTC Landlord and HTC Tenant hereby acknowledge and agree that Investor Member shall be deemed to be a third-party beneficiary of the provisions of this HTC Lease which specifically grant to Investor Member rights and/or benefits, including, without limitation, those provisions which entitle Investor Member to receive notice and exercise the right to cure. In connection therewith, Investor Member may seek any and all remedies available to Investor Member in order to enforce such provisions.

Section 12.19 Reporting.

(a) HTC Landlord shall, at HTC Landlord's expense, cause to be prepared and delivered to HTC Tenant and Investor Member all such reports requested by Investor Member as shall be necessary for Investor Member to comply with its Federal Historic Tax Credit requirements in connection with HTC Tenant and all reports and information contained in Exhibit [F] of the HTC Tenant Operating Agreement.

(b) Each party hereby agrees and acknowledges that Investor Member may share with any of its Affiliates any information provided to Investor Member relating to HTC Tenant, the Project, Managing Member, HTC Landlord Managing Member, HTC Landlord, or the Guarantor (or any Affiliates thereof), but only to the extent commercially reasonable and necessary with respect to its investment in HTC Tenant. Investor Member is also authorized to disclose the terms and nature of its investment in HTC Tenant to Investor Member's auditors, attorneys, accountants and regulators, but only to the extent commercially reasonable and necessary, and as otherwise required by Applicable Laws.

[Remainder of Page Intentionally Left Blank]

[Signatures contained on following pages]

IN WITNESS WHEREOF, the parties have hereunto set their signatures to this HTC Lease as of the Effective Date.

HTC LANDLORD:

100 MCALLISTER LANDLORD LLC, a
California limited liability company

By: 100 McAllister Manager Inc., a California
corporation, its managing member

By: _____
Name: _____
Title: _____

COUNTERPART SIGNATURE PAGE
HTC LEASE

HTC TENANT:

100 MCALLISTER TENANT LLC, a California
limited liability company

By: 100 McAllister Manager Inc., a California
corporation, its managing member

By: _____
Name: _____
Title: _____

Schedule A

Base Rent

[**Base Rent for the first and final Lease Year shall be determined based on the rent commencement date agreed to by HTC Landlord and HTC Tenant in the Rent Commencement Notice as set forth in Section 3.1 hereof.]

Schedule A

Schedule B

Projections

[See Attached]

Schedule C

Exhibit A
Legal Description

Exhibit A

Exhibit B

Form of Pass-Through Election

PASS-THROUGH ELECTION

This Pass-Through Election is made by [____], a [____] limited liability company (the “**HTC Landlord**”), and by [____], a [____] limited liability company (the “**HTC Tenant**”), with respect to that certain historic building (the “**Building**”) located at by [____], in accordance with the provisions of Treas. Reg. Section 1.48-4(f):

(i) HTC LANDLORD:

NAME: [_____]

ADDRESS: [_____]

[_____]

[_____]

[_____]

TAXPAYER #: [_____]

HTC TENANT:

NAME: [_____]

ADDRESS: [_____]

[_____]

[_____]

[_____]

TAXPAYER #: [_____]

(ii) DISTRICT DIRECTOR’S OFFICE WHERE HTC LANDLORD’S TAX RETURNS ARE FILED:
[_____]

DISTRICT DIRECTOR’S OFFICE WHERE
HTC TENANT’S TAX RETURNS ARE FILED: [_____]

(iii) PROPERTY WITH RESPECT TO WHICH ELECTION IS MADE:

The building located at [Property Address].

(iv) DATE ON WHICH POSSESSION OF THE PROPERTY WAS TRANSFERRED TO HTC
TENANT: [____], [20__]

(v) ESTIMATED USEFUL LIFE OF THE PROPERTY IN THE HANDS OF THE HTC
LANDLORD: [____]

- (vi) AMOUNT FOR WHICH HTC TENANT IS TREATED AS HAVING ACQUIRED THE PROPERTY UNDER PARAGRAPH (c)(2) or (c)(3) OF TREASURY REGULATIONS SECTION 1.48-4:

The Property is not short-term lease property under paragraph (c)(2), and the HTC Tenant is treated as having acquired the Property for its fair market value on the date possession was transferred to the HTC Tenant which pursuant to Treasury Regulation 1.48-12(f) is equal to the HTC Landlord's basis attributable to QREs which is [\$_____].

- (vii) INFORMATION TO BE PROVIDED IF THE HTC LANDLORD IS ITSELF A HTC TENANT:
N/A

This election is hereby made by HTC Landlord and filed with HTC Tenant on [____], 20[___].

HTC LANDLORD:

100 MCALLISTER LANDLORD LLC, a
California limited liability company

By: 100 McAllister Manager Inc., a California
corporation, its managing member

By: _____
Name:
Title:

Consent to the foregoing information is hereby given by HTC Tenant on [_____, 20__].

HTC TENANT:

100 MCALLISTER TENANT LLC, a California
limited liability company

By: 100 McAllister Manager Inc., a California
corporation, its managing member

By: _____
Name:
Title:

4240085.3

PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (“**Agreement**”) is entered into as of [DATE], by and between 100 McAllister Tenant LLC, a California limited liability company (“**Tenant**”) and 100 McAllister Manager Inc., a California corporation (“**Manager**”),

RECITALS

WHEREAS, Tenant is the lessee of the building located at 100 McAllister Street, San Francisco, California 94102 (the “**Tower**”) under a [22-year lease] from 100 McAllister Landlord LLC, a California limited liability company (the “**Landlord**”) dated as of [DATE] (the “**Master Lease**”);

WHEREAS, Tenant desires to engage Manager to provide property management and leasing services with respect to the operation of the Tower; and

WHEREAS, Manager is willing to undertake and provide such management and leasing services.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained and incorporating the foregoing Recitals, Tenant and Manager hereby agree as follows:

1. Engagement for Management Services. Subject to the terms and conditions set forth in this Agreement, Tenant hereby engages Manager to provide, or cause to be provided, management and leasing services with respect to the operation of the Tower; and Manager hereby accepts such engagement. The scope of such services is provided in Exhibit A hereto.

2. Term. The initial term of this Agreement shall commence on the [**Commencement Date** (as such term is defined in the Master Lease)] and shall be in effect until the [tenth (10th) anniversary of the Commencement Date], unless the parties hereto agree in writing to terminate this Agreement before such time. This Agreement shall automatically renew for additional 2 years terms unless either Tenant or Manager elects not to have this Agreement renew. Notwithstanding the foregoing, Tenant may terminate this Agreement, with or without cause, upon 30 days’ notice to Manager.

3. Services with Respect to the Operation of the Tower. Manager shall, arrange for and supervise the activities of all the personnel and service providers (payroll/personnel, custodial services, engineering services, elevator maintenance services, window washing services, etc.) needed with respect to the management, leasing, and administration of the operations of the Tower. Tenant shall reimburse Manager for all costs incurred by Manager for the personnel and service providers paid by Manager that are utilized at the Tower. Manager shall have authority for all personnel decisions with respect to personnel and service providers hired and utilized at the Tower.

4. Accounting Records and Financial Statements. Manager shall (i) keep full and accurate accounting records of personnel activities with respect to the Tower during the Term, (ii) prepare (or oversee the preparation of) and keep financial statements in a format mutually acceptable to the parties, (iii) prepare (or oversee the preparation of) financial statements at such times mutually acceptable to the parties.

5. Fee for Management and Leasing Services. As the fee for Manager's services with respect to the operation of the Tower, Tenant shall pay Manager a fee equal to 3.5% of Effective Gross Revenue (as such term is defined in those certain Financial Projections prepared by Novogradac & Company LLP for the parties hereto of even date herewith) attributable to the Master Lease (the "**Management Fee**"). [NTD: Confirm with final projections.]

6. Right to Audit. Each party hereto shall have the right to audit, at all reasonable times, the other party's books and records in order to determine such other party's compliance with the provisions of this Agreement.

7. Capital Improvements and Capital Equipment Purchases. Manager shall not authorize, contract for, or perform any capital improvements or capital equipment purchases at the Tower without the prior express written approval of Tenant.

8. Confidentiality. Unless Tenant and Manager mutually consent to the contrary, this Agreement shall not be shared with any person who is not an agent, officer, director, trustee, employee, attorney or accountant of Tenant or Manager.

9. Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and cannot be amended, modified, terminated, rescinded or extended except by a writing signed by both parties. Each of the individuals executing this Agreement on behalf of a party individually represents and warrants that he or she has been authorized to do so and has the power to bind the party for whom they are signing.

10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

11. Severability. If any provision of this Agreement or its application to any person or in any circumstances shall be invalid or unenforceable, the other provisions of this Agreement shall not be affected by such invalidity or unenforceability.

12. No Waiver. No waiver by either party hereto of any breach by the other party of any term, covenant or condition of this Agreement shall be deemed a waiver of any other breach (whether prior to or subsequent) of the same or any other term, covenant or condition of this Agreement.

13. Headings. The headings used in this Agreement are for reference only and shall not limit or control any term or provision of this Agreement or the interpretation or construction thereof.

14. Relationship of the Parties Hereto. Neither party hereto shall have the status of agent of the other party, except that, in the exercise of its authority under this Agreement and in the performance of its duties under this Agreement, Manager's status under this Agreement shall be that of a special agent of Tenant with authority to bind Tenant with respect to third parties.

15. Representations and Warranties. Each party hereto represents and warrants that it is free to enter into this Agreement and is not subject to any conflicting obligations or any disability which would interfere with its execution or performance of this Agreement, and that it has the full right, power and authority to enter into this Agreement and to grant all rights and perform all services provided for herein.

16. Choice of Law. This Agreement shall be construed under and governed by the laws of the State of California.

17. Force Majeure. In the event Manager is unable to carry out its obligations under this Agreement due to an act of God, fire, flood, explosion, war, strike, lock-out, labor dispute, civil disturbance, accident or governmental action, the failure to so perform shall be excused during the intervention of such force *majeure* event.

18. Compliance with HTC Tenant Operating Agreement. Notwithstanding anything to the contrary herein, the parties agree that the terms and provisions of Sections 8.14 and 8.15 of that certain Amended and Restated Operating Agreement of HTC Tenant, dated as of [September __], 2026, shall apply and are an agreed part of this agreement

[Signature Page to follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

TENANT:

100 McAllister Tenant LLC,
a California limited liability company

By: **100 McAllister Manager Inc.**,
a California corporation
Its: Manager

By: **UC Historic Facilities Foundation**,
a California non-profit public benefit corporation
Its: Sole Shareholder

By: []

MANAGER:

100 McAllister Manager Inc.,
a California corporation

By: **UC Historic Facilities Foundation**,
a California non-profit public benefit corporation
Its: Sole Shareholder

By: []

EXHIBIT A

SCOPE OF SERVICES

- 1.01 General Duties of Manager Manager is hereby charged with the sole management of the Property, as the agent of Tenant, and shall provide Tenant with those services reasonably necessary, proper, desirable or appropriate for the management and operation of the Property in a first class manner consistent with the Annual Budget (as defined below), as further described in Sections 1.03 through 1.21 below, and shall endeavor to maximize the Net Operating Income derived from the Property.
- 1.02 Schedule of Employees Manager shall employ in its own name such off-site secretarial, bookkeeping and supervisory personnel, on-site managing personnel, on-site leasing personnel, and on-site maintenance, and resident support. Manager shall provide to Tenant, and Tenant shall approve, a schedule of employee positions employed in the direct management and operation of the Property. Any amendment to the schedule of employees shall be approved by Tenant. All employees of Manager with access to or are responsible for any of Tenant's funds in connection with the Property shall be bonded at Manager's expense, in accordance with commonly recognized bonding standards in effect as of the date of execution of this Agreement.
- 1.03 Employees.

Manager shall employ, train, supervise, and compensate, and for all purposes be the manager of such employees. Manager shall comply with all applicable laws and regulations relating to worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee matters. Further, Manager shall train and educate all employees to insure compliance with all laws and regulations as described in Section 1.11 below, with particular emphasis on laws pertaining to the non-discrimination in the leasing of apartments.

- 1.04 Collection of Rents Manager shall collect (a) all rents and other charges due from residents of the Property, and (b) all other income produced by or received from the Property. All monies collected by Manager shall be deposited in the Operating Account maintained by Tenant for the Property, except that any monies collected as security deposits shall be maintained in the Escrow Account (as defined in Section 1.13). All payments made by residents of the Property shall be made payable to Manager. With the prior approval of Tenant, Manager shall institute legal proceedings, in the name of the Tenant or Manager, as agent of Tenant, for the collection of any unpaid rent or such other charges or for the eviction of residents and other persons from the Property. With the prior approval of Tenant, Manager shall have the authority to compromise and settle such legal proceedings. The expenses of such proceedings, including reasonable attorney fees, shall be paid by Tenant.

- 1.05 Maintenance and Operation Manager shall maintain the Property in good condition and repair and conduct regular inspections of the Property not less than weekly. Manager shall insure that the Property remains in compliance with all requirements of the insurance policies that pertain to the Property described in Section 1.10 hereof. Manager shall, in the name of Tenant or Manager, as the agent of Tenant, enter into such contracts as are reasonably necessary for the maintenance and repair of the Property and for the provision of services to the Property in accordance with the Annual Budget. Tenant shall retain title to all property purchased hereunder at the expense of Tenant. Manager shall use commercially reasonable efforts to ensure that all contracts made hereunder contain a provision satisfactory to Tenant limiting the liability of Tenant thereunder to the Property, and requiring the contractor to be adequately insured. All contracts made with any affiliate of Manager must be approved by Tenant. Manager shall promptly notify Tenant upon learning of any casualty or condemnation (or threatened condemnation) with respect to the Property. Manager shall be available for 24-hour emergency contact by residents and shall act as a buffer between Tenant and resident in order to maximize Tenant's unnecessary involvement.
- 1.06 Annual Budget Manager shall deliver to Tenant the first proposed budget no later than one hundred twenty (120) days after execution of this Agreement, and not later than sixty (60) days prior to the commencement of each fiscal year (January 1st), Manager shall prepare and present to Tenant an operating and capital budget for the operation of the Property for the subsequent fiscal year (the "**Annual Budget**"), which budget shall be consistent with prudent property management practices standard among Class A rental apartment communities and with the requirements for content and format established by Tenant, and shall be subject to Tenant's review and written approval.

1.07 Leasing.

Manager shall be responsible for the leasing of residential apartments, resident offices, resident parking spaces, and resident storage facilities pursuant to rental rates approved by Tenant and pursuant to a Residential Lease form and addendums prepared by Manager and approved by Tenant that complies with all federal, state and local laws and regulations as well as legal requirements imposed as part of the financing of the Property. Resident leases shall be in Manager's name as the Tenant's duly authorized agent, all leases covering individual rental units in the Property.

1.08 Lease Enforcement.

Manager shall: (a) promulgate and implement procedures to monitor resident compliance with any and all applicable lease provisions and rules and regulations for the Property; (b) maintain businesslike relations with all residents of the Property; (c) receive requests and complaints from such residents (d) respond and act upon the foregoing in a reasonable fashion at Tenant's expense; and (e) keep records of the foregoing for a period of three (3) years or such longer period of time as may be required by applicable law. Manager shall make a final inspection of any leased premises

on the Property upon the termination or vacancy of a lease. Manager shall return or apply Security Deposit as appropriate based on findings of said final inspection. Manager shall promptly notify any appropriate insurance carrier, and any other person or entity contractually or statutorily entitled to notice of any major complaint lodged by a resident, or any major damage or injury to any part of the Property.

- 1.09 Payment of Bills Manager shall make or cause to be made a careful investigation, examination and review of all (a) bills received for services, work and supplies in connection with maintaining, altering, improving and operating the Property to insure that the work required has been done, that the billing is correct, and that the amount billed is in accordance with the Annual Budget, (b) mortgage bills, and (c) real estate and related tax bills. Manager shall pay or cause to be paid all such bills when due out of the funds available from collections in the Operating Account (as defined in Section 1.12). In the event sufficient funds are not available from collections in the Operating Account, then such payments shall be made out of funds furnished promptly by Tenant to Manager after notice to Tenant so long as the bills were incurred in accordance with either (x) the Annual Budget, or (y) this Agreement.
- 1.10 Operating Account Following full execution of this Agreement, Tenant and Manager shall maintain in Tenant's name a general operating account (the "**Operating Account**") for the Property upon which the authorized representatives of the Manager and Tenant shall be authorized to draw. Tenant shall have the authority to terminate the authority of Manager and its officers and representatives to draw upon the Operating Account. The Operating Account shall be maintained with [] or other bank and approved by Tenant. Tenant and Manager agree to deposit in said Operating Account all cash, rental receipts and other funds collected from the operation, management and ownership of the Property. Manager is authorized to allow the Operating Account to be swept nightly into an overnight investment fund account under a cash management arrangement with the depository bank. Manager's obligations to make disbursements as provided herein are expressly limited by the availability of funds in the Operating Account. To facilitate the availability of funds, Tenant agrees that a reasonable balance shall be maintained at all times in the Operating Account. Nothing contained herein shall obligate Manager or any affiliate of Manager to provide any of its own funds for any authorized expenditure if sufficient funds for payment thereof are not then available in the Operating Account. Nothing contained herein shall be deemed to deprive Manager of the right to maintain petty cash funds and to make payments therefrom in accordance with customary property management practices.
- 1.11 Escrow Account Manager shall establish and maintain an escrow account (the "**Escrow Account**"), upon which the authorized representative of the Manager and Tenant shall be authorized to draw, for security deposits if required by state, county or municipal law, regulation or order or by any applicable provision of a lease for premises in the Property. Tenant and Manager shall deposit all security deposits currently held by Tenant into the Escrow Account or other account of

Manager used for the deposit of security deposits. Tenant shall have the authority to terminate the authority of Manager and its officers and representatives to draw upon the Escrow Account. The Escrow Account shall be maintained with Bank of America or other bank approved by Tenant.

REPORT ITEM

1. **REPORT BY:** Chair of the Finance Committee Chip Robertson
2. **SUBJECT:** Investment Report – As June 30, 2026
3. **REPORT:**

Investment fund balances held by the University of California are displayed below:

	As of 6/30/2024	As of 6/30/2025	As of 6/30/2026
Hastings Endowment Fund (GEP)	\$57,038,235	\$63,206,851	\$77,575,213
Hastings Operating Fund (GEP)	78,281,533	87,763,484	92,190,435
Endowed Funds Held by Regents (GEP-7)	11,241,618	12,058,497	14,352,528
Hastings Operations – STIP	323,025	7,655	1,018,658
Sub-total	146,884,411	163,036,487	185,136,834
100 McAllister Project Fund – STIP	48,910,757	55,467,207	8,094,887
100 McAllister Project Fund – TRIP	50,443,458	0	0
Sub-total	99,354,215	55,467,207	8,094,887
Total	\$ 246,238,626	\$ 218,503,694	\$ 193,231,721

The Chief Investment Officer of the University of California, Jagdeep Bachher, will be attending the December 2026 meeting of the Board of Directors to give an overview of investment performance.

REPORT ITEM

1. **REPORT BY:** Chair of the Finance Committee Chip Robertson
2. **SUBJECT:** State Budget Status Report –Preliminary 2025-26 Year-end
3. **REPORT:**

The 2025-26 preliminary year-end state budget status report is attached. Audited 2025-26 financial statements will be presented in the college-wide *Financial Statements and Independent Auditors' Report* to be prepared by the College's auditors.

Overview

The 2025-26 preliminary year-end results reflect a stronger financial position than anticipated at the time of the Midyear Revised Budget. Total revenues of \$107.5 million exceeded the revised budget by \$12.0 million, or 13%, while total expenses of \$112.3 million were \$2.0 million, or 2%, below budget. The favorable revenue variance was driven primarily by an approximately \$12.3 million unrealized gain on investments, which is non-operating and subject to market volatility. Excluding investment income and unrealized gains, core operating revenues at \$94.7 million were approximately \$0.2 million or 0.2% below budget, indicating that underlying operating revenue performance remained broadly consistent with expectations.

Expense performance was favorable overall, with savings in salaries and wages, student wages, travel, building maintenance, utilities, and contract services offsetting selected unfavorable variances, including security services contract, staff benefits, and equipment and improvements. The preliminary results demonstrate continued expense discipline and effective cost management.

As a result, the preliminary year-end results reflect a net change in assets of approximately \$(4.8) million. Excluding \$(17.7) million in internal fund transfers for the debt management fund and \$12.8 million in investment income and gains, the preliminary year-end results reflect a net operating surplus of approximately \$106,000.

Revenues

- **State Appropriations, General Fund**—General Fund support for operations in California's Budget Act of 2025 is \$34.9 million, representing an increase of \$11.7 million or 51% over last year. The growth is attributed to the \$10.1 million ongoing General Fund, allocated to support debt service associated with the McAllister Tower building capital renovation project. As of June 30, 2026, all General Funds appropriations have been claimed and posted. Overall, state appropriations remained

substantially consistent with budget expectations and continue to provide a stable source of institutional funding.

- **State Appropriations, Lottery Fund**—The 2025-26 revised budget at \$242,000 was established based on estimates provided by the State. Actuals at \$217,881 include the College's estimate of the third- and fourth-quarter payments at \$98,397. Actual revenues for the first two quarters totaled \$150,880, and the fiscal year-end actuals include a (\$31,396) adjustment for overestimated 2024-25 revenues.
- **Tuition and Related Fees**—Tuition and related fee revenue totaled approximately \$58.7 million, approximately \$100,000, or -0.2%, below the Midyear Revised Budget. Overall performance was substantially in line with expectations, although individual revenue categories experienced notable variances. Summer Legal Institute revenue exceeded budget by approximately \$53,000, or 8%, while Other Student Fees exceeded budget by approximately \$28,000, or 22%. These favorable variances were largely offset by lower HPL Revenue Share of approximately \$98,000, or 13%, and lower JD Enrollment Fee revenue of approximately \$61,000. Veteran Fee Waivers were also approximately \$21,000 higher than budgeted, partially offsetting tuition-related revenue.

FTE Student Enrollment	Revised Budget 2025-26	Actuals 2025-26	FTE Change	% Change
JD	1,038.2	1,037.1	-1.1	-0.1%
LL.M.	15.1	15.1	0.0	0.0%
MLS/CLS	39.8	39.8	0.0	0.0%
Total	1,093.1	1,092.0	-1.1	-0.1%
Non-Resident Tuition	126.0	126.0	0.0	0%
Veteran Fee Waivers	-27.0	-27.4	-0.4	1%

- **Unrealized Gain/Loss on Investments**—This category accounts for the change in the market value of the state fund's share of the UC General Endowment Pool (GEP). It is not a budgeted item, because it is subject to market fluctuations and is not recurring operating revenue. As of June 30, 2026, an unrealized gain of \$12.3 million has been posted. In 2024-25, unrealized gains of \$6.1 million were recognized.
- **Overhead Allowances**—The preliminary year-end overhead allowances were approximately \$70,000, or 8% below the revised budget, primarily due to lower overhead allowances having been posted for grants and contracts. \$219,824, or 99% of the revised budget in overheads from auxiliary enterprises, had been captured at the 2025-26 fiscal year-end. Overhead or indirect cost allowances on federal, state, and private grants are included in the mid-year revised budget at \$654,700, and \$586,167, or 90%, have been recognized through June 2026. The variance is expected

to be received in the next fiscal year. Total overhead revenues in 2025-26 were \$805,991 compared to \$777,125 in 2024-25.

Expenses

- **Salaries and Wages**—The 2025-26 preliminary year-end actuals at \$31.2 million were approximately \$719,000, or 2%, below the revised budget. The favorable variance reflects position vacancies and the delayed timing of hiring, mostly under vacant faculty lines and vacancies in the Communications and IT departments. Of the budgetary savings, \$434,000 resulted from unallocated provisions for faculty salaries and \$113,000 from overallocated adjunct faculty salaries. Part-time Instructor wages were budgeted at \$657,853, and actual expense was \$601,784, with the Bar Passage and Moot Court programs spending less than budgeted. Regular staff salaries were \$98,000 less than the \$13.6 million budgeted, for savings of less than one percent. As personnel costs represent one of the institution's largest expense categories, the favorable result had a meaningful positive impact on overall expense performance.
- **Student Wages, Regular and Work-Study**—The 2025-26 preliminary year-end actuals at \$586,010 were approximately \$111,000, or 16%, below the revised budget, reflecting lower-than-anticipated student employment expenditures. \$52,000 of the variance is attributed to student employee wages, mostly under Moot Court, OASIS, and LRW, due to fewer student hours worked or unfilled positions.
- **Staff Benefits**—The 2025-26 actual expense at \$10.6 million is preliminary; it does not yet reflect the non-cash year-end pension liability and OPEB adjusting entries. The 2024-25 actual expense of \$4.7 million included \$(5.8) million in non-cash pension liability, retiree health benefits expense, and OPEB adjusting entries. Excluding these non-cash adjustments, the 2024-25 actual staff benefits cost is \$10.5 million. Staff benefits exceeded the revised budget by approximately \$106,000, or 1%. The unfavorable variance was relatively modest but partially offset savings in salaries and wages. Benefits costs will continue to be monitored given their relationship to salary levels, staffing mix, and health insurance and other benefit cost trends.
- **Audit, Legal, and Case Costs**—The 2025-26 preliminary year-end actuals, at \$488,651, were approximately \$30,000, or 6%, below the revised budget. \$380,000 of the total costs are for legal services. The overall favorable variance was primarily driven by significantly lower-than-budgeted preliminary audit costs (\$224,000 lower than budget), which more than offset higher unexpected compliance-related legal service expenditures for the Title IX and General Counsel departments (\$194,000 more than budget). The higher expenditure suggests significantly higher legal services than anticipated; legal costs related to Title IX matters were also greater than originally anticipated.
- **Travel**—The 2025-26 preliminary year-end actuals at \$713,467 were approximately \$173,000, or 20%, below the revised budget, representing one of the largest favorable operating expense variances. The variance reflects lower travel activity, timing of travel, or continued cost controls. One of the most significant components of the

travel budget is the allocation for faculty professional development, which is allowed in other expense categories.

- **Computer Software**—The 2025-26 preliminary year-end actuals, at \$1.4 million, were approximately \$138,000, or 9%, below the revised budget. Most of the variance is attributed to the unspent budget from the Information Technology department, at \$68,000 (preliminary year-end actual expenditure: \$760,071), and the Fiscal Services department, at \$62,000 (preliminary year-end actual expenditure: \$168,203).
- **Building Maintenance**—Most of the building maintenance budget is allocated for janitorial services, engineering, and special repairs and maintenance. Preliminary year-end actuals of \$4.6 million were approximately \$495,000, or 10%, below the revised budget. The most significant budget variances are from lower-than-expected engineering costs at \$430,154 (-17%) and janitorial services costs at \$37,957 (-2%). The 2025-26 preliminary actuals are 3% higher than the 2024-25 year-end actuals.
- **Security Service Contract**—Costs remain centralized as a Core Operations expense. The 2025-26 preliminary year-end actuals, at \$5.3 million, were approximately \$307,000, or 6%, above the revised budget. This is primarily due to approximately \$0.4 million more than the \$1 million budget being spent on public safety services provided by the UCSF police department. Additionally, a \$93,000 budget surplus was achieved for security services provided by Urban Alchemy.
- **Other Contract Services**—This budget category contains various contracted services across all functions and departments of the College, and the single most significant expenditure is for hosted systems under the IT department. The preliminary year-end actuals, at \$2.5 million, were approximately \$197,000, or 7%, below the revised budget. \$75,000 variances are attributable to contract services for building maintenance, and \$71,000 of the variances are from approved one-time special funding requests for College Magazine that are partially spent, with some of that amount being rolled over to the 2026-27 budget.
- **Utilities**—Most of the utilities budget is allocated for electricity and steam costs. Preliminary year-end actuals of \$1.5 million were approximately \$173,000, or 10%, below the revised budget. The most significant budget variances are attributed to lower-than-expected electricity costs of \$102,496 (-9%) and water costs of \$31,245 (-21%). The 2025-26 preliminary actuals are 29% higher than the 2024-25 year-end actuals.
- **Equipment and Improvements**—The midyear revised budget increased by 6%, from the beginning budget, mainly for a one-time Firewall appliance for network redundancy and related equipment. Preliminary year-end actuals of \$1.1 million were approximately \$76,000, or 7%, above the revised budget. This is primarily attributed to higher-than-expected costs for the Firewall appliance and related equipment that was procured, reflecting planned technology upgrades. Funding was provided by reallocation from other budgeted lines within the IT Department.

Summary

The 2025-26 preliminary year-end results reflect operations performing better than budgeted levels, while favorable investment market performance further strengthened the year-end financial position. Operating revenues were slightly below budget, while

operating expenses were lower than anticipated. As a result, operating income totaled \$10.2 million, before accounting for the transfer of \$10.1 million for McAllister Tower debt service, resulting in effectively break-even net operating income.

The institution also recognized approximately \$12.3 million in unrealized investment gains, resulting in net non-operating revenues of \$12.8 million. This favorable non-operating performance, combined with stronger-than-budgeted operating results, increased income before transfers to \$23.0 million, \$14.0 million above the Midyear Revised Budget, due again to investment activities. After planned transfers to other funds, the preliminary year-end change in net assets was a decrease of \$4.8 million. Accordingly, the preliminary state operating reserve is \$31.1 million. Preliminary year-end actuals are subject to change.

After excluding internal transfers to the Debt Management Fund and the impact of market gains and investment income, the preliminary year-end change in net assets was \$106,283, demonstrating that the College's underlying operations were essentially balanced for the fiscal year.

SUMMARY - OPERATIONS	Beginning Budget 2025-26	Midyear Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	\$ Variance Preliminary Year-end Actual To Revised Budget	% Variance Preliminary Year-end Actual To Revised Budget	Year-end Actual 2024-25
Operating Revenues (Expenses)						
Operating Revenues	96,178,780	94,875,099	94,688,532	(186,567)	-0.2%	80,292,723
Operating Expense	<u>(89,296,728)</u>	<u>(86,464,186)</u>	<u>(84,503,249)</u>	<u>1,960,937</u>	<u>-2.3%</u>	<u>(75,757,106)</u>
Operating Income (Loss)	6,882,052	8,410,913	10,185,283	1,774,370	21%	4,535,617
Non-Operating Revenues (Expenses)						
Investment Income	600,000	600,000	554,251	(45,749)	-8%	609,015
Realized/Unrealized Gains (Losses)	<u>-</u>	<u>-</u>	<u>12,285,780</u>	<u>12,285,780</u>	<u>-</u>	<u>6,147,789</u>
Net Non-Operating Revenues	600,000	600,000	12,840,031	12,240,031	2040%	6,756,803
Income (Loss) Before Transfers	7,482,052	9,010,913	23,025,315	14,014,402	156%	11,292,420
Transfers						
Transfer from Other Funds	-	-	-	-	-	2,388,985
Transfer to Other Funds	<u>(10,079,000)</u>	<u>(27,804,657)</u>	<u>(27,804,661)</u>	<u>(4)</u>	<u>0%</u>	<u>(4,213,899)</u>
Net Transfers	<u>(10,079,000)</u>	<u>(27,804,657)</u>	<u>(27,804,661)</u>	<u>(4)</u>	<u>0%</u>	<u>(1,824,914)</u>
Change in Net Assets	\$ (2,596,948)	\$ (18,793,744)	\$ (4,779,347)	\$ 14,014,397	-75%	\$ 9,467,506
Beginning Net Assets - Operating	35,904,147	35,904,147	35,904,147	0	0%	32,282,983
Ending Net Assets - Operating	\$33,307,199	\$ 17,110,403	\$ 31,124,801	\$ 14,014,397	82%	\$41,750,488
Change in Net Assets Exclude Internal Transfers for Debt Management Fund & Market Gains & Investment Income	(3,196,948)	(1,668,087)	106,283			

Plant Fund Reserve

The State Plant Fund Reserve ended 2024-25 with a net asset balance of \$7.4 million. The reserve increased by \$1.7 million from investment activities and \$4.7 million from an internal transfer from the Auxiliary Tower Building reserves, partially offset by a \$0.7 million transfer to support the tenant building improvement project at the Academe of 198 building. The preliminary 2025-26 year-end net asset balance is therefore \$13.2 million.

Lease-Revenue Bond Rental Payments

The 2025 State Budget Act includes \$3.09 million in General Fund capital outlay funding (Item 6600-093-0001) to support the 333 Golden Gate building, which is financed through lease-revenue bonds issued by the State of California. The transaction is a pass-through arrangement with no net cash flow impact on the College. The rental payment is processed through the State Public Works Board and withdrawn through the State Controller's Office.

California Scholars

The College has received a total of \$9.0 million in funding from the State of California, consisting of \$4.5 million received in 2018-19 and \$4.5 million received in 2021-22. The funds are maintained in a separate restricted fund and are intended to support eligible student scholarships and related living expenses over multiple years. The program provides full-fee scholarships and living expense support for up to three years at UC Law SF to qualifying students. During 2025-26, student scholarship awards totaled \$730,870, resulting in a preliminary year-end restricted fund balance of \$6.4 million.

Attachment:

- State Budget Status Report – Preliminary 2025-26 Year-end

Core Operations Budget Status Report - Preliminary 2025-26 Year-end

REVENUES	Beginning Budget 2025-26	Midyear Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	\$ Variance Preliminary Year-end Actual To Revised Budget	% Variance Preliminary Year-end Actual To Revised Budget	Year-end Actual 2024-25
State Appropriations						
General Fund	34,915,000	34,915,000	34,915,000 *	0	0%	23,181,000
Lottery Fund	<u>231,000</u>	<u>242,000</u>	<u>217,881</u> *	<u>(24,119)</u>	<u>-10%</u>	<u>221,469</u>
Subtotal	35,146,000	35,157,000	35,132,881	(24,119)	0%	23,402,469
Tuition and Related Fees						
JD Enrollment Fee	56,484,568	55,115,912	55,055,078 *	(60,834)	0%	52,831,948
Non-resident Tuition	1,094,436	1,094,436	1,094,436	0	0%	947,786
Veteran Fee Waivers	(1,645,697)	(1,433,349)	(1,454,649) *	(21,300)	1%	(1,556,041)
LL.M. Tuition	1,210,000	830,893	830,893	0	0%	1,174,466
MLS and CLS Tuition	1,111,875	1,492,178	1,492,178	(1)	0%	771,648
HPL Revenue Share	743,969	743,969	645,605 *	(98,364)	-13%	734,672
Summer Legal Institute	669,136	669,136	721,704 *	52,568	8%	685,618
MBE Support Fee	133,770	130,800	130,920	120	0%	134,880
Other Student Fees	<u>151,360</u>	<u>129,110</u>	<u>157,268</u> *	<u>28,158</u>	<u>22%</u>	<u>151,686</u>
Subtotal	59,953,417	58,773,085	58,673,432 *	(99,653)	0%	55,876,662
Scholarly Publications						
Subscription Revenues	<u>34,394</u>	<u>34,394</u>	<u>10,598</u>	<u>(23,796)</u>	<u>-69%</u>	<u>28,925</u>
Subtotal	34,394	34,394	10,598	(23,796)	-69%	28,925
Other Income						
Investment Income	600,000	600,000	554,251	(45,749)	-8%	609,015
Realized Gain/Loss on Sale of Investments	-	-	-	-	-	3,469
Unrealized Gain/Loss on Investments	-	-	12,285,780 *	12,285,780	-	6,144,320
Overhead Allowances	986,769	876,204	805,991 *	(70,213)	-8%	777,125
Miscellaneous Income	<u>58,200</u>	<u>34,416</u>	<u>65,629</u>	<u>31,213</u>	<u>91%</u>	<u>207,542</u>
Subtotal	1,644,969	1,510,620	13,711,651	12,201,031	808%	7,741,470
Transfer from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>=</u>	<u>2,388,985</u>
TOTAL REVENUES	\$ 96,778,780	\$ 95,475,099	\$ 107,528,563	\$ 12,053,464	13%	\$ 89,438,511

*See attached narrative report

Core Operations Budget Status Report - Preliminary 2025-26 Year-end

EXPENSES	Beginning Budget	Midyear Revised Budget	Preliminary Year-end Actual	\$ Variance Preliminary Year-end Actual To Revised Budget	% Variance Preliminary Year-end Actual To Revised Budget	Year-end Actual
	2025-26	2025-26	2025-26			2024-25
Salaries & Wages	32,658,452	31,889,730	31,170,413 *	(719,317)	-2%	30,944,919
Student Wages-Reg. & Work-study	744,699	697,406	586,010 *	(111,396)	-16%	622,631
Staff Benefits	10,783,006	10,491,672	10,598,058 *	106,386	1%	4,726,518
Consultants	635,749	612,402	553,397	(59,005)	-10%	613,978
Employee Development & Testing	132,880	121,393	112,242	(9,151)	-8%	128,784
Recruiting & Advertising	427,440	454,160	434,807	(19,353)	-4%	511,780
Audit, Legal, and Case Costs	404,790	518,790	488,651 *	(30,139)	-6%	358,641
Insurance	1,168,663	1,174,386	1,169,463	(4,923)	0%	874,474
Printing & Copier Service	297,383	279,320	259,017	(20,303)	-7%	274,350
Supplies	380,275	380,234	348,948	(31,286)	-8%	370,562
Travel	861,163	886,499	713,467 *	(173,032)	-20%	729,237
Memberships & Subscriptions	366,751	369,564	369,691	127	0%	369,839
Events & Entertainment	708,347	696,584	700,360	3,776	1%	687,675
Computer Software	1,535,337	1,542,732	1,404,262 *	(138,470)	-9%	905,756
Data Processing	474,775	473,775	467,282	(6,493)	-1%	466,083
Electronic Databases & Bibliography Svs	594,150	578,637	495,396	(83,241)	-14%	563,454
Books & Bindings	526,069	437,542	437,876	334	0%	587,468
Equipment Maintenance	166,154	173,862	145,746	(28,116)	-16%	192,567
Building Maintenance	5,117,590	5,127,590	4,632,725 *	(494,865)	-10%	4,497,777
Security Service Contract	5,010,000	5,010,000	5,317,032 *	307,032	6%	5,546,736
Other Contract Services	2,107,456	2,682,699	2,486,016 *	(196,683)	-7%	2,047,303
Utilities	1,310,417	1,672,712	1,499,306 *	(173,407)	-10%	1,158,312
Equipment & Improvements	998,392	1,055,322	1,131,043 *	75,721	7%	171,353
Space & Equipment Rental	2,694,489	2,671,339	2,605,289	(66,050)	-2%	3,262,743
Miscellaneous Expense	250,932	227,298	241,817	14,519	6%	275,275
Financial Aid Grants	18,941,369	16,238,538	16,134,936	(103,602)	-1%	14,868,892
Transfer to Other Funds	<u>10,079,000</u>	<u>27,804,657</u>	<u>27,804,661</u>	<u>4</u>	<u>0%</u>	<u>4,213,899</u>
TOTAL EXPENSES	\$ 99,375,728	\$ 114,268,843	\$ 112,307,910	\$ (1,960,933)	-2%	\$ 79,971,005

*See attached narrative report

Core Operations Budget Status Report - Preliminary 2025-26 Year-end

SUMMARY - OPERATIONS	Beginning Budget 2025-26	Midyear Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	\$ Variance Preliminary Year-end Actual To Revised Budget	% Variance Preliminary Year-end Actual To Revised Budget	Year-end Actual 2024-25
Operating Revenues (Expenses)						
Operating Revenues	96,178,780	94,875,099	94,688,532	(186,567)	-0.2%	80,292,723
Operating Expense	(89,296,728)	(86,464,186)	(84,503,249)	1,960,937	-2.3%	(75,757,106)
Operating Income (Loss)	6,882,052	8,410,913	10,185,283	1,774,370	21%	4,535,617
Non-Operating Revenues (Expenses)						
Investment Income	600,000	600,000	554,251	(45,749)	-8%	609,015
Realized/Unrealized Gains (Losses)	-	-	12,285,780	12,285,780	-	6,147,789
Net Non-Operating Revenues	600,000	600,000	12,840,031	12,240,031	2040%	6,756,803
Income (Loss) Before Transfers	7,482,052	9,010,913	23,025,315	14,014,402	156%	11,292,420
Transfers						
Transfer from Other Funds	-	-	-	-	-	2,388,985
Transfer to Other Funds	(10,079,000)	(27,804,657)	(27,804,661)	(4)	0%	(4,213,899)
Net Transfers	(10,079,000)	(27,804,657)	(27,804,661)	(4)	0%	(1,824,914)
Change in Net Assets	\$ (2,596,948)	\$ (18,793,744)	\$ (4,779,347)	\$ 14,014,397	-75%	\$ 9,467,506
Beginning Net Assets - Operating	35,904,147	35,904,147	35,904,147	0	0%	32,282,983
Ending Net Assets - Operating	\$ 33,307,199	\$ 17,110,403	\$ 31,124,801	\$ 14,014,397	82%	\$ 41,750,488
Change in Net Assets Exclude Internal Transfers for Debt Management Fund & Market Gains & Investment Income	(3,196,948)	(1,668,087)	106,283			

*See attached narrative report

REPORT ITEM

1. **REPORT BY:** Chair of the Finance Committee Chip Robertson
2. **SUBJECT:** Non-State Budget Report– Preliminary 2025-26 Year-end
3. **REPORT:**

Attached is the non-state budget status report for the preliminary year-end of 2025-26. Audited data from 2025-26 will be presented in the *Financial Statements and Independent Auditors' Report* to be prepared by the College's auditors.

This report is divided into the following categories of non-state funds:

- Restricted Funds
- Unrestricted Funds

RESTRICTED FUNDS

This report includes all non-state current-use funds with restrictions imposed by external sources, such as donors or granting agencies. We are expending accumulated current-use fund balances from gifts and grants per fund restrictions. Any unspent fund balances will carry over to the following fiscal year.

Overview

The 2025-26 preliminary year-end financial results reflect a stronger financial position than originally budgeted. Total operating revenues exceeded the beginning budget, while operating expenses were generally consistent with budget despite higher instruction and research-related expenditures. Strong non-operating performance, driven primarily by higher-than-budgeted donations, endowment payout, investment market gains, and net transfers from other funds, substantially improved the overall financial results.

The 2025-26 budget originally budgeted a decrease in net assets of \$2.7 million. Based on preliminary year-end results, it is projected to report a decrease in net assets of approximately \$129,000, representing a favorable improvement of approximately \$2.6 million (95%) from the original budget. Overall, the preliminary year-end results demonstrate sound financial management while maintaining investment in the College's academic mission. Significant variances in revenues and expenses are noted below.

Operating Revenues

Total operating revenues were \$7.6 million, exceeding the beginning budget by approximately \$610,000, or 9%. In the prior fiscal year, total operating revenues were \$7.7 million.

- **Grants and Contracts**—The 2025-26 preliminary year-end actuals totaled \$7.45 million, approximately \$548,000 (8%) above budget. The favorable variance primarily reflects the timing of grant activity, additional grant awards received during the fiscal year, and increased reimbursement of eligible expenditures. As grant revenues are recognized as qualifying expenditures occur, actual revenues vary based on project implementation and grant-funded program activity. Growth was driven by several significant awards received after the budget was set, including approximately \$437,000 in non-exchange grants. The following grants and contracts were received in 2025-26:
 - \$0.78 million in federal grants and contracts
 - \$0.47 million in state grants and contracts
 - \$2.67 million in non-exchange grants
 - \$2.96 million in private exchange grants and contracts
 - \$0.58 million in City and County of San Francisco grants
- **Other Income**—The 2025-26 preliminary year-end actuals totaled approximately \$161,000, exceeding budget by approximately \$62,000 (63%). The favorable variance was primarily attributable to \$88,000 in event income hosted by Lex Lab received during the fiscal year, which was not budgeted at the beginning of the year.

Operating Expenses

Total 2025-26 preliminary year-end operating expenses were \$13.3 million, approximately \$289,000 (2%) above the beginning budget. While total operating expenses remained close to budget, several functional areas experienced notable variances reflecting changes in program activity and resource allocation.

- **Instruction and Research-Salaries and Benefits**—The 2025-26 preliminary year-end actuals totaled \$7.38 million, approximately \$478,000 (7%) above budget. The increase primarily reflects additional personnel costs associated with grant-funded activities, compensation adjustments, and staffing changes in research centers that occurred during the fiscal year. \$342,000 of the variances are from three grant programs received after the initial budgets were established. The combined benefit rates for 2025-26 remained unchanged.
- **Instruction and Research-Program Support**—The 2025-26 preliminary year-end actuals totaled \$2.78 million, approximately \$433,000 (18%) above budget. The increase reflects higher grant-supported program expenditures and additional direct costs required to support academic programs and research initiatives. \$325,000 of the variance is from the CA Institute of Law grant payment for UCLA School of Law Moot Court Cybercrimes Competition, which was not budgeted at the beginning of the year.

- **Public and Professional Services-Salaries and Benefits**—The 2025-26 preliminary year-end actuals were approximately \$109,000 (26%) below budget. The favorable variances primarily reflect lower-than-anticipated staffing levels and delayed hiring during the fiscal year. \$90,304 of the variance is due to lower spending on temporary help wages and benefits under the Grove Foundation Gift program.
- **Financial Aid-Salaries and Benefits**—The 2025-26 preliminary year-end actuals are approximately \$134,000 (55%) below budget. This variance is primarily attributed to lower-than-expected (\$83,000) on-campus student employee wages associated with the federal work-study program.
- **Financial Aid-Scholarships and Fellowships**—The 2025-26 preliminary year-end actuals totaled \$2.29 million, approximately \$336,000 (13%) below budget. The variance reflects lower scholarship utilization than originally anticipated and timing differences in scholarship awards. The unused fund balance will be carried forward for future awards. This year's awards are approximately \$372,000 or 19% more than the 2024-25 disbursements.
- **Student Organizations-Program Support**—The various student organizations carry cash balances with the College and are not required to submit budgets. In 2025-26, program support incurred \$109,526 in expenses on behalf of student organizations, with most of the costs allocated to events, supplies, and awards.

Nonoperating Revenues and Expenses

Total non-operating revenues were \$5.53 million, exceeding the beginning budget by approximately \$2.28 million (70%). The favorable variance reflects several significant items.

- **Donations**—The 2025-26 gifts received for current use totaled \$2.56 million, exceeding budget by approximately \$996,000 (64%), net of gift processing fees. The increase reflects higher philanthropic support received during the fiscal year, including gifts and contributions exceeding original budget assumptions. Approximately \$726,000 was received in gifts and was not included in the beginning budget, including a \$250,000 donation for the Appellate Education Center from Vanguard Charity and \$93,000 for general scholarship. Approximately \$270,000 in gift awards was received over the beginning budget during 2025-2026. Total donations in 2025-26 exceeded 2024-25 by \$416,000 (+19%).
- **Net Endowment Payout**—This category includes payouts from endowments held by the College and payouts from funds held by UC on our behalf. The 2025-26 actual totaled \$1.94 million, approximately \$123,000 (7%) above budget with the payout rate unchanged. The increase is primarily attributed to favorable investment returns from funds held by UC Regents.
- **Unrealized Gain/Loss on Investments**—In 2025-26, the nonstate restricted fund's share (e.g., CGRS reserves) of the change in market value of UC-GEP investments was an unrealized gain of \$494,187. These gains reflect favorable investment market performance during the fiscal year and contributed to the improvement in overall financial results. Because these gains are market-driven, they should be considered

non-recurring and subject to future market conditions. Market gains or losses on investments are not a budget item, given their volatility and lack of basis for projection.

- **Net Transfer to/from Other Funds**—A positive number in this category is an addition (transfer from/revenue), while a negative number is a deduction (transfer to/expense). The 2025-26 preliminary net transfers from other funds totaled approximately \$506,000, compared with a budgeted net transfer out of approximately \$163,000. The variance reflects changes in internal funding allocations and transfers approved during the fiscal year to support operational priorities. It includes a \$500,000 transfer from the endowed Shashi & Dipanjan Deb Fund to the current-use Shashi & DJ Deb Lex Lab Tech program.

UNRESTRICTED FUNDS

This report includes all non-state current-use funds that are not subject to restrictions imposed by external sources. These funds include gifts given without restriction, such as the UC Law SF Foundation's block grants to support Institutional Advancement and Alumni Office functions. Additionally, funds generated to support the budgets of individual programs, such as membership programs and conferences, are also recorded here. Miscellaneous revenue sources include student application fees, room rentals, and vending machine commissions, which fund programs that may not have their own income, such as academic conferences, student and College-wide events, and administrative support funds. We report Auxiliary Enterprises budget status as a separate agenda item, so they are not included in this unrestricted fund report. Designated Funds, those funds restricted as to use by the Board of Directors (e.g., Digardi Professorship, UC Law Chair), are also categorized as unrestricted current-use funds because it is within the Board's power to remove such restrictions, and related activity is included in this report.

Overview

The 2025-26 preliminary year-end results for the Unrestricted Non-State Fund outperformed the original budget. The fund generated a preliminary increase in net assets of \$12.4 million, compared with the beginning budgeted decrease of \$1.5 million; the Board of Directors approved subsequent budget changes in December 2025, funding a Debt Management Fund (\$20 million) and expending for early defeasance of the Series 2027 bonds (\$14 million). The improved financial results were primarily driven by substantial non-operating revenues, including higher-than-budgeted foundation grants and donations, unrealized investment gains, and net transfers from other funds. Operating revenues also exceeded budget due to significantly higher miscellaneous income, while operating expenses increased moderately, primarily because of higher institutional support costs.

Overall, the preliminary year-end results strengthened the financial position of the Unrestricted Non-State Fund and demonstrated the College's ability to leverage philanthropic support, investment performance, and internal funding strategies to support institutional priorities.

Operating Revenue

Total operating revenues were \$2.05 million, exceeding the beginning budget by approximately \$1.35 million, or 192%.

- **Fees**—The 2025-26 preliminary year-end actual totaled approximately \$279,000, exceeding budget by approximately \$48,000 (21%). The increase reflects stronger-than-anticipated activity in fee-based services and programs, primarily driven by higher continuing legal education registration fees for the ADR programs.
- **Other Income**—The 2025-26 preliminary year-end actual totaled approximately \$1.64 million, exceeding the beginning budget by approximately \$1.35 million. This represents the largest operating revenue variance and was primarily attributable to an unanticipated \$1.36 million from the Housing Authority, payment of supplemental annual rent pursuant to the Ground Lease representing partial distribution of excess cash from the 2024-25 fiscal year, which was not known when the original budget was developed.

Operating Expense

Operating expenses were \$7.18 million, approximately \$503,000 (8%) above the beginning budget with significant category variances listed below.

- **Instruction and Research-Salaries and Benefits**—The 2025-26 preliminary year-end actuals were approximately \$467,000 (43%) below the beginning budget. The favorable variance reflects lower instructional activity funded through unrestricted resources and expenditures ultimately supported by restricted funding sources rather than unrestricted funds. \$478,500 of the variances are from lower temporary help wages and associated benefits costs under Equality Action Center, Work Life Law, and Center for Constitutional Democracy.
- **Instruction and Research-Program Support**—The 2025-26 preliminary year-end actuals were approximately \$205,000 (71%) below budget, reflecting deferred or reduced project spending. \$124,000 of the variances are due to unspent budget allocated to consultant costs under the Center for Work-Life Law.
- **Student Services-Program Support**—The 2025-26 preliminary year-end actuals totaled approximately \$532,000, approximately \$177,000 (25%) below budget. The variance reflects lower utilization of planned student programs. Most of the variance is attributed to lower-than-expected spending on Wellness Activities; this funding carried forward to 2026-27. Support for Bridge Fellows also was less than budgeted due to timing of disbursements, with funding carried forward to next year's budget.
- **Institutional and Building Support-Program Support**—The 2025-26 preliminary year-end actuals totaled approximately \$3.32 million, exceeding budget by approximately \$1.67 million (102%). This represents the largest operating expense variance within the unrestricted fund. The increase is primarily due to the \$1.85 million payment for the Debt Service Coverage Ratio grant funded by the Debt Management Fund, which was not included in the beginning budget but approved by the Board of Directors in December 2025. Legal Services expenditure at \$249,000 exceeded projections by \$129,000.

- **Financial Aid-Scholarships and Fellowships**—The 2025-26 preliminary year-end actuals totaled approximately \$905,000, approximately \$241,000 (21%) below budget. The variance primarily reflects lower scholarship utilization. Approximately \$224,000 of the variance is from the undisbursed Specter Discretionary Scholarship fund. The remaining funds will be carried to the following fiscal year for award.

Nonoperating Revenues and Expenses

Total non-operating revenues were \$17.5 million, exceeding the beginning budget by approximately \$13.0 million. The significant favorable variance reflects several major funding sources.

- **Foundation Grants and Other Donations**—The 2025-26 preliminary year-end actuals totaled \$3.46 million, approximately \$1.07 million (45%) above budget. The increase reflects stronger-than-anticipated philanthropic support and additional contributions received during the fiscal year. It includes a new \$72,515 donation for the Habeas Institute and a \$50,000 donation for the Joseph Cotchett Discretionary Fund. The Dean's Priorities fund received \$1.11 million more in donations than budgeted, for a total of \$1.61 million. The Center for Constitutional Democracy received approximately \$115,000 more than the beginning budget.
- **Unrealized Gain/Loss on Investments**—In 2025-26, the nonstate unrestricted fund's share of the change in the market value of UC-GEP investments was unrealized gains of \$2.45 million, including \$1.66 million credited to the state plant fund reserve, reflecting favorable investment market performance during the fiscal year. Because unrealized gains are market-driven and fluctuate with investment valuations, they should be considered non-recurring. Market gains or losses on an investment are not budget items, given their volatility and the lack of a basis for projection.
- **Net Transfers to/from Other Funds**—A positive number in this category is an addition (transfer from/revenue), while a negative number is a deduction (transfer to/expense). The 2025-26 net transfers from other funds totaled approximately \$10.66 million, resulting in a variance of approximately \$9.53 million. The significant increase reflects management's funding decisions during the fiscal year, including transfers of \$20 million from Core Operations reserves to the debt management fund, offset by a \$14.05 million transfer for the Series 2017 bond defeasance in December 2025, as approved by the Board of Directors. It also includes a \$4.7 million transfer from McAllister Tower reserves to the Plant Fund Reserve, also approved by the Board in December 2025.

Attachment:

- Non-State Budget Status Report – 2025-26 Preliminary Year-end

**Non-State Budget Status Report - 2025-26 Preliminary Year-end
Restricted Funds**

	Beginning Budget 2025-26	Preliminary Year-end Actual 2025-26		Preliminary Year-end Actual as Percent of Beginning Budget 2025-26	Year-end Actual 2024-25
REVENUES					
Grants and Contracts	6,897,829	7,446,284 *		108%	7,653,917
Other Income	98,667	160,687 *		163%	83,145
TOTAL OPERATING REVENUES	\$ 6,996,496	\$ 7,606,971		109%	\$ 7,737,062
EXPENSES					
Instruction and Research					
Salaries and Benefits	6,901,122	7,378,817 *		107%	6,788,967
Program Support	2,350,727	2,784,085 *		118%	1,840,657
Public and Professional Services					
Salaries and Benefits	423,589	314,144 *		74%	303,383
Program Support	99,974	86,095		86%	91,197
Academic Support					
Salaries and Benefits	-	-		-	-
Program Support	-	-		-	-
Student Services					
Salaries and Benefits	-	-		-	-
Program Support	97,699	19,569		20%	11,194
Institutional and Building Support					
Salaries and Benefits	36,258	36,258		100%	34,238
Program Support	173,539	133,933		77%	109,650
Financial Aid					
Salaries and Benefits	244,000	110,400 *		45%	120,467
Program Support	15,838	4,940		31%	20,739
Administrative Overhead	10,000	-		0%	6,728
Scholarships and Fellowships	2,622,270	2,285,918 *		87%	1,914,051
Student Organizations					
Program Support	-	109,526 *		-	139,089
TOTAL OPERATING EXPENSES	\$ 12,975,016	\$ 13,263,686		102%	\$ 11,380,358
NET OPERATIONS	\$ (5,978,520)	\$ (5,656,714)		95%	\$ (3,643,296)
NONOPERATING REVENUES (EXPENSES)					
Donations	1,566,687	2,562,612 *		164%	2,146,149
Investment Income	17,000	22,441		132%	25,854
Net Endowment Payout	1,821,710	1,944,854 *		107%	1,786,722
Realized Gain/Loss on Sale of Investments	-	(3,089)		-	(211)
Unrealized Gain/Loss on Investments	-	494,187 *		-	224,896
Net Transfers to/from Other Funds	(162,797)	506,379 *		-311%	147,636
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 3,242,600	\$ 5,527,383		170%	\$ 4,331,046
TOTAL CHANGE IN NET ASSETS	\$ (2,735,920)	\$ (129,331)		5%	\$ 687,750

*See attached narrative.

**Non-State Budget Status Report - 2025-26 Preliminary Year-end
Unrestricted Funds**

	Beginning Budget 2025-26	Preliminary Year-end Actual 2025-26	Preliminary Year-end Actual as Percent of Beginning Budget 2025-26	Year-end Actual 2024-25
REVENUES				
Dues/Memberships	130,000	110,000	85%	145,000
Fees	230,415	278,906 *	121%	456,723
Private Grants and Contracts	10,800	2,800	26%	4,553
Other Income	292,778	1,638,147 *	560%	531,327
Overhead Allowances	38,334	17,530	46%	263,445
TOTAL OPERATING REVENUES	\$ 702,327	\$ 2,047,383	292%	\$ 1,401,047
EXPENSES				
Instruction and Research				
Salaries and Benefits	1,089,917	623,200 *	57%	935,246
Program Support	286,902	81,948 *	29%	290,088
Public and Professional Services				
Salaries and Benefits	62,445	71,770	115%	53,573
Program Support	80,838	107,175	133%	30,654
Academic Support				
Salaries and Benefits	179,306	164,920	92%	15,000
Program Support	74,750	42,363	57%	34,261
Student Services				
Salaries and Benefits	8,227	8,125	99%	57,936
Program Support	708,870	532,219 *	75%	627,933
Institutional and Building Support				
Salaries and Benefits	1,390,075	1,320,918	95%	1,171,316
Program Support	1,645,568	3,317,776 *	202%	2,362,830
Financial Aid				
Scholarships and Fellowships	1,145,586	905,052 *	79%	1,130,533
Program Support	-	0	-	-
TOTAL OPERATING EXPENSES	\$ 6,672,484	\$ 7,175,466	108%	\$ 6,709,369
NET OPERATIONS	\$ (5,970,157)	\$ (5,128,082)	86%	\$ (5,308,322)
NONOPERATING REVENUES (EXPENSES)				
Foundation Grants and Other Donations	2,392,536	3,459,491 *	145%	2,801,747
Investment Income	167,045	114,428	69%	153,244
Net Endowment Payout	530,962	541,430	102%	505,082
Endowment Management Fee Revenue	288,816	290,809	101%	269,949
Realized Gain/Loss on Sale of Investments	-	29	-	819
Unrealized Gain/Loss on Investments	-	2,454,246 *	-	1,573,001
Net Transfers to/from Other Funds	1,121,286	10,655,697 *	950%	(228,936)
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 4,500,645	\$ 17,516,130	389%	\$ 5,074,905
TOTAL CHANGE IN NET ASSETS	\$ (1,469,512)	\$ 12,388,048	-843%	\$ (233,417)

*See attached narrative.

REPORT ITEM

1. **REPORT BY:** Chair of the Finance Committee Chip Robertson
2. **SUBJECT:** Auxiliary Enterprises Budget Report - Preliminary 2025-26 Year-end
3. **REPORT:**

The preliminary 2025-26 year-end budget status reports for Auxiliary Enterprises, including McAllister Tower, Parking Garage, Student Health Services, and Special Events and Guest Services, are attached. Significant variances are outlined below.

Overview

The preliminary 2025-26 year-end actual results for Auxiliary Enterprises show total operating revenues of \$4.38 million, or 97% of the revised budget of \$4.52 million. Operating results across the auxiliaries were generally in line with budget expectations in core revenue categories. Total operating expenses were \$2.36 million, or 97% of the revised expense budget of \$2.44 million. The resulting net operating income of approximately \$2.01 million, 3% below the revised budget of \$2.08 million, was primarily due to overbudgeting retail lease revenue in the Parking Garage and reduced room rental activity in Special Events and Guest Services. Non-operating revenues and expenses, including investment income, unrealized investment gains, and net transfers, offset by debt service expenses on the Parking Garage bond and other miscellaneous costs, resulted in a preliminary net nonoperating loss of approximately \$6.82 million. The 2025-26 preliminary change in net assets for all Auxiliary Enterprises is a decrease of approximately \$4.8 million; the budgeted decrease was \$5.70 million, so financial position improved almost \$891,000 more than projected.

The following budget variances apply to all auxiliary enterprises in these categories:

- **Overhead Pro Rata** – All auxiliary enterprises are assessed administrative overhead expenses to reflect indirect costs. The rate is set at 5% of the total operating revenues for each auxiliary enterprise. At the end of the 2025-26 fiscal year, total overhead expenses for all auxiliary enterprises were \$219,824, representing 97% of the revised budget of \$226,048 across all auxiliaries.
- **Unrealized Gain/Loss on Investments** – This category reflects changes in the market value of the UC General Endowment Pool (GEP). It is not a budgeted item due to the security market's volatility and the lack of a basis for projection. As of June 30, 2026, unrealized gains of \$598,042 (\$461,131 for McAllister Tower and \$136,911 for Student Health Services) have been recognized. In 2024-25, unrealized gains of \$694,698 were reported for all auxiliary enterprises.

MCALLISTER TOWER

Revenues

- **Operating Revenues** – No operating revenues were recorded due to the Tower’s vacancy and ongoing renovations since December 2023.

Expenditure

- **Operating Expenses** – The McAllister Tower remained vacant and under renovation throughout the 2025-26 fiscal year. As a result, there were no operating expenses. Insurance costs are divided between the Core Operations, Academe at 198, and the Parking Garage. During the Tower's renovation, insurance is covered by the construction project.

Non-operating Revenues/(Expenses)

- **Transfer from Other Funds** – The mid-year revised budget has been increased by \$6.97 million from the beginning budget to incorporate the Board-approved establishment of a Debt Management Fund and to broaden and refine the scope of the Plant Fund Reserve. As of the end of the 2026 fiscal year, \$6.97 million has been transferred to the College-wide account.

PARKING GARAGE

Revenues

- **Parking Operations** – The 2025-26 preliminary year-end actual was \$2.62 million, or 99% of the revised budget. Transient parking was slightly below expectations at \$44,236 (-3%), due to the December closure and weaker year-end activity. However, monthly, students, and especially fleet parking all exceeded their targets.
- **Retail Leases** – The 2025-26 preliminary year-end actual was \$276,494, or 92% of the revised budget, primarily due to a one-time \$17,631 GASB 87 lease modification loss that reduces retail lease revenue, representing future revenue previously expected to be incurred. This highlights the financial implications of lease changes. Excluding this adjustment, revenue would have been \$294,122, \$5,714, or 2% more than the revised budget.

Expenditure

- **Salaries and Wages, Staff Benefits** – The Personnel 2025-26 preliminary year-end actual is \$324,761, \$29,411 (8%) below the revised budget of \$354,172. This is due to turnover and periods of position vacancies covered by contracted temporary help. These lower payroll costs also led to reduced Staff Benefits expenditures.
- **Regular Contract Service** – The 2025-26 budget of \$5,000 is allocated for engineering services that have not been utilized by the end of 2025-26.

- **Contracted temporary help** – At mid-year, we allocated a budget of 35,000 to cover the costs of hiring the Career Group for Temp-Parking Attendant staffing services. The 2025-26 preliminary year-end actual exceeds the revised budget by \$14,216 (41%). Increased reliance on temporary staffing to maintain operations, due to unplanned vacant positions, employee leave, recruitment delays, or unexpected operational demands, derives funding from savings in salary and wage budgets.
- **Maintenance and special repairs** – At mid-year, we adjusted the budget from the beginning budget of \$86,539 to \$90,539; actuals totaled \$80,332 at year-end, which was \$10,207, or 11%, lower than the revised budget. This was primarily due to lower spending on Special Repairs & Maintenance, which was \$11,834 below budget.
- **Overhead Pro Rata** – The 2025-26 preliminary year-end actual is \$128,651; this is \$1,041 (1%) below the revised budget of \$129,692. Calculated as a percentage of revenue, this minimal variance indicates that actual was in line with the budget.

Non-operating Revenues/(Expenses)

- **Investment Income** – One effect of implementing the accounting standard GASB Statement 87 “Leases” is the recognition of investment income; this non-cash entry is not a budgeted event. As of June 30, 2026, \$49,495 has been recognized. Actual income earned from invested balances attributable to the Parking Garage totaled \$3,319 as of that date.
- **Debt Service (Principal & Interest)** – Debt service expenditures for the Series 2017 bonds were incurred only in the first half of fiscal year 2026, and the budget was adjusted at midyear accordingly. Following the legal defeasance executed on December 18, 2025, no further payment obligations remain.
- **Capital Asset Additions/Deductions (GASB 87)** – These two report lines reflect entries required by the lease accounting standard GASB Statement 87 “Leases”; the net is a non-cash change of \$38,447 to the bottom line as of the end of June 2026.
- **Nonmandatory Transfers to/from Other Funds** – \$163,438 was transferred from the Debt Management Fund to the Garage account to help fund early bond defeasance, per board authorization at the December 5, 2025, meeting. In the prior year, \$1.8M was transferred from Core Operations reserves to cover cumulative cash shortfalls incurred during the pandemic when parking operations were maintained and usage dramatically declined. The \$34,414 transfer expense between Tower Renovation and Garage reflects the internal reconciliation between these two funds and relates to the rental of the parking space at Larkin Street.

STUDENT HEALTH SERVICES

Revenues

- **Fees** – The mid-year revised fee revenue projections estimate 1,125 FTE students paying the \$965 Health Center Fee and 410 FTE paying the \$100 GSHIP Administration Fee, for a total of

\$1,127,128, compared with the beginning budget of \$1,128,230. The year-end variances \$1,102, or 0.1%, with actuals which totaled \$1,126,646 as of the end of June 2026.

Expenditure

- **Operating Expenses** – The 2025-26 preliminary year-end actual was \$1.13 million, or 99% of the revised budget. Personnel costs are slightly below the revised budget at 92%. Consultant and contracted services with Carbon Health were budgeted at \$63.75 per student per month, based on an estimated enrollment of 1,122 full-time equivalent (FTE) students for the 2025-26 academic year, totaling \$858,330. As of June 2026, \$898,798 has been recorded, which is 5% higher than the revised budget.

SPECIAL EVENTS AND GUEST SERVICES

Revenues

- **Room Rental** – The 2025-26 preliminary year-end actual was \$696,821, or 87% of the revised budget of \$800,500. It includes the classroom and space rental contracts with the UC Davis Graduate School of Management, space rentals at the 333 Golden Gate Sky Deck and Colloquium Room, and the Alumni Reception Center and Dining Commons in Kane Hall. \$223,402 in room rental revenue received in 2025-26 was deferred to the 2026-27 fiscal year. \$540,734 in room rental revenue was received in 2024-25.

Expenditure

- **Staff Salaries, Wages, and Benefits** – The 2025-26 preliminary year-end actual was \$162,077, or 94% of the revised budget. This is primarily because the \$15,000 budget allocated for student employee wages was not fully spent, as students worked fewer hours. The budget for regular staff salaries is aligned with the revised budget at 100%.
- **Other Contract Services** – The \$10,000 budget for external contract services was added in the mid-year; by the end of June 2026, \$6,997 had been incurred, \$3,033 below the budget. The favorable variance was primarily due to variable contractor billings based on actual services rendered. This category also includes the Security Services budget of \$2,000, with no spending incurred by the end of June 2026.

Non-operating Revenues/(Expenses)

- **Investment Income** – One effect of the GASB 87 lease accounting standard is the recognition of investment income. As of June 2026, the UC investment pool's earned income attributable to Special Events and Guest Services is \$1,595; the budgeted amount was \$3,700. The remaining budget variance is explained by the inclusion of GASB entries in the actual amount of \$5,641.
- **Capital Asset Additions/Deductions (GASB 87)** – These two report lines reflect entries required by the lease accounting standard GASB Statement 87 “Leases”; the net is a non-cash change of (\$37,234) to the bottom line as of the end of June 2026.

- **Nonmandatory Transfers to/from Other Funds** – The net cash generated by Special Events and Guest Services is transferred to the unrestricted nonstate college-wide support fund to support programmatic expenses that lack operating revenues of their own. At the end of fiscal year 2025-26, \$265,506 was transferred to maintain a low cash balance under this program. For comparison, at the end of the 2024-25 fiscal year, \$525,610 had been transferred.

SUMMARY

While operating revenues and expenses both came in at 97% of the revised budget, overall operations remained stable. Lower operating expenses in the Parking Garage helped offset slightly lower revenues, while Special Events and Guest Services recorded revenues below budget. Student Health Services performed modestly better than its planned operating deficit. Favorable investment activity, including unbudgeted unrealized investment gains across the auxiliary units, partially offset planned nonoperating losses, resulting in a 2025-26 preliminary year-end decrease in net assets of \$4.81 million, compared with the revised budget decrease of \$5.70 million.

	McAllister Tower		Parking Garage		Student Health Services		Special Events and Guest Services		Total	Total	Total
	2025-26 Revised Budget	Preliminary Year-end Actual 2025-26	2025-26 Revised Budget	Preliminary Year-end Actual 2025-26	2025-26 Revised Budget	Preliminary Year-end Actual 2025-26	2025-26 Revised Budget	Preliminary Year-end Actual 2025-26	2025-26 Revised Budget	2025-26 Preliminary Year-end Actual 2025-26	Preliminary Actual as a Percent of Revised Budget
Operating Revenues	-	-	2,593,836	2,557,789	1,127,128	1,126,646	800,500	696,821	4,521,464	4,381,255	97%
Operating Expenses*	-	-	1,041,833	988,682	1,142,330	1,136,243	259,044	243,528	2,443,207	2,368,453	97%
Net Operations	\$ -	\$ -	\$ 1,552,003	\$ 1,569,107	\$ (15,202)	\$ (9,597)	\$ 541,456	\$ 453,292	\$ 2,078,257	\$ 2,012,802	97%
Nonoperating Revenues/(Expenses)											
Investment Income	55,000	31,274	-	52,814	13,000	8,318	3,700	7,236	71,700	99,641	139%
Unrealized & Realized Investment Gain/Loss	-	461,131	-	-	-	136,911	-	-	-	598,042	-
Funded from Bond Proceeds	-	-	7,186	6,968	-	-	-	-	7,186	6,968	97%
Debt Service	-	-	(333,843)	(333,843)	-	-	-	-	(333,843)	(333,843)	100%
Capital Asset Additions (GASB 87)	-	-	-	633,225	-	-	-	111,113	-	744,338	-
Capital Asset Deductions (GASB 87)	-	-	-	(671,672)	-	-	-	(148,347)	-	(820,019)	-
Cash Short/Over	-	-	-	(2,407)	-	-	-	-	-	(2,407)	-
Transfer to/from Other Funds**	(6,974,343)	(6,974,343)	-	129,024	-	-	(545,156)	(265,506)	(7,519,499)	(7,110,825)	95%
Sub-total	\$ (6,919,343)	\$ (6,481,938)	\$ (326,657)	\$ (185,892)	\$ 13,000	\$ 145,229	\$ (541,456)	\$ (295,504)	\$ (7,774,456)	\$ (6,818,105)	88%
TOTAL CHANGE IN NET ASSETS	\$ (6,919,343)	\$ (6,481,938)	\$ 1,225,346	\$ 1,383,215	\$ (2,202)	\$ 135,631	\$ -	\$ 157,789	\$ (5,696,199)	\$ (4,805,302)	84%

*The 2025-26 preliminary actual operating expenses include \$219,824 in administrative overhead assessments (5% of operating revenues). Excluding these non-cash costs, the preliminary change in net assets for all Auxiliary Enterprises is -\$4.59 million

**\$265,506 is the cash transfer from Special Events & Guest Services to the non-state college-wide support fund. Excluding these transfers and non-cash administrative overhead assessments, the 2025-26 preliminary change in net assets for all Auxiliary Enterprises is \$2.65 million.

Attachment:

- Auxiliary Enterprises Budget Report - Preliminary 2025-26 Year-end

	McAllister Tower		Parking Garage		Student Health Services		Special Events and Guest Services		Total	Total	Total
	2025-26 Revised Budget	Preliminary Year-end Actual 2025-26	2025-26 Revised Budget	Preliminary Year-end Actual 2025-26	2025-26 Revised Budget	Preliminary Year-end Actual 2025-26	2025-26 Revised Budget	Preliminary Year-end Actual 2025-26	2025-26 Revised Budget	2025-26 Preliminary Actual	Preliminary Actual as a Percent of Revised Budget
Operating Revenues	-	-	2,593,836	2,557,789	1,127,128	1,126,646	800,500	696,821	4,521,464	4,381,255	97%
Operating Expenses*	-	-	1,041,833	988,682	1,142,330	1,136,243	259,044	243,528	2,443,207	2,368,453	97%
Net Operations	\$ -	\$ -	\$ 1,552,003	\$ 1,569,107	\$ (15,202)	\$ (9,597)	\$ 541,456	\$ 453,292	\$ 2,078,257	\$ 2,012,802	97%
Nonoperating Revenues/(Expenses)											
Investment Income	55,000	31,274	-	52,814	13,000	8,318	3,700	7,236	71,700	99,641	139%
Unrealized & Realized Investment Gain/Loss	-	461,131	-	-	-	136,911	-	-	-	598,042	-
Funded from Bond Proceeds	-	-	7,186	6,968	-	-	-	-	7,186	6,968	97%
Debt Service	-	-	(333,843)	(333,843)	-	-	-	-	(333,843)	(333,843)	100%
Capital Asset Additions (GASB 87)	-	-	-	633,225	-	-	-	111,113	-	744,338	-
Capital Asset Deductions (GASB 87)	-	-	-	(671,672)	-	-	-	(148,347)	-	(820,019)	-
Cash Short/Over	-	-	-	(2,407)	-	-	-	-	-	(2,407)	-
Transfer to/from Other Funds**	(6,974,343)	(6,974,343)	-	129,024	-	-	(545,156)	(265,506)	(7,519,499)	(7,110,825)	95%
Sub-total	\$ (6,919,343)	\$ (6,481,938)	\$ (326,657)	\$ (185,892)	\$ 13,000	\$ 145,229	\$ (541,456)	\$ (295,504)	\$ (7,774,456)	(6,818,105)	88%
TOTAL CHANGE IN NET ASSETS	\$ (6,919,343)	\$ (6,481,938)	\$ 1,225,346	\$ 1,383,215	\$ (2,202)	\$ 135,631	\$ -	\$ 157,789	\$ (5,696,199)	\$ (4,805,302)	84%

*The 2025-26 preliminary actual operating expenses include \$219,824 in administrative overhead assessments charged as 5% of operating revenues.

Absent these indirect costs, the preliminary change in net assets of all Auxiliary Enterprises is \$-4.59 million.

**\$265,506 is the cash transfer from Special Events& Guest Services to the non-state college-wide support fund.

Excluding these transfers and the administrative overhead assessments, the 2025-26 preliminary change in net assets of all Auxiliary Enterprises is \$2.65 million.

Auxiliary Enterprises - McAllister Tower

Budget Status Report - Preliminary 2025-26 Year-end

	Beginning Budget 2025-26	Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	Preliminary Actual as Percent of Revised Budget	Year-end Actual 2024-25
REVENUES					
Apartment & Commercial Rent	-	-	-	--	(4,000)
Other	-	-	-	--	-
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ - *	-	\$ (4,000)
EXPENSES					
Salaries and Wages	-	-	-	--	-
Student Wages--Regular & Work-study	-	-	-	--	-
Staff Benefits	-	-	-	--	-
Regular Contract Services	-	-	-	--	-
Other Contract Services	-	-	-	--	-
Utilities	-	-	-	--	-
Maintenance & Special Repairs	-	-	-	--	-
Insurance	-	-	-	--	100,000
Supplies	-	-	-	--	54
Printing & Reproduction	-	-	-	--	1
Telephone & Mail	-	-	-	--	201
Computer Software	-	-	-	--	-
Miscellaneous	-	-	-	--	(6,339)
Equipment & Building Improvements	-	-	-	--	-
Overhead Pro Rata	-	-	- *	--	-
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	--	\$ 93,918
OPERATING INCOME (LOSS)	\$ -	\$ -	\$ -	--	\$ (97,918)
NONOPERATING REVENUES/EXPENSES					
Investment Income	55,000	55,000	31,274	57%	64,471
Realized Gain/Loss from Sale of Investments	-	-	-	--	361
Unrealized Gain/Loss on Investments	-	-	461,131 *	--	666,664
Transfer to/from Other Funds	-	(6,974,343)	(6,974,343) *	100%	936,716
NET NONOPERATING REVENUES (EXPENSES)	\$ 55,000	\$ (6,919,343)	\$ (6,481,938)	94%	\$ 1,668,212
TOTAL CHANGE IN NET ASSETS	\$ 55,000	\$ (6,919,343)	\$ (6,481,938)	94%	\$ 1,570,294

* See attached narrative.

Auxiliary Enterprises - Parking Garage and Retail Operations
Budget Status Report - Preliminary 2025-26 Year-end

	Beginning Budget 2025-26	Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	Preliminary Actual as Percent of Revised Budget	Year-end Actual 2024-25
REVENUES					
Parking Operations	2,704,000	2,649,000	2,624,450 *	99%	2,590,316
Parking Tax	(360,000)	(360,000)	(343,461)	95%	(355,900)
Retail Leases	277,836	299,836	276,491 *	92%	48,294
Other (including Storage)	5,000	5,000	309	6%	-
TOTAL OPERATING REVENUES	\$ 2,626,836	\$ 2,593,836	\$ 2,557,789	99%	\$ 2,282,710
EXPENSES					
Salaries and Wages	319,477	354,172	324,761 *	92%	310,402
Staff Benefits	147,374	164,087	139,236 *	85%	131,523
Regular Contract Services	5,000	5,000	- *	0%	-
Contracted Temporary Help	-	35,000	49,216 *	141%	-
Utilities	83,500	84,500	85,434	101%	88,010
Maintenance & Special Repairs	86,539	90,539	80,332 *	89%	216,080
Insurance	135,539	62,528	62,528	100%	129,085
Supplies & Noncapital Equipment	6,000	6,000	3,599	60%	4,971
Printing, Telephone and Mail	14,000	14,000	9,799	70%	10,346
Credit Card & Bank Fees	79,200	79,200	85,638	108%	82,372
Miscellaneous	18,315	17,115	19,487	114%	14,957
Overhead Pro Rata	131,342	129,692	128,651 *	99%	126,860
TOTAL OPERATING EXPENSES	\$ 1,026,286	\$ 1,041,833	\$ 988,682	95%	\$ 1,114,605
NET OPERATIONS	\$ 1,600,550	\$ 1,552,003	\$ 1,569,107	101%	\$ 1,168,105
NONOPERATING REVENUES/EXPENSES					
Investment Income	-	-	52,814 *	-	40,864
Funded from Bond Proceeds	13,936	7,186	6,968	97%	13,937
Debt Service (Principal & Interest)	(1,487,686)	(333,843)	(333,843) *	100%	(1,482,123)
Capital Asset Additions (GASB 87)	-	-	633,225 *	-	914,614
Capital Asset Deductions (GASB 87)	-	-	(671,672) *	-	(715,285)
Nonmandatory Transfers to/from Other Funds	-	-	129,024 *	=	1,828,254
Cash Short/Over	-	-	(2,407)	=	(1,404)
NET NONOPERATIONS	\$ (1,473,750)	\$ (326,657)	\$ (185,892)	57%	\$ 598,857
TOTAL CHANGE IN NET ASSETS	\$ 126,800	\$ 1,225,346	\$ 1,383,215	113%	\$ 1,766,962

*See attached narrative.

UC LAW SAN FRANCISCO
Auxiliary Enterprises - Student Health Services
Budget Status Report - Preliminary 2025-26 Year-end

9/11/2026

	Beginning Budget 2025-26	Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	Preliminary Actual as Percent of Revised Budget	Year-end Actual 2024-25
REVENUES					
Fees	<u>1,128,230</u>	<u>1,127,128</u>	<u>1,126,646</u> *	100%	<u>1,144,891</u>
TOTAL OPERATING REVENUES	\$ 1,128,230	\$ 1,127,128	\$ 1,126,646	100%	\$ 1,144,891
EXPENSES					
Salaries and Wages	138,468	139,817	128,373 *	92%	115,415
Staff Benefits	60,394	60,947	52,719	87%	46,770
Contracted Temporary Help	-	-	-	--	30,435
Consultants and Contracted Services	858,330	858,330	898,798 *	105%	837,694
Supplies	1,000	1,000	-	0%	-
Printing and Mail	80	80	21	26%	30
Travel and Training	500	500	-	0%	-
Miscellaneous	-	-	-	--	11,636
Events	25,300	25,300	-	0%	36
Overhead Pro Rata	<u>56,412</u>	<u>56,356</u>	<u>56,332</u> *	100%	<u>57,245</u>
TOTAL OPERATING EXPENSES	\$ 1,140,484	\$ 1,142,330	\$ 1,136,243 *	99%	\$ 1,099,260
NET OPERATIONS	\$ (12,254)	\$ (15,202)	\$ (9,597)	63%	\$ 45,631
NONOPERATING REVENUES/EXPENSES					
Investment Income	13,000	13,000	8,318	64%	19,950
Realized Gain/Loss from Sale of Investments	-	-	-	--	15
Unrealized Gain/Loss on Investments	-	-	136,911 *	--	28,034
NET NONOPERATIONS	\$ 13,000	\$ 13,000	\$ 145,229	1117%	\$ 47,999
TOTAL CHANGE IN NET ASSETS	\$ 746	\$ (2,202)	\$ 135,631	-6159%	\$ 93,630

*See attached narrative.

Auxiliary Enterprises - Special Events and Guest Services
Budget Status Report - Preliminary 2025-26 Year-end

	Beginning Budget 2025-26	Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	Preliminary Actual as Percent of Revised Budget	Year-end Actual 2024-25
REVENUES					
Room Rental	<u>675,500</u>	<u>800,500</u>	\$ 696,821 *	87%	\$ 540,734
TOTAL OPERATING REVENUES	\$ 675,500	\$ 800,500	\$ 696,821	87%	\$ 540,734
EXPENSES					
Staff Salaries and Wages	125,116	129,711	\$ 122,525 *	94%	94,977
Staff Benefits	41,048	43,633	\$ 39,552 *	91%	37,458
Other Contract Services	2,000	12,000	\$ 6,997 *	58%	2,337
Supplies	10,000	10,000	\$ 12,153	122%	21,862
Printing and Mail	1,000	1,000	\$ 618	62%	409
Miscellaneous	20,000	22,700	\$ 26,842	118%	21,494
Overhead Pro Rata	<u>33,750</u>	<u>40,000</u>	\$ 34,841 *	87%	27,012
TOTAL OPERATING EXPENSES	\$ 232,914	\$ 259,044	\$ 243,528	94%	\$ 205,549
NET OPERATIONS	\$ 442,586	\$ 541,456	\$ 453,292	84%	\$ 335,185
NONOPERATING REVENUES/EXPENSES					
Investment Income	3,700	3,700	\$ 7,236 *	196%	27,517
Capital Asset Additions (GASB 87)	-	-	\$ 111,113		244,805
Capital Asset Deductions (GASB 87)	-	-	\$ (148,347)		(244,961)
Nonmandatory Transfers to/from Other Funds	<u>(446,286)</u>	<u>(545,156)</u>	\$ (265,506) *	49%	(525,610)
NET NONOPERATIONS	\$(442,586)	\$(541,456)	\$ (295,504)	55%	\$ (498,250)
TOTAL CHANGE IN NET ASSETS	\$ -	\$ -	\$ 157,789	--	\$ (163,065)

*See attached narrative.

REPORT ITEM

1. **REPORT BY:** Chair of the Finance Committee Chip Robertson
2. **SUBJECT:** 2025-26 Preliminary Year-end Budget Status Report
- Academe at 198 & AVFA
3. **REPORT:**

Attached are budget reports for The Academe at 198 McAllister and the Academic Village Finance Authority (AVFA) as of the end of the fiscal year 2025-26. Significant variances and key highlights are discussed below.

THE ACADEME AT 198

Revenues

- **Residential Rent, Rent Subsidy, DSCR Grant, Housing Stipend** –Residential rental revenue for 2025-26 was budgeted at \$13.95 million, assuming an 85% occupancy rate. Preliminary year-end revenue reached \$14.6 million, with the 5% upside reflecting standard operational fluctuations. The budgeted \$2.9 million subsidy was fully recognized. The \$2.45 million DSCR grant was not required in full to satisfy the 1.2 DSCR requirement. Expected utilization is \$1.85 million, subject to pending expense invoices. The reduced funding requirement is driven by high Interest Income attributable to strong market performance, favorable Other Revenue, and positive expense variances in certain categories, including an insurance deductible subrogation. Housing stipends reached 90% of budget (\$896,550), primarily due to lower stipend utilization in July, prior to the start of the academic year in August, combined with the varying number of residents qualifying for each stipend tier (\$200, \$250, and \$300).
- **Other Revenue** –This category delivered a 72% favorable variance, with strong event space income driving the combined revenue from rentals and laundry.

Expenditure

- **Regular Contract Services** – This category reached 82% budget utilization due to lower engineering service costs. This variance was driven by lower tenant turnover, leading to a lower volume of unit repairs.
- **Legal Services and Miscellaneous/Other** – In 2025-26, the Miscellaneous/Other category exceeded budget by 116% due to unbudgeted bad debt of \$64,755 stemming primarily from affiliate tenants' balances. Legal measures implemented to address unpaid rent and reduce bad debt exposure resulted in a temporary increase in Legal Services expenses to 209% of the budget, totaling \$20,878.
- **In total, the preliminary operating expenses** yielded a favorable variance of 10% compared to projections, primarily due to outstanding invoices and reduced engineering expenses. The largest categories were Utilities (44% of total expenses), Regular Contract Services* (14%), Salaries and Benefits (17%), and Maintenance and Repair (7%)

ACADEMIC VILLAGE FINANCE AUTHORITY (AVFA)
(Formerly Hastings Campus Housing Finance Authority)

Expenditure

- **Building Depreciation** - In 2025-26, depreciation expense totaled \$4,375,025. The College prepares its budget using the modified accrual basis for Department of Finance reporting purposes. As this method excludes non-cash expenses such as depreciation and accreted interest, an inherent variance exists between budgeted and actual results.
- **Supplemental Annual Rent** - Pursuant to Section 408 of the Indenture and Article 2 of the Ground Lease Agreement, the Authority pays the College a Supplemental Annual Rent, representing a partial distribution of the excess cash accumulated within the Surplus Fund (funds not used for debt service but required to meet a 1.2 DSCR). Due to its conditional nature and specific Indenture requirements, this item is unbudgeted and always distributed in the following fiscal year. As a result, the Supplemental Annual Rent for FY25 was disbursed in 2025-26 in the amount of \$1,355,168.
- **Special Repairs** - During 2025-26, the property sustained three water damage incidents with distinct accounting treatments. The first incident and its associated insurance recovery are classified below as non-operating items. The second incident affected operating results, with the College recognizing \$208,498 in operating expenses due to the unavailability of tenant insurance coverage. The third incident occurred at fiscal year-end (June 30, 2026), resulting in the deferral of most repair expenses to 2026-27.

Non-Operating Revenues / (Expenses)

- **Investment Income** – All funds managed by the Trustee earn interest, which is exclusively designated for debt service. In 2025-26, interest income reached \$1.2 million.
- **Other revenue and insurance-covered repairs**- These non-operating categories account for the first water damage incident, with the deductible successfully recovered through subrogation.
- **Debt Service (Principal and Interest)** -The Debt Service in 2025-26 was \$16,655,500. The actual includes the accreted interest for Series 2020B (non-cash expenses), resulting in a budget-to-actuals variance. The budget, prepared using the Modified Accrual Method, does not account for accreted interest.
- **Transfer from Other Funds** of \$702.383 represents the amount designated for the SFSU space build-out, reallocated from the Plant Reserve Fund.

SUMMARY

The change in net assets for the Academe 198 and the AVFA for the 2025-26 fiscal year, excluding noncash items, depreciation at \$4.38 million and accreted interest at \$2.35 million, is \$4 million.

	The Academe at 198		AVFA		Total		Total Preliminary Actual as a Percent of Revised Budget
	Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	Total Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	
Revenues	22,994,018	23,078,130	-	-	22,994,018	23,078,130	100%
Expenditures*	<u>3,023,338</u>	<u>2,706,332</u>	<u>7,950</u>	<u>6,000,814</u>	<u>3,031,288</u>	<u>8,707,146</u>	<u>287%</u>
Net Operations	\$ 19,970,680	\$ 20,371,798	\$ (7,950)	\$ (6,000,814)	\$ 19,962,730	\$ 14,370,984	72%
Nonoperating Revenues/(Expenses)**							
Investment Income	-	-	1,233,000	1,238,297	1,233,000	1,238,297	100%
Other Revenue	-	-	450,000	431,955	450,000	431,955	-
Insurance-Covered Repairs	-	-	(550,000)	(433,686)	(550,000)	(433,686)	-
Capital, Buildings	-	-	-	(875,629)	-	(875,629)	-
Capital Asset Additions/Deductions	-	-	-	-	-	-	-
CIP Offset	-	-	(702,383)	858,330	(702,383)	858,330	-
Debt Service	-	-	(16,655,500)	(19,007,464)	(16,655,500)	(19,007,464)	114%
Transfers between 198 and Authority	-	-	-	-	-	-	-
Transfers from Other Funds	-	-	702,383	702,383	702,383	702,383	-
Transfers to Other Funds	-	-	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ (15,522,500)	\$ (17,085,815)	\$ (15,522,500)	\$ (17,085,815)	110%
TOTAL CHANGE IN NET ASSETS*	\$ 19,970,680	\$ 20,371,798	\$ (15,530,450)	\$ (23,086,629)	\$ 4,440,230	\$ (2,714,831)	-61%

Notes:

*Transfers within the Authority (Authority / The Academe at 198 / Bonds Series A and Series B) are excluded as they net out.

*Regular Contract Services include janitorial, engineering, and window washing services

**Maintenance and Repairs include ongoing building and elevator maintenance, pest control, window washing, and landscaping

Attachment:

- 2025-26 Preliminary Year-end Budget Status Report for Academic Village Finance Authority Programs

UC LAW SAN FRANCISCO
Campus Housing Authority Programs
2025-26 Budget Status Summary

9/11/2026

	The Academe at 198		AVFA		Total Revised Budget	Total Preliminary Year-end Actual	Total Preliminary Actual as a Percent of Revised Budget
	Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	2025-26	2025-26	
Revenues	17,644,018	18,328,130	-	-	17,644,018	18,328,130	104%
Expenditures*	<u>3,023,338</u>	<u>2,706,332</u>	<u>7,950</u>	<u>6,000,814</u>	<u>3,031,288</u>	<u>8,707,146</u>	<u>287%</u>
Net Operations	\$ 14,620,680	\$ 15,621,798	\$ (7,950)	\$ (6,000,814)	\$ 14,612,730	\$ 9,620,984	66%
Noncapital subsidies:							
Residential Rent Subsidy	2,900,000	2,900,000	-	-	\$ 2,900,000	\$ 2,900,000	100%
DSCR Grant	<u>2,450,000</u>	<u>1,850,000</u>	<u>-</u>	<u>-</u>	<u>2,450,000</u>	<u>1,850,000</u>	<u>76%</u>
Total noncapital subsidies	5,350,000	4,750,000	-	-	\$ 5,350,000	\$ 4,750,000	89%
Other Nonoperating Revenues/(Expenses)**							
Investment Income	-	-	1,233,000	1,238,297	1,233,000	1,238,297	100%
Other Revenue	-	-	450,000	431,955	450,000	431,955	--
Insurance-Covered Repairs	-	-	(550,000)	(433,686)	(550,000)	(433,686)	--
Capital, Buildings	-	-	-	(875,629)	-	(875,629)	--
Capital Asset Additions/Deductions	-	-	-	-	-	-	--
CIP Offset	-	-	(702,383)	858,330	(702,383)	858,330	--
Debt Service	-	-	(16,655,500)	(19,007,464)	(16,655,500)	(19,007,464)	114%
Transfers between 198 and Authority	-	-	-	-	-	-	--
Transfers from Other Funds	-	-	702,383	702,383	702,383	702,383	--
Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>--</u>
Sub-total	\$ -	\$ -	\$ (15,522,500)	\$ (17,085,815)	\$ (15,522,500)	\$ (17,085,815)	110%
TOTAL CHANGE IN NET ASSETS*	\$ 19,970,680	\$ 20,371,798	\$ (15,530,450)	\$ (23,086,629)	\$ 4,440,230	\$ (2,714,831)	-61%

* Actual includes building depreciation of \$4.38 million. The FY 2025-26 preliminary total change in net assets is \$1.66 million when excluding depreciation.

**Transfers within the Authority (Authority / The Academe at 198 / Bonds Series A and Series B) are excluded as they net out.

UC LAW SAN FRANCISCO
The Academe at 198
Budget Status Report - 2025-26 Preliminary Year-end

9/11/2026

	Beginning Budget 2025-26	Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	Preliminary Year-end Actual as a Percent of Revised Budget	Year-end Actual 2024-25
REVENUES					
Residential Rent	13,747,544	13,947,544	14,636,643 *	105%	13,674,982
Housing Stipend	1,120,000	996,000	896,550 *	90%	-
Commercial Rent	2,497,124	2,497,124	2,497,124	100%	2,424,391
Retail Leases	72,900	72,900	72,900	100%	70,250
Other Revenue	91,200	130,450	224,913 *	172%	97,957
TOTAL OPERATING REVENUES	\$ 17,528,768	\$ 17,644,018	\$ 18,328,130	104%	\$ 16,267,580
EXPENSES					
Salaries and Wages	324,277	331,202	326,546	99%	294,674
Student Wages--Regular & Work-study	-	-	-	--	-
Staff Benefits	136,058	139,358	129,081	93%	117,042
Regular Contract Services	539,862	463,693	378,305 *	82%	474,806
Other Contract Services	71,000	98,000	80,956	83%	46,266
Utilities	1,426,367	1,376,190	1,191,318	87%	1,034,667
Maintenance & Repairs	206,568	228,268	176,903	77%	150,720
Legal Services	-	10,000	20,878 *	209%	-
Insurance	251,965	166,742	166,742	100%	209,971
Supplies	162,885	75,885	74,772	99%	57,146
Credit Card Fees	-	-	-	--	-
Computer Software	100,000	100,000	87,614	88%	91,971
Printing & Reproduction	1,000	2,000	2,725	136%	3,890
Marketing	10,000	-	1,250	--	14,979
Miscellaneous/Other	32,000	32,000	69,242 *	216%	136,468
TOTAL OPERATING EXPENSES	\$ 3,261,982	\$ 3,023,338	\$ 2,706,332 *	90%	\$ 2,632,600
NET OPERATIONS	\$ 14,266,786	\$ 14,620,680	\$ 15,621,798	107%	\$ 13,634,981
NONCAPITAL SUBSIDIES:					
Residential Rent Subsidy	2,900,000	2,900,000	2,900,000 *	100%	2,810,200
DSCR Grant	2,450,000	2,450,000	1,850,000 *	76%	2,200,000
TOTAL NONCAPITAL SUBSIDIES	\$ 5,350,000	\$ 5,350,000	\$ 4,750,000	89%	\$ 5,010,200
OTHER NONOPERATING REVENUES (EXPENSES)					
Building Improvements	-	-	-	--	-
Transfers between 198 and Authority	-	-	-	--	-
Transfers from Other Funds	-	-	-	--	-
Transfers to Other Funds	-	-	-	--	-
CIP Offset	-	-	-	--	-
Capital Asset Additions/Deductions	-	-	-	--	-
TOTAL OTHER NONOPERATING REVENUES (EXPENSES)	\$ -	\$ -	\$ -	-	\$ -
TOTAL CHANGE IN NET ASSETS	\$ 19,616,786	\$ 19,970,680	\$ 20,371,798	104%	\$ 18,645,181

* See attached narrative report.

UC LAW SAN FRANCISCO
Academic Village Finance Authority
Budget Status Report - 2025-26 Preliminary Year-end

9/11/2026

	Beginning Budget 2025-26	Revised Budget 2025-26	Preliminary Year-end Actual 2025-26	Preliminary Year-end Actual as a Percent of Revised Budget	Year-end Actual 2024-25
REVENUES					
Other	-	-	-	--	-
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	--	\$ -
EXPENDITURES					
Consultants	3,000	3,000	2,998	100%	3,000
Audit Services	3,450	3,450	3,125	91%	3,450
Base Annual Rent	-	-	2,000	--	-
Supplemental Annual Rent	-	-	1,355,168 *	--	-
Legal Services	-	-	54,086	--	-
Miscellaneous/Other	1,500	1,500	(86)	-6%	-
Building Depreciation	-	-	4,375,025 *	--	4,375,025
Special Repairs	-	-	208,498 *	--	-
TOTAL OPERATING EXPENDITURES	\$ 7,950	\$ 7,950	\$ 6,000,814	75482%	\$ 4,381,475
NET OPERATIONS	\$ (7,950)	\$ (7,950)	\$ (6,000,814)	75482%	\$ (4,381,475)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	666,000	1,233,000	1,238,297 *	100%	1,434,561
Other Revenue	-	450,000	431,955 *	--	202,995
Insurance-Covered Repairs	-	(550,000)	(433,686) *	--	-
Capital, Buildings	-	(702,383)	(875,629)	--	-
Capital Asset Additions/Deductions	-	-	-	--	-
CIP Offset	-	-	858,330	--	-
Debt Service (Principal & Interest)	(16,655,500)	(16,655,500)	(19,007,464) *	114%	(18,836,574)
Transfers between 198 and Authority	-	-	-	--	-
Transfers from Other Funds	-	702,383	702,383 *	--	-
Transfers to Other Funds	-	-	-	--	-
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (15,989,500)	\$ (15,522,500)	\$ (17,085,815)	110%	\$ (17,199,018)
TOTAL CHANGE IN NET ASSETS	\$ (15,997,450)	\$ (15,530,450)	\$ (23,086,629)	149%	\$ (21,580,493)

* See attached narrative report.

REPORT ITEM

- 1. REPORT BY:** Chair of the Finance Committee Chip Robertson
- 2. SUBJECT:** Annual Report on Insurance Coverage 2026-27
- 3. REPORT:**

The College has completed its annual insurance renewal for 2026-27, continuing its strategy of maintaining comprehensive insurance protection while managing long-term premium costs. Although the commercial insurance market remains subject to inflationary pressures and evolving liability exposures, the College successfully renewed its core insurance programs with stable pricing and targeted improvements in coverage. The renewal reflects a balanced approach to risk financing by strengthening liability protection while simplifying the overall insurance structure.

Property, Cyber, and Pollution Liability Coverage

The College remains a participant in Alliant's Public Entity Property Insurance Program (APIP), which provides property, cyber liability, and pollution liability coverage under a comprehensive insurance program. The 2026-27 renewal reflects continued market stabilization, with property insurance costs remaining essentially flat despite a modest increase in insured property values. Cyber and pollution coverage also continues to provide competitive protection against evolving operational risks.

Excess Liability Program Enhancements

As part of the 2026-27 renewal, the College consolidated its excess liability coverage with United Educators, replacing separate excess liability placements with AWAC and Liberty. This strategic change increased the College's overall excess liability limits from \$30 million to \$35 million while modestly reducing the overall cost of the liability program. The revised structure also simplifies the College's liability insurance program, eliminates any potential gaps in liability coverage, and enhances overall coverage limits.

Workers' Compensation

The College continues to participate in the Prism program for Excess Workers' Compensation coverage while remaining self-insured for primary workers' compensation liabilities.

McAllister Tower

McAllister Tower continues to be insured under a dedicated Builder's Risk policy throughout the construction period.

Premium Summary

The College's total commercial insurance program for 2026-27 has been successfully renewed, and all premiums have been paid. The total annual costs of the College's insurance program for the fiscal year are \$1,647,074, representing an overall increase of 8.8% (\$133,175) compared with the previous fiscal year. The increase is primarily attributable to continued hardening of the commercial liability insurance market, driven by rising litigation costs, higher claim settlements, and ongoing underwriting pressures affecting higher education institutions and public entities.

Attachments

- UC Law SF Commercial Insurance Binders 2026-27

EVIDENCE OF PROPERTY INSURANCE

ISSUE DATE (MM/DD/YY)

07/01/26

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER

ALLIANT INSURANCE SERVICES, INC.
560 MISSION STREET, 6TH FLOOR
SAN FRANCISCO, CA 94105
PH (415) 403-1400 / FAX (415) 402-0773
LICENSE NO. 0C36861

COMPANY

VARIOUS PER ATTACHED SCHEDULE

CODE**SUB-CODE****INSURED**

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

UC COLLEGE OF THE LAW, SAN FRANCISCO
200 MCALLISTER STREET
SAN FRANCISCO, CA 94102

EVIDENCE NUMBER

APIP26-27

REFERENCE NUMBER

APIP2026 (Dec 28) 0928

EFFECTIVE DATE (MM/DD/YY)

07/01/26

EXPIRATION DATE (MM/DD/YY)

07/01/27

CONT. UNTIL
TERMINATED
IF CHECKED

☐

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION**LOCATION / DESCRIPTION**

PENDING RECEIPT OF COMPANY POLICY(IES), THIS DOCUMENTATION IS PROVIDED AS EVIDENCE OF PROPERTY AND BOILER & MACHINERY INSURANCE COVERAGE FOR LOCATIONS ON FILE WITH ALLIANT INSURANCE SERVICES.

COVERAGE INFORMATION**COVERAGE / PERILS / FORMS / AMOUNT OF INSURANCE & DEDUCTIBLE**

"ALL RISK" OF DIRECT PHYSICAL LOSS OR DAMAGE AND ALL EXTENSIONS AND SUBLIMITS OF COVERAGE PER PEPIP MANUSCRIPT POLICY FORM. SUBJECT TO POLICY TERMS, CONDITIONS AND EXCLUSIONS.

LIMITS & DEDUCTIBLE ATTACHED FOR THE FOLLOWING:

☒

PROPERTY
COVERAGE

☒

BOILER & MACHINERY
COVERAGE

REMARKS (INCLUDING SPECIAL CONDITIONS)**CANCELLATION**

SEE ATTACHED

ADDITIONAL INTEREST**NAME AND ADDRESS**

EVIDENCE OF COVERAGE

NATURE OF INTEREST☐

MORTGAGEE

☐

ADDITIONAL INSURED

☐

LOSS PAYEE

☒

(OTHER)
EVIDENCE OF COVERAGE

SIGNATURE OF AUTHORIZED AGENT OF COMPANY

SURPLUS LINES DISCLOSURES

CALIFORNIA

Alliant:

IMPORTANT NOTICE:

- 1. The insurance policy that you have purchased is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**

SURPLUS LINES DISCLOSURES

6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or "surplus line" broker to obtain more information about that insurer.

7. California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.

D-2 (Effective January 1, 2020)

Surplus Lines Broker: Blaise Harris

Surplus Lines Licensee: Alliant Specialty Insurance Services, Inc

Address: 1221 Broadway, Suite 1220

Nashville, TN 37203

License Number: 0558510

SURPLUS LINES DISCLOSURES

AMWINS:

IMPORTANT NOTICE:

1. The insurance policy that you have purchased is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.
2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.
3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.
4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.
5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.

SURPLUS LINES DISCLOSURES

6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or "surplus line" broker to obtain more information about that insurer.

7. California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.

D-2 (Effective January 1, 2020)

Surplus Lines Broker: Josh Ammons

Surplus Lines Licensee: AmWINS Insurance Brokerage, LLC

Address: 4725 Piedmont Row Drive, Suite 600

Charlotte, NC 28210

License Number: 0F19710

SURPLUS LINES DISCLOSURES

RSG Specialty:

IMPORTANT NOTICE:

- 1. The insurance policy that you have purchased is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**

SURPLUS LINES DISCLOSURES

6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or "surplus line" broker to obtain more information about that insurer.

7. California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.

D-2 (Effective January 1, 2020)

Surplus Lines Broker: Kieran Dempsey

Surplus Lines Licensee: RSG Specialty, LLC Doing Business As: RSG Specialty Insurance Services, LLC.

Address: 155 N. Wacker Drive, Suite 4000,
Chicago, IL 60606

License Number: 0G97516

ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
PROPERTY EVIDENCE ATTACHMENT

TYPE OF INSURANCE: ☒ Insurance ☐ Reinsurance

NAMED INSURED: UC College of the Law, San Francisco

DECLARATION: 28-Education 1

POLICY PERIOD: July 1, 2026 to July 1, 2027

REFERENCE NUMBER: APIP2026 (Dec 28) 0928

COMPANIES: See Attached List of Companies

TOTAL INSURED VALUES: \$ 482,632,097 as of June 25, 2026

ALL RISK COVERAGES & SUB-LIMITS: \$ 500,000,000 Per Occurrence: all Perils, Coverages (subject to policy exclusions) and Subject to \$1,500,000,000 all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.

\$ 25,000,000 Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).

Not Covered Per Occurrence and in the Annual Aggregate for scheduled locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.

Not Applicable Per Occurrence for losses to locations in Tier 1 and/or Tier 2 Counties and resulting from a Named Windstorm.

Not Covered Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).

\$ 200,000,000 Combined Business Interruption, Rental Income and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence, Per Declaration for Business Interruption, Rental Income and Tuition Income combined. Coverage for power generating plants is excluded, unless otherwise specified.

\$ 100,000,000 Extra Expense.

ALL RISK COVERAGES & SUB-LIMITS: \$ 25,000,000 Miscellaneous Unnamed Locations for Named Insureds excluding Earthquake Shock coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
(continued)

180 Days Extended Period of Indemnity

See Policy Provisions \$50,000,000, or a Named Insured's Policy Limit of Liability if less than \$50,000,000, Automatic Acquisition for 120 days except:

- \$25,000,000 Automatic Acquisition for 90 days for new sub-member and/or entity of an existing Pools, JPA or Group;
- \$25,000,000 Automatic Acquisition for 90 days for Vacant properties;
- \$10,000,000 Automatic Acquisition for 120 days for Licensed Vehicles;
- \$2,500,000 Automatic Acquisition for 60 days for additional property and/or interests in Tier 1 Wind Counties, Parishes and Independent Cities for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii;
- The peril of Earthquake Shock is excluded for the states of Alaska and California;
- If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

\$ 1,000,000 Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf; however, replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed \$25,000 per item for existing Named Insureds excluding Earthquake Shock coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension includes Flood coverage for any location not situated in Flood Zones A or V.

\$ 5,000,000 or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf; however, replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed \$25,000 per item.

\$ 5,000,000 or 120% of the scheduled values, whichever is less, for Scheduled Landfills (as more fully defined in the policy).

\$ 50,000,000 Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.

\$ 25,000,000 Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Projects valued greater than \$15,000,000 require underwriting approval and a premium charge.

ALL RISK COVERAGES & SUB-LIMITS:
(continued)

\$ 500,000 Money & Securities for named perils only as referenced within the policy, however fraudulent impersonation, fraudulent instruction or similar events are excluded.

\$	2,500,000	Unscheduled Fine Arts.
\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration. Coverage shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not.
\$	1,000,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake Shock and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
\$	100,000,000	Increased Cost of Construction due to building codes/ ordinance or law (includes All Risk and Boiler & Machinery) except \$2,500,000 for vacant properties.
\$	25,000,000	Transit - Physical Damage only.
\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.
\$	2,500,000	Unscheduled Watercraft up to 27 feet.
	Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage.
\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.
\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..

ALL RISK COVERAGES & SUB-LIMITS: (continued)	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$	3,000,000	Contingent Time Element, Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.
	\$	3,000,000	Tax Revenue Interruption – Per Policy Provisions. However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$1,000,000 Per Occurrence – Per Policy Provisions.
	\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
	\$	2,500,000	Claim Preparation Expenses.
	\$	50,000,000	Expediting Expenses.
	\$	100,000	Per Occurrence with a \$1,000,000 Annual Aggregate per Declaration for Mold/Fungus Resultant Damage as more fully defined in the policy.
	\$	100,000,000	Ingress/Egress Per Occurrence, Per Named Insured for the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, ingress to or egress from the covered property by this Policy is prevented.
	\$	100,000,000	Interruption By Civil Authority Per Occurrence, Per Named Insured for the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority.
	\$	10,000,000	Electronic Data Processing Media.
	\$	1,000,000	Personal Property Outside of the USA (including associated Business Interruption).
	\$	5,000,000	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
		Not Covered	for Communicable Disease.

\$ 100,000 Per Occurrence while in Storage and In Transit coverage subject to \$10,000 Deductible for Unmanned Aircraft as more fully defined in the Policy. Not Covered while in Flight.

See Policy Provisions Scheduled Vacant Building per Conditions in Section IV., Item I

\$ 2,500,000 Unscheduled Vacant Building per Policy Provisions Section IV., Item I

VALUATION:

- Repair or Replacement Cost (RCV)
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment /Vehicles either Replacement Cost (RCV) or Actual Cash Value (ACV) as declared by each insured. If not declared, valuation will default to Actual Cash Value (ACV)

EXCLUSIONS

(Including but not limited to):

- Seepage & Contamination - *unless otherwise provided by the Pollution Liability Coverage per the Summary attached. If, insured purchases such coverage.*
- Cost of Clean-up for Pollution - *unless otherwise provided by the Pollution Liability Coverage per the Summary attached. If, insured purchases such coverage.*
- Mold - *as more fully described in the Master Policy Wording or otherwise provided when Pollution Liability Coverage is purchased, and as defined in the coverage Summary.*

Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).

"ALL RISK"

DEDUCTIBLE:

\$ 250,000 Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

\$ 250,000 All Flood Zones Per Occurrence excluding Flood Zones A & V.

Not Covered Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).

Not Applicable for losses to locations in Tier 1 and/or 2 Counties and resulting from a Named Windstorm.

Not Covered Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.

\$ 1,000 Per Occurrence for Specially Trained Animals.

\$	500,000	or the All Risk Basic Deductible, whichever is greater, for Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake Shock and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake Shock for Named Insured(s) who do not purchase dedicated Earthquake Shock limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake Shock for Named Insured(s) who do not purchase dedicated Earthquake Shock limits.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	2.5%	of Annual Tax Revenue Value per location for Tax Revenue Interruption.
Not Covered		Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off- premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.
Not Covered		Per Occurrence for Contractor's Equipment.

Time Qualifiers

24 Hour	Waiting Period for Ingress/Egress, per Occurrence, as further defined in the Policy Form.
24 Hour	Waiting Period for interruption by Civil Authority, per Occurrence, as further defined in the Policy Form.
24 Hour	Waiting Period for Off Premises Service Interruption per Occurrence, as further defined in the Policy Form.

SPECIAL TERMS AND CONDITIONS:

It is understood and agreed that notwithstanding anything contained herein to the contrary the following shall apply to this Policy:

SPECIAL TERMS 1: Not Applicable

Not Applicable

Special Terms Limit

Not Applicable

Special Terms Deductible

OPTIONAL STAND-ALONE COVERAGES NOT PROVIDED IN THE “PEPIP U.S.A. FORM NO. 22 MASTER POLICY” ARE SPECIFIED BELOW.

The following optional stand-alone coverages are available for purchase in addition to and separate from the “PEPIP U.S.A. Form No. 22 Master Policy”. If purchased, coverages are confirmed below. Carriers providing these coverages are included in the Schedule of Carriers for Terrorism, Cyber Liability and Pollution Liability.

- \$ 100,000,000 Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-30, 32-35, 39-40, and 45-46 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
- \$ 250,000 Per Occurrence Deductible for Primary Terrorism.
- \$ 1,000,000,000 Per Named Insured for Terrorism (Excess Layer) subject to;
- \$ 1,500,000,000 Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-30, 32-35, 39-40, and 45-46 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
- \$ 2,000,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 23-30, 32-35, 39-40, and 45-46 as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
- \$ 500,000 Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
- Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See attached Cyber Coverage Document for applicable Limits. (Cyber Liability) If, insured purchases such coverage.
- \$ 25,000,000 Per Named Insured, Per occurrence subject to an Annual Aggregate of \$50,000,000 combined for Declarations 1-14, 18-30, 32-35, 39-40 and 46 as respects Personal and Real property for Cyber Attack Resultant Damage.
- Included Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles. If, insured purchases such coverage.

TERMS & CONDITIONS: 25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is calculated on a pro-rata basis, unless there is a claim in which case the premium is deemed fully earned. If, insured purchases such coverage.

Except Pollution Liability Premium is 100% Earned at Inception

NOTICE OF CANCELLATION: 90 days except 10 days for non-payment of premium

BROKER: **ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861

David Evans
Senior Vice President

Daniel Howell
JD, CPCU, ARM-P, Senior Executive Vice President, Managing Director, Specialty

Fred Godfrey
Account Executive

Bryan Gomez
Asst. Account Representative

Notes:

- ***Coverage outlined in this Evidence Attachment is subject to the terms and conditions set forth in the policy. Please refer to policy for specific terms, conditions and exclusions.***
- ***The flood zones provided on the Schedule of Values (SOVs) are for rating purposes only. The actual flood zone will be determined at the time of loss.***
- ***Change in Total Insurable Values will result in adjustment in premium.***
- ***Please refer to invoice for new lockbox remittance for address and account information.***

APIP SUMMARY OF BOUND PROPERTY CHANGES

BELOW IS A SUMMARY OF BOUND CHANGES FOR THE 2026-2027 POLICY PERIOD

Coverage	2025-2026	2026-2027	Status
Available Program All Risk Limits up to (requires underwriting approval):	\$1,250,000,000	\$1,500,000,000	Enhancement
Available Program Boiler & Machinery Limits up to:	\$200,000,000	\$250,000,000	Enhancement
Extra Expense Sub-limit	\$75,000,000	\$100,000,000	Enhancement
Miscellaneous Unnamed Locations Sub-limit	\$10,000,000	\$25,000,000	Enhancement
Combined Business Interruption, Rental Income and Tuition Income (and related fees) Sub-limit	\$100,000,000	\$200,000,000	Enhancement
Increased Cost of Construction Sub-limit	\$50,000,000	\$100,000,000	Enhancement
Claims Preparation Sub-limit	\$1,500,000	\$2,500,000	Enhancement
Address	c/o Alliant Insurance Services, Inc., 325 E. Hillcrest Dr., Suite 250, Thousand Oaks, CA	c/o Alliant Insurance Services, Inc., 18100 Von Karman Ave., 10 th Floor, Irvine, CA 92612	Update
Upgrade to Green	\$5,000,000	\$10,000,000	Enhancement

MASTER POLICY FORM PROPOSED CHANGES

Coverage	2025-2026	2026-2027	Status
Policy Period	July 1, 2025 to July 1, 2026	July 1, 2026 to July 1, 2027	Update
USA Form No.	21	22	Update
Section I, B. Named Insured	As shown on the Declaration page, or as listed in the Declaration Schedule Addendum attached to this Policy.	All Named Insureds of the ALLIANT PROPERTY INSURANCE PROGRAM (APIP) (for their respective rights and interests) as more fully defined in the Schedule of Named Insured's (including Named Insureds added to the program during the term of this policy), and the Broker (Alliant) issued Evidence of Coverage documents held on file in the office of Alliant Insurance Services, Inc., 18100 Von Karman Avenue, 10th Floor, Irvine, CA 92612 and the Company.	Clarification

MASTER POLICY FORM PROPOSED CHANGES CONTINUED

Coverage	2025-2026	2026-2027	Status
Section I C. Mailing Address of Named Insured	AS PER DECLARATION PAGE	c/o Alliant Insurance Services, Inc. 18100 Von Karman Ave., 10 th Floor, Irvine, CA 92612	Update
Section I, D. Policy Period	AS PER DECLARATION PAGE	July 1, 2026 to July 1, 2027 at 12:01 AM at the location of the insured property.	Update
To include Section I, E. Limits of Liability and all subsequent sections	Reference to: Declaration Page	Revised to read: Named Insured's Evidence of Coverage	Clarification
Section I, E. 2. Sub-Limits of Liability	3rd sentence: The absence of a sub-limit of liability amount in the Declaration Page means that no coverage is provided for that item.	The absence of a sub-limit amount or where "Not Covered" is indicated for a sub-limit of liability in the Named Insured's Evidence of Coverage, no coverage is provided for that item.	Clarification
Section I, E. 2. p.	Increased Cost of Construction due to the enforcement of building codes / ordinance or law.	Increased Cost of Construction due to building codes / ordinance or law.	Enhancement
Section I, E. 2. u.	Separately as respects Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Value, and Contingent Tuition Income;	<u>Contingent Time Element</u> : Separately as respects Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Value, and Contingent Tuition Income;	Clarification
Section II, B. 2.	<u>PROPERTY IN COURSE OF CONSTRUCTION AND ADDITIONS</u>	<u>COURSE OF CONSTRUCTION AND ADDITIONS</u>	Clarification
Section II. B. 6. Claim Preparation Expenses	Not Present	Added as last sentence: This coverage provided by this clause is sub-limited to USD as per the Named Insured's Evidence of Coverage.	Clarification
Section II. B. 9. Building Laws	Reference to: enforcement of	Deleted within this coverage description	Enhancement
Section II. B. 10. Demolition Cost	Reference to: enforcement of	Deleted within this coverage description	Enhancement
Section II, D. 6. Library Contents	Expiring values	Values inflated by 2025; 4 th quarter rate of 3.5%	Update
Section II, D. 6. Library Contents	The above valuation is predicated on the values provided by the Library of Congress Dewey Decimal system and adjusted for inflation.	The above valuation is <u>an estimated amount</u> and adjusted for inflation.	Clarification
Section II. D. 7.	<u>Actual Cash Value will be applied for vehicles ten years or older.</u>	Deleted in its entirety	Enhancement
Section III. B. 1. Ingress / Egress	Not Present	Added as last sentence: <u>The coverage provided by this clause is sub-limited to USD as per Named Insured's Evidence of Coverage.</u>	Clarification

MASTER POLICY FORM PROPOSED CHANGES CONTINUED

Coverage	2025-2026	2026-2027	Status
Section III. B. 2. Interruption by Civil Authority	Not Present	Added as last sentence: <u>The coverage provided by this clause is sub-limited to USD as per Named Insured's Evidence of Coverage.</u>	Clarification
Section IV, B. Exclusions	Not Present	New 23. <u>Money and Securities except for physical loss as a result of Fire, Wind, Hail, Explosion, Smoke, Lightning, Riot, Civil Commotion, Impact by Aircraft or Objects falling there from, Impact by Vehicles, Water Damage and Theft (other than by an employee of the Named Insured(s)).</u>	Clarification
Section IV, D. Territorial Limits	This Policy insures Real and Personal Property within the United States of America. Personal Property is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is sub-limited to USD as per <u>Declaration Page.</u>	This Policy insures Real and Personal Property within the United States of America. Personal Property <u>Outside of the USA (including associated Business Interruption)</u> is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is sub-limited to USD as per <u>Named Insured's Evidence of Coverage.</u>	Clarification
Section IV, I. Vacant Buildings 4.b.	Paragraph reference to: <u>Declaration Page</u> , and; <u>the enforcement of</u>	Revised to: <u>Named Insured's Evidence of Coverage</u> Deleted: <u>the enforcement of</u>	Update
Section IV, AH., 4. Insured Location(s) means:	<u>Statement</u> of Values	Revised to: <u>Schedule</u> of Values	Clarification
Section IV, AH., 8.	Not Present	8. DECLARATION "Declaration" means the insurance or reinsurance structure applicable to a group of Named Insureds, including the specified coverages, terms, and limits as identified in the Evidence of Coverage.	Clarification
Section IX header	Boiler and Machinery Breakdown Extension	Boiler <u>Explosion</u> and Machinery Breakdown Extension	Clarification
Section IX, 2. d. header	Media Coverage	Electronic Data Processing Media and Data Restoration	Clarification
Section IX, 2. f. header	Utility Interruption	Service/Utility/Off Premises Power Interruption	Clarification
Section IX, 2. h. Ordinance or Law	i. Loss to the Undamaged Portion of the Building, meaning loss to the undamaged portion of the building caused by <u>enforcement</u> of any ordinance or law that:	i. Loss to the Undamaged Portion of the Building, meaning loss to the undamaged portion of the building caused by any ordinance or law that:	Enhancement
Section IX, 2. h. Ordinance or Law	ii. Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by <u>the enforcement</u> of building, zoning, or land ordinance or use.	ii. Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by building, zoning, or land ordinance or use.	Enhancement

MASTER POLICY FORM PROPOSED CHANGES CONTINUED

Coverage	2025-2026	2026-2027	Status
Section IX, 2. h. Ordinance or Law	ii. Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by <u>the enforcement of</u> building, zoning, or land ordinance or use.	Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by building, zoning, or land ordinance or use.	Enhancement
Section IX, 2. h. Ordinance or Law	iii. ... when the increased cost is a consequence of <u>enforcement of</u> building, zoning or land use ordinance or law.	iii. ... when the increased cost is a consequence of building, zoning or land use ordinance or law.	Enhancement
Section IX, 2. h. Ordinance or Law	iii. second set of alpha numeric identifiers <u>a.</u> and <u>b.</u>	iii. second set of alpha numeric identifiers revised to: to <u>c.</u> and <u>d.</u>	Clarification
Section IX, 2. h. Ordinance or Law	iii. For second set of alpha numeric identifiers wording <u>a.</u> Costs associated with <u>the enforcement of</u> any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or	<u>c.</u> Costs associated with any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or	Enhancement
Endorsement 7	Pollution, Contamination, Debris Removal Exclusion	Deleted in its entirety	Enhancement
Endorsement 8	Upgrade to Green Endorsement number <u>8</u>	Revised to Endorsement number <u>7</u>	Update

ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
BOILER & MACHINERY EVIDENCE ATTACHMENT

NAMED INSURED: UC College of the Law, San Francisco

DECLARATION: 28-Education 1

POLICY PERIOD: July 1, 2026 to July 1, 2027

REFERENCE NUMBER: APIP2026 (Dec 28)

COMPANIES: See Attached List of Companies

TOTAL INSURED VALUES: \$ 482,632,097 as of June 25, 2026

COVERAGES & LIMITS:

- \$ 250,000,000 Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:
 - Included Jurisdictional and Inspections.
- \$ 10,000,000 Per Occurrence for Service/Utility/Off Premises Power Interruption.
 - Included Per Occurrence for Consequential Damage.
- \$ 10,000,000 Per Occurrence for Electronic Data Processing Media and Data Restoration.
- \$ 2,000,000 Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Named Insureds who purchase Dedicated Earthquake Shock Coverage.
- \$ 10,000,000 Per Occurrence for Hazardous Substances.
 - Included Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes.
- \$ 10,000,000 Per Occurrence for Ammonia Contamination
- \$ 10,000,000 Per Occurrence for Water Damage

NEWLY ACQUIRED LOCATIONS:

- \$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than 25,000,000 or Power Generating Facilities must be reported within 120 days and must have prior underwriting approval prior to binding

VALUATION: Repair or Replacement except Actual Loss sustained for all Time Element coverages

EXCLUSIONS
(Including but not limited to):

- Testing
- Explosion, except for steam or centrifugal explosion
- Explosion of gas or unconsumed fuel from furnace of the boiler

OBJECTS EXCLUDED:
(Including but not limited to):

- Insulating or refractory material
- Buried Vessels or Piping

NOTICE OF CANCELLATION: 90 days except 10 days for non-payment of premium

DEDUCTIBLES:

- \$ 250,000 Except as shown for Specific Objects or Perils.
- \$ 250,000 Electronic Data Processing Media.
- \$ 250,000 Consequential Damage.
- \$ 250,000 Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface.
- \$ 250,000 Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface.
- \$ 250,000 Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface.
- \$ 250,000 Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface.
- \$ 350,000 Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface.
- 10 per foot / \$2,500 Minimum Deep Water Wells.
- 24 Hours Business Interruption/Extra Expense Except as noted below.
- 30 Days Business Interruption - Revenue Bond.
- 24 Hour Waiting Period Utility Interruption.
- 5 x 100% of Daily Value Business Interruption - All objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 square feet heating surface.
- 5 x 100% of Daily Value Business interruption - All Objects at Waste Water Treatment Facilities and All Utilities.

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

David Evans
Senior Vice President

Daniel Howell
JD, CPCU, ARM-P, Senior Executive Vice President, Managing Director,
Specialty

Fred Godfrey
Account Executive

Bryan Gomez
Asst. Account Representative

Notes:

- ***Coverage outlined in this Evidence Attachment is subject to the terms and conditions set forth in the policy. Please refer to policy for specific terms, conditions and exclusions.***
- ***Change in Total Insurable Values will result in adjustment in premium.***

ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
CYBER INSURANCE EVIDENCE
CORE COVERAGE

TYPE OF COVERAGE: Information Security & Privacy Insurance with Electronic Media Liability Coverage

PROGRAM: Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP), and Special Property Insurance Program (SPIP)

NAMED INSURED: APIP Cyber and Pollution Programs, Inc. which may include any member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s), attaching to each Declaration insured under the ALLIANT PROPERTY INSURANCE PROGRAM (APIP), inclusive of PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP) and HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP) and SPECIAL PROPERTY INSURANCE PROGRAM (SPIP) as their respective rights and interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern (all hereinafter referred to as Member(s) / Entity(ies)).

DECLARATION: Various Declarations as on file with Insurer

POLICY PERIOD: July 1, 2026 to July 1, 2027

POLICY #: BCN2600046

TERRITORY: WORLD-WIDE

RETROACTIVE DATE: **APIP/PEPIP**
For new members – the retro active date will be the date of addition
 July 1, 2026 For new members included on the July 1, 2026/27 policy
 July 1, 2025 For new members included on the July 1, 2025/26 policy
 July 1, 2024 For existing members included on the July 1, 2024/25 policy
 July 1, 2023 For existing members included on the July 1, 2023/24 policy
 July 1, 2022 For existing members included on the July 1, 2022/23 policy
 July 1, 2021 For existing members included on the July 1, 2021/22 policy
 July 1, 2020 For existing members included on the July 1, 2020/21 policy
 July 1, 2019 For existing members included on the July 1, 2019/20 policy
 July 1, 2018 For existing members included on the July 1, 2018/19 policy
 July 1, 2017 For existing members included on the July 1, 2017/18 policy
 July 1, 2016 For existing members included on the July 1, 2016/17 policy
 July 1, 2015 For existing members included on the July 1, 2015/16 policy
 July 1, 2014 For existing members included on the July 1, 2014/15 policy
 July 1, 2013 For existing members included on the July 1, 2013/14 policy
 July 1, 2012 For existing members included on the July 1, 2012/13 policy

INSURER: Lloyd's of London - Beazley Syndicate: Syndicates 2623 - 623 - 100%
 Liberty Surplus Insurance Corporation (Ironshore)
 Associated Industries Insurance Company, Inc. (AmTrust Financial)
 Westchester Surplus Lines Insurance Company (Chubb)
 100% MRS 457 at Lloyd's (Munich RE)

COVERAGES & LIMITS:	Ai.	\$	75,000,000	Annual Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverages combined, including Claims Expenses), subject to the following limits and sub-limits as noted.
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Aii.	\$	2,000,000	Insured/Member Annual Aggregate Limit of Liability (subject to policy exclusions) for each Insured/Member, <u>within</u> the Annual Policy and Program Aggregate Limit of Liability (Aggregate for all coverages combined, including Claim Expenses) subject to the following limits and sub-limits as noted.
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BREACH RESPONSE

Breach Response Costs:	\$	500,000	Aggregate Limit of Liability for each Insured/Member (Limit is increased to \$1,000,000 if Beazley Nominated Services Providers are used)
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FIRST PARTY LOSS

Business Interruption and Dependent Business Interruption Aggregate Sublimit	\$	750,000	Aggregate Limit of Liability for each Insured/Member
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Business Interruption Loss Resulting from Security Breach:	\$	750,000	*Aggregate Limit of Liability for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)
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Business Interruption Loss Resulting from System Failure:	\$	500,000	*Aggregate Limit of Liability for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)
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Dependent Business Loss Resulting from Security Breach:	\$	750,000	Aggregate Limit of Liability for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)
Dependent Business Loss Resulting from System Failure:	\$	100,000	Aggregate Limit of Liability for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)
Cyber Extortion Loss:	\$	750,000	*Aggregate Limit of Liability for each Insured/Member
Data Recovery Costs:	\$	750,000	*Aggregate Limit of Liability for each Insured/Member
Data & Network Liability:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses
Regulatory Defense & Penalties:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member for all Penalties and Claims Expenses
Payment Card Liabilities & Costs:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member for all PCI Fines, Expenses and Costs
Media Liability:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses

***Contingent Security Controls Endorsement:**

If, at the time of loss, the insured implemented both an End Point Protection Platform and Multi Factor Authentication across the insured network, the following sublimits (as described above) are increased to \$2,000,000:

- Business Interruption Loss from Security Breach
- Business Interruption Loss from System Failure
- Cyber Extortion Loss
- Data Recovery Loss

eCRIME

Fraudulent Instruction:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
Funds Transfer Fraud:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
Telephone Fraud:	\$	100,000	Aggregate Limit of Liability for each Insured/Member

CRIMINAL REWARD

Criminal Reward:	\$	25,000	Aggregate Limit of Liability for each Insured/Member
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COVERAGE ENDORSEMENT(S)

Reputation Loss:	\$	200,000	Aggregate Limit of Liability for each Insured/Member
Claims Preparation Costs for Reputation Loss Claims Only:	\$	50,000	Aggregate Limit of Liability for each Insured/Member
Computer Hardware Replacement Costs:	\$	200,000	Aggregate Limit of Liability for each Insured/Member
Invoice Manipulation:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
Cryptojacking:	\$	50,000	Aggregate Limit of Liability for each Insured/Member
RETENTION:	\$	50,000	Per Incident, Claim, or Loss for each Member/Insured with Total Insured Value (TIV) up to \$250,000,000 at the time of policy inception 8 Hour waiting period for Dependent/Business Interruption Loss
	\$	100,000	Per Incident, Claim, or Loss for each Member/Insured with Total Insured Value (TIV) greater than \$250,000,000 and up to \$750,000,000 at the time of policy inception 8 Hour waiting period for Dependent/Business Interruption Loss
	\$	250,000	Per Incident, Claim, or Loss for each Member/Insured with Total Insured Value (TIV) greater than \$750,000,000 at the time of policy inception 8 Hour waiting period for Dependent/Business Interruption Loss

NOTICES:

Policy coverage of this policy provides coverage on a claims made and reported basis; except as otherwise provided, coverage under noted coverage applies only to claims first made against the Insured/Member and reported to underwriters during the policy period. Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

This is a shared limit policy among the Named Insureds. The per Insured/Member policy limits are on a per Insured/Member basis. Sub-limits listed are aggregated per Insured/Member and are within the total Insured/Member aggregate limit. In the event of a claim/incident with multiple Insureds/Members exhausting the program aggregate limit provided by the Insurer to Insureds/Members, payment to all Insureds/Members for the claim/incident will be determined by the Insurer. Where coverages are aggregated, sub-limit and limits apply to all Insureds/Members for the entire Policy Period unless specifically stated otherwise. The policy aggregate limit is not per Insured/Member maximum limit.

EXTENDED REPORTING PERIOD:

For Named Insured - To be determined at the time of election (additional premium will apply)

SPECIFIC COVERAGE PROVISIONS:

A. Breach Response indemnifies the Insured Organization for Breach Response Costs incurred by the Insured Organization because of an actual or reasonably suspected Data Breach or Security Breach that the Insured first discovers during the Policy Period.

B. First Party Loss

Business Interruption Loss indemnifies the Insured Organization for a Business Interruption Loss sustained as a result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.

Dependent Business Interruption Loss indemnifies the Insured Organization for a Dependent Business Interruption Loss sustained as a result of a Dependent Security Breach or a Dependent System Failure that the Insured first discovers during the Policy Period.

Cyber Extortion Loss indemnifies the Insured Organization for a Cyber Extortion Loss incurred as a result of an Extortion Threat first made against the Insured Organization during the Policy Period.

Data Recovery Costs indemnifies the Insured Organization for Data Recovery Costs incurred as a direct result of a Security Breach that the Insured first discovers during the Policy Period.

C. Liability

Data & Network Liability pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for a Data Breach, a Security Breach, the Insured's failure to timely disclose a Data Breach or Security Breach, or failure of the Insured to comply with the part of a Privacy Policy that specifically:

(a) prohibits or restricts the Insured Organization's disclosure, sharing or selling of Personally Identifiable Information; (b) requires the Insured Organization to provide individual access to Personally Identifiable Information or to correct incomplete or inaccurate Personally Identifiable Information after a request is made; or (c) mandates procedures and requirements to prevent the loss of Personally Identifiable Information.

Regulatory Defense & Penalties pays Penalties and Claims Expenses, which the Insured is legally obligated to pay because of a Regulatory Proceeding first made against any Insured during the Policy Period for a Data Breach or a Security Breach.

Payment Card Liabilities & Costs indemnifies the Insured Organization for PCI Fines, Expenses and Costs which it is legally obligated to pay because of a Claim first made against any Insured during the Policy Period.

Media Liability pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for electronic Media Liability.

D. eCrime indemnifies the Insured/Member for any direct financial loss sustained resulting from:

- *Fraudulent Instruction*
- *Funds Transfer Fraud*
- *Telephone Fraud*

That the Insured first discovers during the Policy Period.

E. Criminal Reward indemnifies the Insured/Member for Criminal Reward Funds.

**Coverage
Endorsement(s)**

Reputational Loss indemnifies the Insured Organization for Reputation Loss that the Insured Organization sustains solely as a result of an Adverse Media Event that occurs during the Policy Period, concerning: a Data Breach, Security Breach, or Extortion Threat that the Insured first discovers during the Policy Period; or if this policy is a Renewal, a Data Breach, Security Breach, or Extortion Threat that the Insured first discovers during the last 90 days of the prior policy period.

Computer Hardware Replacement Costs are part of the Extra Expense coverage. Extra Expense means reasonable and necessary expenses incurred by the Insured Organization during the Period of Restoration to minimize, reduce or avoid Income Loss, over and above those expenses the Insured Organization would have incurred had no Security Breach, System Failure, Dependent Security Breach or Dependent System Failure occurred; and includes reasonable and necessary expenses incurred by the Insured Organization to replace computers or any associated devices or equipment operated by, and either owned by or leased to, the Insured Organization that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a Security Breach

Invoice Manipulation indemnifies the Insured Organization for Direct Net Loss resulting directly from the Insured Organization's inability to collect Payment for any goods, products or services after such goods, products or services have been transferred to a third party, as a result of Invoice Manipulation that the Insured first discovers during the Policy Period. Invoice Manipulation means the release or distribution of any fraudulent invoice or fraudulent payment instruction to a third party as a direct result of a Security Breach or a Data Breach.

Cryptojacking indemnifies the Insured Organization for any direct financial loss sustained resulting from Cryptojacking that the Insured first discovers during the Policy Period. Cryptojacking means the Unauthorized Access or Use of Computer Systems to mine for Digital Currency that directly results in additional costs incurred by the Insured Organization for electricity, natural gas, oil, or internet.

Other Insurance Amendment Endorsement the insurance under this policy will apply in excess of any other valid and collective insurance available to any insured unless such other insurance is written only as specific excess insurance over this policy.

Contingent Security Controls Endorsement if an insured/member has at the time of loss Multi-Factor Authentication for all Remote Access to the Insured's network and an Endpoint Protection Platform implemented across the insured enterprise the following will be increased to \$2,000,000 per member aggregate: Business Interruption from Security Breach and System Failure, Cyber Extortion, and Data Recovery.

EXCLUSIONS:
(Including but not limited to)

Coverage does not apply to any claim or loss from:

- Bodily Injury or Property Damage
- Trade Practices and Antitrust
- Gathering or Distribution of Information
- Prior Known Acts & Prior Noticed Claims
- Racketeering, Benefit Plans, Employment Liability & Discrimination
- Sales or Ownership of Securities & Violation of Securities Laws
- Criminal, Intentional or Fraudulent Acts
- Patent, Software Copyright, Misappropriation of Information
- Governmental Actions
- Other Insureds & Related Enterprises
- Trading Losses, Loss of Money & Discounts
- Media-Related Exposures – Contractual liability or obligation
- Nuclear Incident Exclusion Clause
- Radioactive Contamination Exclusion Clause
- Tribal Exclusion Endorsement
- Amend First Party Loss Exclusion
- Mergers and Acquisitions Clause Amendment Endorsement
- Sanctions Limitation
- War and Cyber War Exclusion with Single Entity Carve Back
- Asbestos, Pollution and Contamination Exclusion Endorsement
- First Party Loss – with respects: 1. seizure, nationalization, confiscation, or destruction of property or data by official order of any governmental or public authority; 2. costs or expenses incurred by the Insured to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or Computer Systems to a level beyond that which existed prior to a Security Breach, System Failure, Dependent Security Breach, Dependent System Failure or Extortion Threat; but solely with respect to Business Interruption Loss, this exclusion will not apply to the extent that such costs or expenses are less than or equal to such costs or expenses incurred to restore the Computer System to the same or equivalent condition that existed immediately prior to a Security Breach or System Failure; 3. failure, interruption, or malfunction of Financial Market Infrastructure, Digital and Internet Infrastructure, power, water, oil, gas, electrical, sewage, or other utilities, or mechanical infrastructure or services, that are not under the Insured Organization's direct operational control; or 4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.
- Website Tracking Exclusion Endorsement specific to hospitals as defined by: Hospitals defined as institutions that comprise all the following: A health facility with overall administrative and professional responsibility and an organized medical staff that provides 24-Hour inpatient care, including the following services: Medical, nursing, surgical, anesthesia, laboratory, pharmacy, and dietary services.

NOTICE OF CLAIM:

- **IMMEDIATE NOTICE** must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)
- Claim notification under this policy is to:
Beazley Group
Attn: Cyber and Tech Claims Group
45 Rockefeller Plaza, 16th Floor
New York, NY 10111
bbr.claims@beazley.com
[Toll-Free 24-Hour Hotline 866-567-8570](tel:866-567-8570)

**NOTICE OF
CANCELLATION:
OTHER SERVICES**

10 days for non-payment of premium

Unlimited Access to Beazley Breach Solutions website
<https://www.beazley.com/en-us/cyber-customer-centre/cyber/>

BROKER:

ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

NOTES:

- ***Coverage outlined in this Evidence is subject to the terms and conditions set forth in the policy.***
- ***Please refer to Policy for specific terms, conditions and exclusions***
- ***Premium is noted on the Property Evidence***

SUMMARY OF CYBER INSURANCE CHANGES

THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2026-2027 POLICY TERM

Coverage	2025-2026 Expiring	2026-2027 Proposed Changes
Beazley Breach Response Endorsement	Boost option increased the Business Income from Security Breach and System Failure, Data Recovery, and Cyber Extortion to full limit.	Boost Option is no longer available. Increased limits offered program wide with new *Contingency Control Endorsement outlined above.
Retention Buy Down	Coverage is offered to new and existing members; underwriting required	Coverage is offered to new and existing members; underwriting required
New members of APIP Cyber Core-Mid Term Transactions	All Members requesting core coverage are required to complete the Beazley Ransomware Supplemental in the application portal, along with a statement of no losses and a signed AFB Warranty	All Members requesting core coverage are required to complete the Beazley Ransomware Supplemental in the application portal, along with a statement of no losses and a signed AFB Warranty.
ECrime Coverage Update	25-26 Ecrime Sub-limits Fraudulent Instruction: \$75,000 Funds Transfer Fraud: \$75,000 Telephone Fraud: \$75,000	26-27 Ecrime Sub-limits Fraudulent Instruction: \$100,000 Funds Transfer Fraud: \$100,000 Telephone Fraud: \$100,000
Beazley Core Coverage-New Boost offering	By endorsement and included only with the BBR purchase. Open to all members. Provides full limit coverage for some First Party Limits; Business Interruption, Cyber Extortion, and Data Recovery	Boost is deleted and no longer included with the BBR Endorsement. Contingent Security Control Endorsement replaces boost program wide.
New to APIP Cyber Core: Contingency Security Controls Endorsement	Previously covered under "Boost" for BBR Purchasers	Business Interruption from a Security Breach or System Failure, Data Recovery, and Cyber Extortion are now \$2,000,000 per member aggregate with the insureds implementation of an End Point Protection Platform and Multi Factor Authentication at the time of loss.

ALLIANT INSURANCE SERVICES, INC. ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

POLLUTION LIABILITY EVIDENCE

TYPE OF INSURANCE: ☒ Insurance ☐ Reinsurance

TYPE OF COVERAGE: Claims Made and Reported Pollution Liability

PROGRAM: **Alliant Property Insurance Program (APIP)**

NAMED INSURED: Any member(s), entity(ies), agency(ies), organization(s), enterprise(s), pool(s), Joint Powers Authority(ies) and/or individual(s) attached to each Declaration insured as per Named Insured Schedule on file with Insurer, listed below.

POLICY PERIOD: July 1, 2026 to July 1, 2027

POLICY #: ISPILLSCAZ0U006

RETROACTIVE DATE: This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later, except for the following coverages:

- July 1, 2021 for Products Pollution and Exposure Liability;
- July 1, 2021 for Contractor's Pollution
- July 1, 2021 for Mold Matter

COMPANY: Ironshore Specialty Insurance Company

A.M. BEST INSURANCE RATING: A, Excellent, Financial Size Category XV
(\$2 Billion or greater)
Effective September 10, 2025

STANDARD & POORS RATING: A (Strong) as of as of April 15, 2026

ADMITTED STATUS: Non-Admitted in all states.

COVERED PROPERTY: Per the following Statements of Values (SOVs) submitted and on file with carrier:

1. PEPIC DEC 1 – SOVs	13. PEPIC DEC 27 – SOVs
2. PEPIC DEC 2 – SOVs	14. PEPIC DEC 28 – SOVs
3. PEPIC DEC 3 – SOVs	15. PEPIC DEC 29 – SOVs
4. PEPIC DEC 4 – SOVs	16. PEPIC DEC 30 – SOVs
5. PEPIC DEC 5 – SOVs	17. PEPIC DEC 32 – SOVs
6. PEPIC DEC 11 – SOVs	(Excludes SPIP, except as
7. PEPIC DEC 12 – SOVs	endorsed)
8. PEPIC DEC 14 – SOVs	18. PEPIC DEC 33 – SOVs
9. PEPIC DEC 19 – SOVs	19. PEPIC DEC 34 – SOVs
10. PEPIC DEC 23 – SOVs	20. PEPIC DEC 35 – SOVs
11. PEPIC DEC 24 – SOVs	21. PEPIC DEC 39 – SOVs
12. PEPIC DEC 26 – SOVs	22. PEPIC DEC 96 – SOVs
	(Excluding HARPP members)

**COVERED PROPERTY
(Continued):**

Covered locations are defined as any real property owned, leased, rented, operated or occupied by the Insured as of Policy Inception, including, but not limited to, any subsurface potable water, wastewater or storm water pipelines including any appurtenances that are attached to or part of the pipeline network, owned or operated by a Named Insured, within a one thousand (1,000) foot radius of such Covered Property. Also includes any roads including, but not limited to, any alleys, streets or bridges owned or operated by the Insured, any vacant land, including any parks, open spaces, easements or rights-of-way owned or operated by the Insured any location scheduled to this policy by endorsement.

COVERAGES & LIMITS:

\$25,000,000	Policy Program Aggregate (all insureds combined)
\$ 2,000,000	Per Pollution Incident
\$ 2,000,000	Per Named Insured Aggregate
\$ 2,000,000	Per JPA/Pool Aggregate – including all members

LEGAL COSTS:

\$ 1,000,000	Aggregate Legal Costs Outside of and in Addition to the Policy Limits
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SUB-LIMITS:

\$ 100,000	Disinfection Event Expenses Per Pollution Incident*
\$ 100,000	Disinfection Event Expenses Program Aggregate*
\$ 250,000	Image Restoration Expenses Per Pollution Incident*
\$ 250,000	Image Restoration Expenses Program Aggregate*
\$ 5,000,000	Mold Matter Loss, Business Interruption and Extra Expense Program Aggregate*
\$ 1,000,000	Mold Matter Restoration Costs, Business Interruption Expenses and Extra Expenses Program Aggregate*
\$ 3,000,000	Sewer Backup and Overcharge Program Aggregate*
\$ 3,000,000	Lead or Lead Containing Materials Program Aggregate – All Claims*
\$ 250,000	Any Punitive, Exemplary and Multiplied Damages and Civil Fines, Penalties and Assessments*
\$ 2,000,000	Products Pollution and Exposure Liability Per Pollution Incident*
\$ 5,000,000	Products Pollution and Exposure Liability Program Aggregate – Biosolid-derived fertilizer*
\$10,000,000	Products Pollution and Exposure Liability Program Aggregate – Potable Water*
\$ 1,000,000	Contractor's Pollution Per Pollution Incident - Herbicide, Insecticide, Pesticide Applications Only*
\$ 2,000,000	Contractor's Pollution Program Aggregate - Herbicide, Insecticide, Pesticide Applications Only*
\$ 2,000,000	Contractor's Pollution Per Pollution Incident - All other Operations*
\$10,000,000	Contractors Pollution Program Aggregate* - All other Operations*
\$ 5,000,000	Wildfire Program Aggregate Sublimit*

*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.

EXTENDED REPORTING PERIOD:

Automatic Extended Reporting Period

The Named Insured shall be entitled to an Automatic Extended Reporting Period for a period of ninety (90) days following the effective date of termination of this Policy for no additional premium. This automatic ERP does not apply if the insured has purchased other insurance to replace the insurance provided by this policy.

SPECIFIC COVERAGE PROVISIONS:

CLAIMS MADE AND REPORTED

Coverage A – Third Party Claims for Bodily Injury, Property Damage or Remediation Expenses:

Coverage for loss that the Insured becomes legally obligated to pay as a result of claims for Bodily Injury, Property Damage or Remediation Expenses directly resulting from a Pollution Incident, provided that the claim is first made against the Insured and reported to the Insurer, in writing, during the policy period.

Coverage B – Onsite First Party Remediation Expenses:

Coverage for Remediation Expenses incurred exclusively for remediation of pollutants that are on, at or under a covered location, provided that the pollution incident is first discovered by the Insured during the policy period, the Insured reports the pollution incident to the Insurer, in writing, during the policy period, and the pollution incident is promptly reported by the Insured to the appropriate governmental authority if and as required by environmental law.

Coverage C – Emergency Response Expenses:

To pay on behalf of the Insured, Emergency Response Expenses incurred by or on behalf of the Insured in response to an imminent and substantial threat to human health or the environment resulting from a Pollution Incident on, at, under or migrating from a Covered Property or arising from Transportation that commences, in its entirety, during the policy period. The Emergency Response Expenses must: (i) be incurred within seven (7) days of the commencement of such Pollution Incident; and (ii) be reported to the Insurer within fourteen (14) days of such commencement. For this Coverage to apply, the Pollution Incident giving rise to the Emergency Response Expenses must be unexpected and unintended from the standpoint of the Insured.

Coverage for Transportation is included in Emergency Response Expenses above.

Coverage D – Business Interruption:

Coverage for the Insured's Business Interruption Expenses and Extra Expenses during the Period of Interruption that directly result from a Pollution Incident on, at or under a Covered Property.

This Coverage shall apply only if the Pollution Incident giving rise to the Business Interruption Expenses or Extra Expenses is first discovered by the Insured and reported to the Insurer, in writing, during the Policy Period, and such Pollution Incident results in Remediation Expenses covered under this Policy. Discovery of a Pollution Incident happens when a Responsible Insured first becomes aware of the Pollution Incident. Further, if the interruption results from a Pollution Incident and any other cause(s), the Company shall only pay that portion of Business Interruption Expenses and Extra Expenses solely attributable to the Pollution Incident. In the event of a Period of Interruption, it is a condition precedent to Coverage that the Named Insured notifies the Company of the interruption within thirty (30) days of its commencement and that the Named Insured resume normal operation of the business as soon as possible and use all reasonable efforts to mitigate any Business Interruption Expenses and Extra Expenses.

**SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:**

Coverage E – Coverage for Disinfection Event Expenses

To pay on behalf of the Insured, Disinfection Expenses that directly result from a Disinfection Event at a Covered Property, provided that the Disinfection Event commences, in its entirety, during the Policy Period; such Disinfection Expenses are incurred within thirty (30) days of the first discovery of such Disinfection Event by a Responsible Insured; and the Insured reports the Disinfection Event to the Insurer, in writing, during the Policy Period and within fourteen (14) days of a Responsible Insured's first discovery of such Disinfection Event.

Disinfection Expenses means reasonable fees and costs incurred by the Insured to retain third party qualified vendors to disinfect the actual presence of bacteria or virus at a Covered Property after a Disinfection Event.

Coverage F – Coverage for Image Restoration Expenses

To pay on behalf of the Insured, Image Restoration Expenses that directly result from an Image Restoration Event, provided that the Pollution Incident giving rise to the Image Restoration Event is on, at, under or migrating from a Covered Property or results from Transportation or Waste Disposal Activities; the Pollution Incident giving rise to the Image Restoration Expenses commenced, in its entirety, during the Policy Period; such Image Restoration Expenses are incurred by the Insured within fourteen (14) days of the first newspaper or magazine publication or television news broadcast associated with the Pollution Incident giving rise to the Image Restoration Event; and the Pollution Incident giving rise to the Image Restoration Expenses is reported to the Company, in writing, during the Policy Period and within fourteen (14) days of a Responsible Insured's first discovery of such Image Restoration Event.

Image Restoration Expenses are defined as reasonable and necessary public relations expenses to restore public reputation and consumer confidence. Image Restoration Expenses shall include fees and expenses incurred by public relations or crisis management firms and reasonable and necessary printing, mailing of materials and travel by directors, officers, employees or agents of the Named Insured at the direction of such firms. Image Restoration Expenses shall not include the costs to purchase advertising on television, in newspapers or in any other media.

Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of "your work", provided the claim is first made and reported during the policy period. The Contractor's Pollution must have commenced on or after 7/1/2021.

Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after 7/1/2021.

SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:

Insured's Products are defined as:

- Potable water manufactured, sold, handled or distributed by the Insured or others trading under the Insured's name, and includes containers (other than automobiles, rolling stock, vessels or aircraft), materials, parts or equipment furnished in connection therewith, and includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use thereof, or the failure to provide warnings or instructions; or
- Biosolid-derived fertilizers manufactured, sold, handled or distributed by the Insured or others trading under the Insured's name, and includes containers (other than automobiles, rolling stock, vessels or aircraft), materials, parts or equipment furnished in connection therewith, and includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use thereof, or the failure to provide warnings or instructions.

Illicit Abandonment is included in the definition of pollution condition.

Other Insurance Condition

Any Loss covered under any other valid and collectible insurance, whether primary, excess, contingent, self-insurance, deductible or any other basis, including but not limited to any stand-alone policies purchased by a Named Insured, this insurance shall apply in excess of.

Mold matter and Legionella is included in the definition of Pollutant. Mold matter is defined as mold, mildew and fungi, whether or not such microbial matter is living. Legionella means legionella pneumophila.

Wildfire is defined as any hostile fire, wildland fire, forest fire, brush fire, vegetation fire, grass fire, peat fire, bushfire, hill fire, desert fire, veldfire, escaped prescribed fire or escaped wildland fire.

Automatic Acquisition – Automatic coverage for mid-term real property additions, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. Notice must be provided to the Insurer within 365 days, along with any supporting documentation reasonably requested by the underwriter.

Coverage does not apply to any Remediation Expenses or Emergency Response Expenses incurred for the remediation of Mold Matter at such Acquired Real Property which is the result of any water intrusion or moisture condition prior to the Insured taking title or occupancy of such property. Any water-intrusion or moisture condition shall include, but not be limited to, any roof or building envelope leak, any heating, ventilation and air conditioning (HVAC) system improvement, replacement or upgrade or any plumbing or pipe leak.

To add new members to the program or new sub-members to existing program members, a current statement of values is required for the new member or sub-member and is subject to an additional premium of \$0.00102 per \$100 of Total Insurable Values, pro-rated, with a minimum premium of \$450.

SPECIFIC COVERAGE
PROVISIONS -
CONTINUED:

Blanket Underground Storage Tank coverage included, with a deductible of \$250,000 for storage tanks less than twenty years old, a deductible of \$375,000 for storage tanks between twenty and thirty years old, and a deductible of \$500,000 for storage tanks which are thirty years old or older.

Note: Does not meet financial assurance requirements.

Loss covered pursuant to any state storage tank fund, state administered insurance program or restoration funding for any underground storage tank(s) whose owners qualify for reimbursement, or any self-insurance fund established for the purpose of funding clean-up costs for pollution conditions from any underground storage tank(s), shall be considered primary insurance, to which the coverage afforded pursuant to this policy shall apply in excess.

Additional Insureds are as follows:

- Any Entity
- If any Named Insured pursuant to this Policy is a Public Entity, the following entities are additional insureds:
 - A governmental agency or subdivision, department, municipal body, commission or board, or a not-for profit corporation which is owned or controlled by any Named Insured;
 - An individual while acting in the capacity as a director of, officer of, trustee of, employee of, temporary or leased worker of, or staff member of, any Named Insured;
 - A volunteer, but solely while acting within the scope of such duties and at the direction of any Named Insured;
 - A paramedic or emergency technician, but solely while acting within the course and scope of employment or while acting as a volunteer pursuant to the direction of any Named Insured;
 - An elective or appointive officer or a member of any such commission, board or agency of any Named Insured but solely while acting within the scope of duties as such; or
 - A joint venture or partnership, including a mutual assistance pact, joint powers agreement or similar association, but only with respect to the conduct of the business of any named Insured on behalf of that entity or association and only to the extent of such Named Insured's participation or interest in that entity or association.

If the Named Insured is an Educational Entity, the following persons or entities are additional insureds, individually and collectively, when acting solely within the scope of their duties, office, or employment for, and pursuant to the supervision of, any Named Insured:

- Members of the School Board;
- Officers;
- Employees;
- Temporary or Leased Workers;
- Authorized individual volunteers; or
- Student Body Organizations pursuant to the jurisdiction of the governing board, but only while pursuant to the supervision required by the governing board.

EXCLUSIONS (including but not limited to):

Coverage does not apply to any claim or loss from:

- Aircraft, Auto or Watercraft – does not apply to Transportation
- Asbestos, PCBs and Lead –
 - Any asbestos, asbestos containing materials, lead, lead containing materials, including but not limited to lead-based paint, polychlorinated biphenyls (PCBs) or materials containing PCBs in, on, at, within or applied to any building, utility, structure or building material. This exclusion does not apply to Claims for Bodily Injury or Property Damage, or Remediation Expenses for the remediation of any soil, groundwater body, surface water body or sediment; or
 - Any asbestos, asbestos containing materials, lead or lead-containing materials, other metals, including but not limited to copper, or metal containing materials in, on or applied to any water supply or collection equipment, system or infrastructure, including but not limited to water service lines; this does not apply to third-party claims for bodily injury or property damage, or for remediation expenses of any groundwater body, surface water body or sediment;

Further, this exclusion shall not apply to Remediation Expenses solely incurred for the remediation of asbestos, asbestos containing materials or lead-based paint which has been inadvertently displaced (not including any displacement associated with demolition, renovation or abatement) by an accident which occurs, in its entirety, during the Policy Period and is demonstrable by the Insured as commencing during the Policy Period, provided that such accident is reported to the Company within thirty (30) days of its commencement. However, there shall be no coverage for any costs incurred to: remove, abate, repair, dispose of or otherwise address any asbestos, asbestos containing materials or lead-based paint that has not been displaced by such accident, or to remove or dispose of any building, construction or demolition debris.

Asbestos is fully excluded under Products Pollution and Exposure Liability coverage.

- Contractual Liability – This exclusion does not apply to liability that the Insured would have had in the absence of the contract or agreement or to liability assumed in an Insured Contract.
- Criminal Punishments
- Divested Property – does not apply to any Covered Property owned by an Insured as of Policy Inception which is leased to a third party, even if the Insured has relinquished operation or management control of such Covered Property, provided that such covered property was disclosed to the Insurer.

EXCLUSIONS (including but not limited to, Cont.):

Coverage does not apply to any claim or loss from:

- Employer Liability – This exclusion applies whether the Insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of such Bodily Injury.
- Insured's Internal Expenses
- Insured's Non-Compliance
- Insured vs. Insured
- Insured's Professional Services – any professional services performed or rendered on behalf of the Insured, including but not limited to, medical services, recommendations, opinions and strategies rendered for architectural, consulting and engineering work, such as drawings, designs, maps, reports, surveys, change orders, plan specifications, assessment work, remedy selections site maintenance and equipment selection, and supervisory, inspection or engineering service.
- Material Change In Use – This exclusion shall not apply if the Insured submits prior written notice no less than thirty (30) days prior to such material change, and the Company approves such material change in an endorsement to this Policy issued within thirty (30) days of such notice.
- Non-Disclosure – does not apply to any Inadvertently Omitted Locations
- Nuclear or Radiological Material
- Property Damage to Conveyances
- War
- Workers Compensation, Unemployment, Social Security, Disability and Similar Laws
- Waste Processing, Treatment or Disposal – does not apply to waste disposal activities at a non-owned disposal site.
- Airports – defined as any airport where enplanement occurs and/o cargo is moved for a fee and storage, transportation and the dispensing of fuel and/or de-icing solution operations are conducted. This exclusion shall not apply to passenger airports with less than 2,500 passenger boardings per year.
- Oil and/or Gas Operations – only applies to oil and/or gas producing and refining facilities
- Firearms, Explosives or Military Weapons
- Activity Use Limitation
- Landfill Closure, Post-Closure and Reclamation Costs – any closure, post closure or reclamation costs or obligations, including but not limited to any costs associated with landfill caps or gas or leachate systems. Does not apply to claims for Bodily Injury or Property Damage.
- Combined Sewer Overflow – defined as any discharge of stormwater and / or wastewater into any body of water, including surface water or groundwater, arising from a sewer system (including but not limited to sewer lines, pipes, pumping stations, appurtenances and treatment plants) that handles both wastewater and stormwater due to the volume of stormwater and / or wastewater exceeding the capacity of such sewer system.

EXCLUSIONS (including but not limited to, Cont.):

Coverage does not apply to any claim or loss from:

- Commercial Ports – Any commercial port where ships load and unload cargo.
- Landfill
- Odor - Solely with respect to any Pollution Incident on, at, under or migrating from any location used (in whole or part) at any time (currently or historically) for the collection, treatment, recycling, management, incineration or disposal of waste materials, any Claim, in whole or part, due to or in any way associated with any odor; any Claim for Bodily Injury or Property Damage due to or associated with any gas or emissions that have migrated beyond the boundaries of a Covered Property; or any Claim for public or private nuisance due to or associated with any odor or any gas or emissions migration.
- Impoundments
- Engineering Controls / Operation and Maintenance (O&M) Costs
- Groundwater and Surface Water Monitoring Costs
- COVID-19
- Capital Improvement – Applies to all locations, also applies to removal, replacement, repair or upgrade of an underground storage tank.
- Voluntary Site Investigation – Applies to all locations.
- Expected or Intended Injury or Damage (Product Pollution and Covered Operations only)
- Known Injury or Damage (Product Pollution and Covered Operations only)
- Product Disposal (Product Pollution Only)
- Products as Waste (Product Pollution Only)
- Transportation (Product Pollution only)
- Damage to the Insured's Product (Product Pollution Only)
- Drinking Water Standards Exceedance (Product Pollution Only)
- Material Change in Potable Water Supply Source (Product Pollution Only)
- Conveyance (Covered Operations only)
- Business Interruption (Covered Operations Only)
- Owned Property (Covered Operations Only)
- Damage to Your Work (Covered Operations Only)

EXCLUSIONS (including but not limited to, Cont.):

Coverage does not apply to any claim or loss from:

- Any perfluorinated compound (PFC) or perfluoroalkyl or polyfluoroalkyl substance, including but not limited to 10:2 fluorotelomer sulfonic acid (10:2 FTS); 11-chloroeicosafluoro-3-oxaundecane-1-sulfonic acid (11CIPF3OUdS); 2H,2H,3H,3H-perfluorodecanoic acid (7:3 FTCA); 2H,2H,3H,3H-perfluorohexanoic acid (3:3 FTCA); 2H,2H,3H,3H-perfluorooctanoic acid (5:3 FTCA); 4,8-dioxa-3H-perfluorononanoic acid (ADONA); 4:2 fluorotelomer sulfonic acid (4:2 FTS); 6:2 fluorotelomer sulfonic acid (6:2 FTS); 8:2 fluorotelomer sulfonic acid (8:2 FTS); 9-chlorohexadecafluoro-3oxanonane-1-sulfonic acid (9CIPF3ONS); n-ethyl perfluorooctane sulfonamido ethanol (NEtFOSE); hexafluoropropylene oxide dimer acid (HFPO-DA or GenX); n-methyl perfluorooctane sulfonamido ethanol (NMeFOSE); n-ethyl perfluorooctanesulfonamidoacetic acid (NEtFOSAA); n-ethyl perfluorooctane sulfonamide (NEtFOSA); n-methyl perfluorooctanesulfonamidoacetic acid (NMeFOSAA); n-methyl perfluorooctane sulfonamide (MeFOSA); nonafluoro3,6-dioxaheptanoic acid (NFDHA); perfluoro(2-ethoxyethane) sulfonic acid (PFEEESA); perfluoro-3-methoxypropanoic acid (PFMPA); perfluoro-4-methoxybutanoic acid (PFMBA); perfluorobutane sulfonic acid (PFBS); perfluorobutanoic acid (PFBA); perfluorodecane sulfonic acid (PFDS); perfluorodecanoic acid (PFDA); perfluorododecanoic acid (PFDoA); perfluoroheptane sulfonic acid (PFHpS); perfluoroheptanoic acid (PFHpA); perfluorohexadecanoic acid (PFHxDA); perfluorohexane sulfonic acid (PFHxS); perfluorohexanoic acid (PFHxA); perfluorononane sulfonic acid (PFNS); perfluorononanoic acid (PFNA); perfluorooctadecanoic acid (PFODA); perfluorooctane sulfonamide (PFOSA); perfluorooctane sulfonic acid (PFOS); perfluorooctanoic acid (PFOA); perfluoropentane sulfonic acid (PFPeS); perfluoropentanoic acid (PFPeA); perfluorotetradecanoic acid (PFTA); perfluorotridecanoic acid (PFTrDA); perfluoroundecanoic acid (PFUnA); perfluorododecanesulfonic acid (PFDoS); polytetrafluoroethylene (PTFE); 8:2 fluorotelomer unsaturated carboxylic acid (8:2 FTUCA) or 8:2 polyfluoroalkyl phosphate diester (8:2 diPAP), or any precursor chemicals. PFAS shall include: (i) any PFAS that falls within the structural definition set forth in 40 CFR 705.3, or any additions or amendments thereto; (ii) any anion forms, structural isomers or salts of PFAS associated with their corresponding acid forms, or any processing aids or residual materials contained therein; or (iii) any transformation or degradation compounds of PFAS. Further, PFAS shall also include aqueous film forming foam (AFFF) containing PFAS or any additives or component materials contained therein or degradation by-products thereof.

DEDUCTIBLE:	\$ 250,000	Each Pollution Incident After July 1, 2021
	\$ 500,000	Each Pollution Incident Prior to July 1, 2021

Any payments for covered loss paid by other insurance shall also be applied against the deductible amount.

SPECIFIC DEDUCTIBLES:	\$ 250,000	Disinfection Event Expenses
	\$ 250,000	Image Restoration Expenses
	\$ 250,000	Products Pollution and Exposure Liability
	\$ 250,000	Covered Operations
	\$ 350,000	* Mold Matter (*or \$25,000 per room impacted, whichever is greater, with a \$2,500,000 maximum – a room is considered equal to 250 sq ft of floor space, education, healthcare and hospitality locations only)
	\$ 500,000	Legionella
	\$ 500,000	Sewer Backup and Overcharge deductible
	\$ 250,000	Underground Storage Tanks (less than 20 years old)
	\$ 375,000	Underground Storage Tanks (20-30 years old)
	\$ 500,000	Underground Storage Tanks (more than 30 years old)
	\$ 1,000,000	Wildfire Deductible
	5 Days	Business Interruption Waiting Period

CLAIMS REPORTING NOTICE

PLEASE NOTE THAT POLLUTION LIABILITY POLICIES CONTAIN EXTREMELY STRICT CLAIM REPORTING PROCEDURES. Below please find your policy specific claim reporting requirements - Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

THIS IS A CLAIMS MADE POLICY

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

LOSS REPORTING REQUIREMENTS:

Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:

1) Ironshore Environmental Claims CSO
28 Liberty Street, 5th Floor
New York, NY 10005 Office
By phone via: 24 Hour Claims Phone Number (888) 292-0249
FAX to: 646-826-6601
Email: USClaims@ironshore.com

2) Akbar Sharif
Alliant Insurance Services, Inc.
18100 Von Karman Avenue
10th Floor
Irvine, CA 92612
949 260-5088
949 756-2713 – fax
Akbar.Sharif@alliant.com

NOTICE OF CANCELLATION:

90 days except 10 days for non-payment of premium

REINSTATEMENT PROVISIONS:

Not Provided

POLLUTION LIABILITY COST:

Cost is included in Total Property Premium
100% Earned Premium at Inception

QUOTE VALID:

July 1, 2026

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

NOTES:

- ***This Evidence is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event.***
- ***Coverage outlined in this Evidence is subject to the terms and conditions set forth in the policy.***
- ***Please refer to Policy for specific terms, conditions and exclusions.***
- ***Change in Total Insurable Values will result in adjustment in premium.***
- ***Please refer to invoice for new lock box remittance for address and account information.***

SUMMARY OF BOUND CHANGES

THE FOLLOWING ITEMS ARE CHANGES FOR THE 2026-2027 POLICY TERM

Coverage	2025-2026	2026-2027 Changes
Pollution Liability Policy Term	July 1, 2025 to July 1, 2026	July 1, 2026 to July 1, 2027
A.M. Best Insurance Rating	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective August 2, 2024	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective September 10, 2025
Standard and Poors Insurance Rating	A (Strong) as of May 19, 2024	A (Strong) as of April 15, 2026
Covered Property	1. PEPIC DEC 1 – SOVs 2. PEPIC DEC 2 – SOVs 3. PEPIC DEC 3 – SOVs 4. PEPIC DEC 4 – SOVs 5. PEPIC DEC 5 – SOVs 6. PEPIC DEC 11 – SOVs 7. PEPIC DEC 12 – SOVs 8. PEPIC DEC 14 – SOVs 9. PEPIC DEC 19 – SOVs 10. PEPIC DEC 23 – SOVs 11. PEPIC DEC 24 – SOVs 12. PEPIC DEC 26 – SOVs 13. PEPIC DEC 27 – SOVs 14. PEPIC DEC 28 – SOVs 15. PEPIC DEC 29 – SOVs 16. PEPIC DEC 30 – SOVs 17. PEPIC DEC 32 – SOVs 18. PEPIC DEC 33 – SOVs 19. PEPIC DEC 34 – SOVs 20. PEPIC DEC 35 – SOVs 21. PEPIC DEC 96 – SOVs (Excluding HARPP members) Covered locations are defined as any real property owned, leased, rented, operated or occupied by the Insured as of Policy Inception, including, but not limited to, any subsurface potable water, wastewater or storm water pipelines to or from a Covered Location provided that such pipelines are located within a one thousand (1,000) foot radius of such Covered Location. Also includes any roads including, but not limited to, any alleys, streets or bridges owned or operated by the Insured, any vacant land, including any parks, open spaces, easements or rights-of-way owned or operated by the Insured any location scheduled to this policy by endorsement.	1. PEPIC DEC 1 – SOVs 2. PEPIC DEC 2 – SOVs 3. PEPIC DEC 3 – SOVs 4. PEPIC DEC 4 – SOVs 5. PEPIC DEC 5 – SOVs 6. PEPIC DEC 11 – SOVs 7. PEPIC DEC 12 – SOVs 8. PEPIC DEC 14 – SOVs 9. PEPIC DEC 19 – SOVs 10. PEPIC DEC 23 – SOVs 11. PEPIC DEC 24 – SOVs 12. PEPIC DEC 26 – SOVs 13. PEPIC DEC 27 – SOVs 14. PEPIC DEC 28 – SOVs 15. PEPIC DEC 29 – SOVs 16. PEPIC DEC 30 – SOVs 17. PEPIC DEC 32 – SOVs (Excludes SPIP, except as endorsed) 18. PEPIC DEC 33 – SOVs 19. PEPIC DEC 34 – SOVs 20. PEPIC DEC 35 – SOVs 21. PEPIC DEC 39 – SOVs 22. PEPIC DEC 96 – SOVs (Excluding HARPP members) Covered locations are defined as any real property owned, leased, rented, operated or occupied by the Insured as of Policy Inception, including, but not limited to, any subsurface potable water, wastewater or storm water pipelines including any appurtenances that are attached to or part of the pipeline network, owned or operated by a Named Insured, within a one thousand (1,000) foot radius of such Covered Property. Also includes any roads including, but not limited to, any alleys, streets or bridges owned or operated by the Insured, any vacant land, including any parks, open spaces, easements or rights-of-way owned or operated by the Insured any location scheduled to this policy by endorsement.
Coverages & Limits	\$2,000,000 Per JPA/Pool Aggregate	\$2,000,000 Per JPA/Pool Aggregate – Including All Members

SUMMARY OF BOUND CHANGES

THE FOLLOWING ITEMS ARE CHANGES FOR THE 2026-2027 POLICY TERM

Coverage	2025-2026	2026-2027 Changes
Legal Costs	<Not Applicable>	\$1,000,000 Aggregate Legal Costs Outside of and in Addition to the Policy Limits
Specific Coverage Provisions	Automatic Acquisition – Automatic coverage for mid-term real property additions, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. Notice must be provided to the Insurer within 365 days, along with any supporting documentation reasonably requested by the underwriter. To the extent that the Insured has a Phase I Environmental Assessment ("Phase I") for such acquired real property, a copy must be provided to the Insurer's underwriter, unless the acquired real property is leased, managed or rented.	Automatic Acquisition – Automatic coverage for mid-term real property additions, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. Notice must be provided to the Insurer within 365 days, along with any supporting documentation reasonably requested by the underwriter.
	<Not Applicable>	To add new members to the program or new sub-members to existing program members, a current statement of values is required for the new member or sub-member and is subject to an additional premium of \$0.00102 per \$100 of Total Insurable Values, pro-rated, with a minimum premium of \$450.
	Blanket Underground Storage Tank coverage included, with a deductible of \$500,000 for storage tanks less than twenty years old, a deductible of \$375,000 for storage tanks between twenty and thirty years old, and a deductible of \$500,000 for storage tanks which are thirty years old or older. Note: Does not meet financial assurance requirements.	Blanket Underground Storage Tank coverage included, with a deductible of \$250,000 for storage tanks less than twenty years old, a deductible of \$375,000 for storage tanks between twenty and thirty years old, and a deductible of \$500,000 for storage tanks which are thirty years old or older. Note: Does not meet financial assurance requirements.

ALLIANT PROPERTY INSURANCE PROGRAM

2026-2027

NAMED INSURED SCHEDULE

AS OF 06/30/2026

THE NAMED INSURED IS:

UC College of the Law, San Francisco
200 McAllister Street
San Francisco, CA 94102

Named Insured shall be deemed the sole agent of each and every Named Insured for the purpose of:

- (1) Giving notice of cancellation,
- (2) Giving instructions for changes in the Policy and accepting changes in this Policy
- (3) The payment of assessments / premiums or receipt of return assessments / premiums.

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured has extended coverage is as follows:

NAMED INSURED MEMBER(S)

UC College of the Law, San Francisco

Disclosures / Disclaimers

This evidence of insurance is provided as a matter of convenience and information only. All information included in this evidence, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This evidence does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

This evidence does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this evidence of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them via this www.AmBest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

New York Regulation 194 and General Broker Compensation Disclosure

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York and other States. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including

the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

Disclosures / Disclaimers Cont.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Declaration Limit Disclosure

The Declaration Limit of Liability is shared across the Named Insured(s) designated in a single Declaration. Exceptions include:

- Terrorism coverage, if purchased by a specific Named Insured, is provided on a combined basis with a sub-limit of liability that is shared across Named Insureds covered under multiple relevant Declarations.
- Flood and Earthquake Shock sub-limits of liability, if purchased by a specific Named Insured and except as indicated below, are dedicated by Named Insured and cannot be reduced by losses sustained by other Named Insureds.

If a single Occurrence causes direct physical loss or damage to property of multiple Named Insureds covered by the same Declaration, it is possible that the applicable shared limit of liability may be insufficient to fully indemnify the physical loss or damage as sustained by multiple Named Insureds.

In the event of a loss or accumulation of losses whereby the amount of loss exceeds the applicable shared limit of liability, the recovery available will be allocated on a proportional basis among individual Named Insureds under the same Declaration. This allocation applies until exhaustion of limits on a per Occurrence basis and on an Annual Aggregate basis (if applicable). If a Named Insured's claim reporting is delayed, such Named Insured's recovery may be reduced or eliminated.

Furthermore, any Annual Aggregate limit of liability or sub-limit that is shared across all Named Insureds covered under a particular Declaration may be reduced or exhausted by the prior payment of claims arising out of separate Occurrences in the same Policy Period. As a result, it is possible that there may be no remaining limit available to pay a specific Named Insured's claim under the Policy.

To the extent actually covered, the Annual Aggregate limits are as follows:

- Accidental Contamination
- Mold/Fungus Resultant Damage

Flood and Earthquake Shock damage to Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for Named Insured(s) that do not purchase optional dedicated Earthquake Shock or Flood coverage

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com and contact your Alliant service team should you have any questions.

FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Disclosures / Disclaimers Cont.

NRRA

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Mergers and/or acquisition and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Loss Notification Requirements:

Your policy will come with specific claim reporting requirements. Please make sure your organization understands these obligations and time limitations which are outlined in the attached Loss Notification documents. Contact your Alliant Service Team with any questions.

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
-

LOSS NOTIFICATION REQUIREMENT

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

Claim notifications need to be sent to Robert Frey, Diana Walizada and Sandra Doig. In the event this is a *Cyber* loss please include item III contact, for a *Pollution* loss please include item IV contact in addition to Alliant Insurance Services contacts.

- I. During regular business hours (between 8:30 AM and 5:00 PM PST), First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Robert A. Frey, RPA
Senior Vice President,
Regional Claims Director
Voice: (415) 403-1445
Email: rfrey@alliant.com

Diana L. Walizada, AIC, CPIW, RPA, AINS
Vice President, Claims Unit Manager
Voice: (415) 403-1453
Email: dwalizada@alliant.com

Address: Alliant Insurance Services, Inc.
560 Mission Street, 6th Floor
San Francisco CA 94105
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

- II. Please be sure to include APIP's Claim Administrator as a CC on all Claims correspondence:

Sandra Doig
McLaren's Global Claims Services
Address: 18100 Von Karman Avenue, 10th Floor
Irvine, CA 92612
Voice: (949) 757-1413 Fax: (949) 757-1692
Email: sandra.doig@mclarens.com

- III. Cyber Liability Carrier Beazley NY needs to also be provided with Notice of Claim immediately (if purchased):

Beazley Group
Address: 45 Rockefeller Plaza, 16th Floor
New York, NY 10111
Toll Free 24-Hour Hotline: (866) 567-8570
Email: bbr.claims@beazley.com

Donna Peterson, E-mail: donna.peterson@alliant.com
Address: 560 Mission Street, 6th Floor
San Francisco, CA 94105
Voice: (415) 403-1458 Fax: (415) 403-1466

- IV. Pollution Liability Carrier Ironshore Specialty Insurance Company (if purchased):

Ironshore Environmental Claims CSO
Address: 28 Liberty Street, 5th Floor
New York, NY 10005
In emergency call: (888) 292-0249
Fax: (646) 826-6601
Email: USClaims@ironshore.com

Akbar Sharif
Claims Advocate
Address: 18100 Von Karman Avenue, 10th Floor
Irvine, CA 92612
Voice: (949) 260-5088 Fax: (415) 403-1466
Email: akbar.sharif@alliant.com

Please include the Insured /JPA name along with the following information when reporting claims:

- Time, date and specific location of property damaged
- A description of the incident that caused the damage (such as fire, theft or water damage)
- Estimated amount of loss in dollars
- Contact person for claim including name, title, voice & fax numbers
- Complete and return the Property Loss Notice for processing.
- Mortgagee or Loss Payee name, address, and account number

Applicable in Arizona

For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

Applicable in Arkansas, Delaware, District of Columbia, Kentucky, Louisiana, Maine, Michigan, New Jersey, New Mexico, New York, North Dakota, Pennsylvania, South Dakota, Tennessee, Texas, Virginia and West Virginia

Any person who knowingly and with intent to defraud any insurance company or another person, files a statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact, material thereto, commits a fraudulent insurance act, which is a crime, subject to criminal prosecution and [NY: substantial] civil penalties. In DC, LA, ME, TN and VA, insurance benefits may also be denied.

Applicable in California

For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Applicable in Colorado

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in Florida and Idaho

Any person who Knowingly and with the intent to injure, Defraud, or Deceive any Insurance Company Files a Statement of Claim Containing any False, Incomplete or Misleading information is Guilty of a Felony.*

* In Florida - Third Degree Felony

Applicable in Hawaii

For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

Applicable in Indiana

A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

Applicable in Minnesota

A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

Applicable in Nevada

Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

Applicable in New Hampshire

Any person who, with purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

Applicable in Ohio

Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Applicable in Oklahoma

WARNING: Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

IN THE EVENT OF A PROPERTY LOSS:

- 1) *Follow your organization procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to Alliant Insurance Services immediately at:*

877-725-7695

All property losses must be reported as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to McLarens Global Claims Services AND your Alliant representative*

PROPERTY FIRST NOTICE OF LOSS FORM

SEND TO: Alliant Insurance Services, Inc.
BY MAIL: 560 Mission Street, 6th Floor, San Francisco, CA 94105
BY FAX: (415) 403-1466
BY EMAIL: rfrey@alliant.com AND dwalizada@alliant.com
Carbon Copy APIP Claims Administrator: sandra.doig@mclarens.com and your Alliant representative

Today's Date: _____

Type of Claim: (check all that apply)

- | | |
|--|-----------------------------------|
| ☐ Real Property | ☐ Vehicles |
| ☐ Personal Property | ☐ Other |

Insured's Name & Contact Information

Insured's Name: _____ Point of Contact: _____

Address: _____

Phone #: _____ Email Address: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Robert A. Frey & Diana L. Walizada

Address: 560 Mission Street, 6th Floor, San Francisco, CA 94105

Phone #: 877-725-7695

Fax #: 415-403-1466

Policy Information

Policy Number: APIP2026 (Dec 28) Policy Period: July 1, 2026-July 1, 2027

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible: _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss: _____

Please list all attached or enclosed documentation: ☐ (check if none provided) _____

Name of Person Completing This Form: _____ Signature: _____

Per the Master Policy Wording, Section IV General Conditions;

L. NOTICE OF LOSS

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 560 Mission Street, 6th Floor, San Francisco, CA 94105. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable after the inception of loss.

IN THE EVENT OF A CYBER LOSS:

- 1) *Follow your organizations procedures for reporting and responding to an incident*
- 2) *Alert authorities, as appropriate*
- 3) *Report the incident to Beazley Group immediately at:*

bbr.claims@beazley.com

(866)567-8570

All Cyber losses must be reported as soon as practicable upon knowledge by the insured that a loss has occurred.

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to Alliant Claims Department and your Alliant representative*

SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:

The policy provides a \$500,000 Aggregate Limit for Privacy Notification Costs. If you utilize a Beazley vendor, the limit is increased to \$1,000,000.

Please contact Beazley for a list of approved vendors.

CYBER FIRST NOTICE OF LOSS FORM

SEND TO: Beazley Group

BY MAIL: 45 Rockefeller Plaza, 16th Floor, New York, NY 10111

BY FAX: (546) 378-4039

BY EMAIL: bbr.claims@beazley.com

CC Alliant Claims Department:

Donna.Peterson@alliant.com and your Alliant representative

Today's Date: _____

Insured's Name & Contact Information

Insured's Name: _____ Point of Contact: _____

Address: _____

Phone #: _____ Email Address: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services – Claims Point of Contact: Donna Peterson

Address: 560 Mission Street, 6th Floor, San Francisco, CA 94105

Phone #: 877-725-7695 Fax #: 415-403-1466

Policy Information

Policy Number: _____ Policy Period: July 1, 2026-July 1, 2027

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss: _____

Please list all attached or enclosed documentation: ☐ (check if none provided) _____

Name of Person Completing This Form: _____ Signature: _____

A. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. If any **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable upon knowledge by the **Insured**, forward to the Underwriters through persons named in Item 9.A. of the Declarations written notice of such **Claim** in the form of a telecopy, or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative; provided that with regard to coverage provided under Insuring Agreements I.A. and I.C., all **Claims** made against any **Insured** must be reported no later than the end of the **Policy Period**, in accordance with the requirements of the **Optional Extension Period** (if applicable), or within thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the Insured during the last thirty (30) days of the **Policy Period**.
2. With respect to Insuring Agreement I.B. for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Clause I.A.1 or I.A.2, such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the Insured. For such incidents or suspected incidents discovered by the **Insured** within 60 days prior to expiration of the Policy, such incident shall be reported as soon as practicable, but in no event later than 60 days after the end the **Policy Period**, provided; if this Policy is renewed by Underwriters and covered **Privacy Notification Costs** are incurred because of such incident or suspected incident reported during the 60 day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
3. With respect to Insuring Agreements I.A. and I.C., if during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to Underwriters in the form of a telecopy, or express or certified mail through persons named in Item 9.A. of the Declarations as soon as practicable during the **Policy Period** of:
 - a. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
 - b. the injury or damage which may result or has resulted from the circumstance; and
 - c. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.

4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.

POLLUTION LIABILITY

IN THE EVENT OF AN

ENVIRONMENTAL EMERGENCY:

- 1) *Follow your organization procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident immediately at:*

888-292-0249

- 4] *Report the incident to Alliant*

Akbar Sharif
Claims Advocate
949-260-5088
415-403-1466 – fax
akbar.sharif@alliant.com

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

DO follow your organization's detailed response plan
DO contact your management as well as appropriate authorities
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak
DO NOT attempt to respond beyond your level of training or certification

SEND TO: IRONSHORE ENVIRONMENTAL CLAIMS CSO

BY MAIL: 28 Liberty Street, 5th Floor, New York, NY 10005

BY PHONE: (888) 292-0249

BY FAX: (646) 826-6601

BY EMAIL: USClaims@ironshore.com

CC Alliant Insurance: akbar.sharif@alliant.com and your Alliant Representative

Today's Date: _____

Notice of: (check all that apply)

☐ Pollution Incident ☐ Potential Claim ☐ Other _____

☐ Third-Party Claim ☐ Litigation Initiated

Insured's Name & Contact Information

Company Name: _____ **Point of Contact:** _____

Address: _____

Phone #: _____ **Email Address:** _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims **Point of Contact:** Akbar Sharif

Address: 18100 Von Karman Ave., 10th Floor, Irvine, CA 92612

Phone #: 949-260-5088

Policy Information

Policy Number: _____ **Policy Period:** July 1, 2026-July 1, 2027

Limits of Liability: _____ **per** _____ **agg. Self-Insured Retention/Deductible** _____

Loss Information

Date of Incident/Claim: _____ **Location:** _____

Claimant Name/Address: _____

Description of Loss: _____

Please list all attached or enclosed documentation: ☐ (check if none provided) _____

Name of Person Completing This Form: _____ **Signature:** _____

EVIDENCE OF CRIME INSURANCE

ISSUE DATE (MM/DD/YY)

07/01/2026

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

ALLIANT INSURANCE SERVICES, INC.
18100 VON KARMAN AVENUE, 10TH FLOOR
IRVINE, CA 92612
PH(949) 756-0271 / FAX (949) 756-2713
LICENSE NO. 0C36861

CODE

SUB-CODE

COMPANY

National Union Fire Insurance Company of Pittsburgh,
PA (AIG)

INSURED**ALLIANT CRIME INSURANCE PROGRAM (ACIP)
CRIME POLICY PARTICIPANT:**

College of the Law, San Francisco
200 McAllister Street
San Francisco, CA 94102

EVIDENCE NUMBER**POLICY NUMBER****01-801-75-06**

EFF DATE (MM/DD/YYYY)

07/01/2026

EXP DATE (MM/DD/YYYY)

07/01/2027

CONT. UNTIL
TERMINATED
IF CHECKED☐

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

THE POLICIES OF INSURANCE LISTED ABOVE 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.

CRIME COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
EMPLOYEE THEFT INCLUDING FAITHFUL PERFORMANCE OF DUTY FORGERY OR ALTERATION INSIDE PREMISES THEFT OF MONEY AND SECURITIES INSIDE PREMISES ROBBERY AND SAFE BURGLARY OTHER PROPERTY OUTSIDE THE PREMISES COMPUTER FRAUD FUNDS TRANSFER FRAUD MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY	\$3,000,000	\$25,000

REMARKS (INCLUDING SPECIAL CONDITIONS)

ISSUED FOR PURPOSES OF EVIDENCING CRIME INSURANCE COVERAGE

SUBJECT TO POLICY TERMS, CONDITIONS AND EXCLUSIONS.

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

NAME AND ADDRESS

EVIDENCE OF INSURANCE

NATURE OF INTEREST☐

MORTGAGEE

☐

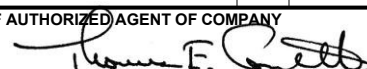
ADDITIONAL INSURED

☐

LOSS PAYEE

☒(OTHER)
EVIDENCE OF INSURANCE

SIGNATURE OF AUTHORIZED AGENT OF COMPANY



BINDER & INVOICE

06/25/2026

Fred Godfrey
Alliant Insurance Services, San Francisco
100 Pine Street
11th Floor
San Francisco, CA 94111

Re: Member Name: College of the Law, San Francisco
Policy Number: B57-34Y
Coverage: Primary General Liability, Excess General Liability, Educators Legal Liability and Internship and Professional Liability
Policy Period: 07/01/2026 to 07/01/2027

Dear Fred,

Thank you for your order. Coverage is bound per your written request and subject to the terms of the proposal dated 05/21/2026.

GENERAL LIABILITY PRODUCTS

Primary General Liability (CGL) Option 1

Limit of Liability per Occurrence	Annual Aggregate	Deductible	Premium Before Credits	Credits	Premium After Credits	Commission	Total Due
		Aggregate Deductible				State Tax	
						Paid-in Surplus Contribution	
		\$5,000				\$15,260	
Primary General Liability Attached Endorsements:				\$8,117	\$127,164	\$0	\$127,164
Endorsement:	Total:	Description:					
CGL1027C	1					\$0	

		Limited Health Services Coverage (Including Sexual Misconduct Coverage)
CGL1030C		Sexual Misconduct Coverage
CGL1077E		PFAS Exclusion
CGL1095L		Amended Employee Benefits Liability - Full Limit
CGL502I	7	CGL - Additional Insured Endorsement

CGL816G		Deductible Recover., Provisions
CGL818C		Limited UAV Coverage
CGL946C		Seamless Coverage Endorsement CGL with UE ELL

Limit of Liability per Occurrence	Annual Aggregate	Underlying Limit Retention per Occurrence	Premium Before Credits	Credits	Premium After Credits	Commission State Tax Paid-in Surplus Contribution	Total Due
\$35,000,000	\$35,000,000	\$1,000,000	\$372,241	\$22,334	\$349,907	\$41,989 ----- \$0	\$349,907
Excess General Liability Attached Endorsements:							
Endorsement:	Total:	Description:					

GLX1255C		Limited Health Services Coverage {Including Sexual Misconduct Coverage
GLX1258C		Sexual Misconduct Coverage
GLX1390E		PFAS Exclusion
GLX1392C		Seamless Coverage Endorsement (GLX - UE CGUBLX Underl in
GLX1427C		Care, Custody, or Control of Non-Owned Automobiles
GLX1430C		Excess Internships and Professional Services Liability (UE IPL Underl in - Claims Made
GLX501I	3	Additional Insured
GLX909C	1	GLX - Limited UAV Coverage

MANAGEMENT LIABILITY PRODUCTS

Educators Legal Liability Option 2:

Limit of Liability per Claim	Self-Insured Retention per Claim	Defense Provision	Premium Before Credits	Credits	Premium After Credits	Commission	Total Due
	Non-Indemnifiable trustees, officers					State Tax	
	Wrongful Employment Practices					Paid-in Surplus Contribution	
	Each Other						
\$35,000,000	\$0	Select	\$419,223	\$25,153	\$394,070	\$39,407	\$394,070
	\$125,000					\$0	
	\$125,000					\$0	

Educators Legal Liability Attached Endorsements:

Endorsement ID:	Total:	Description:
ELL1031C	1	Seamless Coverage Endorsement (ELL with UE CGUBLX)
ELL1102E		PFAS Exclusion
ELL1103C		Amended Antitrust Exclusion
ELL1104E		Modified Definition of Damages (Financial Compensations)
ELL1125G		Pre-Claim Advice Credit (Enhanced)
ELL503I	3	ELL - Additional Insured

PROFESSIONAL LIABILITY PRODUCTS

Limit of Liability per Claim	Annual Aggregate	Deductible/ Self Insured Retention	Coverage	Premium Before Credits	Credits	Premium After Credits	Commission State Tax Paid-in Surplus Contribution	Total Due
\$3,000,000	\$6,000,000	Deductible \$0	Blanket Coverage	\$23,832	\$0	\$23,832	\$2,383 \$0 \$0	\$23,832

Internship and Professional Liability Attached Endorsements:

Endorsement ID:	Total:	Description:
IPL508C	1	Scheduled Program or Service Runoff
IPL638E	1	Excluded Physicians
IPL718E	1	PFAS Exclusion

To issue and release policies, we will need the following:

- Signed and Dated application signature page.

The invoice for the net amount is attached.

We appreciate your confidence in placing coverage with United Educators. We look forward to serving you and our mutual client during the coming year.

Sincerely,

Lauren Yedlin

Lauren Yedlin
Underwriter III
(301) 215-9544 | lyedlin@ue.org
www.ue.org

REVISED BINDER

07/06/2026

Fred Godfrey
Alliant Insurance Services, San Francisco
100 Pine Street
11th Floor
San Francisco, CA 94111

Re: Member Name: College of the Law, San Francisco
Policy Number: S95-66Y
Coverage: Excess Following Form Liability
Policy Period: 07/01/2026 to 07/01/2027

Dear Fred,

Thank you for your order. Coverage is bound per your written request and subject to the terms of the proposal dated 07/06/2026.

EXCESS LIABILITY PRODUCTS

Excess Following Form Liability Option 1:

Limit of Liability Each Loss	Annual Aggregate	Underlying Limit Each Occurrence/ Claim	Underlying Policy Coverage	Premium Before Credits	Credits	Premium After Credits	Commission	Total Due
							State Tax	
\$15,000,000	\$15,000,000	\$35,000,000	Both ELL/ELX and GLX Underlying Coverage	\$146,266	\$0	\$146,266	\$14,626	\$146,266
							\$0	
							\$0	

Excess Following Form Liability Attached Endorsements:

Endorsement ID:	Total:	Description:
XFF001E	1	Hostilities Exclusion



7700 Wisconsin Ave #500
Bethesda, MD 20814
(301) 907-4908
www.ue.org

To issue and release policies, we will need the following:

- None

The invoice for the net amount is attached.

We appreciate your confidence in placing coverage with United Educators. We look forward to serving you and our mutual client during the coming year.

Sincerely,

Lauren Yedlin

Lauren Yedlin
Underwriter III
(301) 215-9544 | lyedlin@ue.org
www.ue.org



**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
EXCESS WORKERS' COMPENSATION PROGRAM
MEMORANDUM OF COVERAGE
DECLARATIONS**

- ITEM 1: COVERED PARTY:** College of the Law, San Francisco
- ITEM 2: MEMORANDUM PERIOD:** From July 1, 2026 to July 1, 2027, 12:01 a.m. local time of the **Covered Party** as stated herein
- ITEM 3: STATE:** California
- ITEM 4: TOWER PARTICIPATION:** Educational Tower I
- ITEM 5: COVERAGE PROVIDED BY:** Public Risk Innovation, Solutions, and Management (PRISM) with reinsurance provided by Great American Insurance Company, Mitsui Sumitomo Insurance Company of America (MSIA), and Safety National Casualty Corporation

ITEM 6: RETENTION AND INDEMNITY:

A. COVERED PARTY'S RETENTION:

\$ 250,000 each **occurrence**

B. LIMIT OF INDEMNITY:

Statutory Workers Compensation each accident or each employee for disease

\$4,750,000 excess of\$ 250,000 Employers Liability

PRISM's limit of indemnity, as set forth in ITEM 5.8 includes pooled limits that apply to all Members and all **Covered Parties** combined in the Tower shown in ITEM 4 for all **losses** as a result of any one **occurrence**.

- ITEM 7: MEMORANDUM NUMBER:** PRISM-PE 26 EWC-81
- ITEM 8: ESTIMATED PAYROLL:** \$ 42,424,272
- ITEM 9: DEPOSIT PREMIUM:** \$ 114,011 (inclusive of all layers & fees)

This premium is adjustable based on final audited payroll

- ITEM 10: FORMS AND ENDORSEMENTS ATTACHED AT INCEPTION:** EWC MOC 7/1/2022, Endorsement No. U-1, U-2, U-3, U-4, U-5

Countersigned by: 
Authorized Representative

Issue Date: June 26, 2026

Public **Risk** Innovations, Solutions, and Management

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)

EXCESS WORKERS' COMPENSATION PROGRAM MEMORANDUM OF COVERAGE

Public Risk Innovation, Solutions, and Management (hereinafter PRISM) agrees with the **Covered Party** named in the Declarations made a part hereof, in consideration of the payment of the premium and subject to all of the terms of this Memorandum, as follows:

COVERAGE AGREEMENTS

- I. APPLICATION OF MEMORANDUM: This Memorandum applies to **loss** sustained by the **Covered Party** because of liability imposed upon the **Covered Party** by:

A. The **Workers' Compensation Act** of California or the **Workers' Compensation Act** of any state other than California, provided that California is the injured **employee's** normal state of employment or residence, or

B. "Employers' Liability"

on account of **bodily injury or occupational disease** sustained by **employees** of the **Covered Party**, while engaged in operations of the **Covered Party**, as a result of **occurrences** taking place during the coverage period and while this Memorandum is in force.

The indemnity afforded by this Memorandum under Coverage Agreement I.B. for **loss** because of liability imposed by "Employers' Liability" applies only as respects such operations in California including **employees** who are regularly engaged in such operations in California but who may be temporarily outside California in connection with such operations. As respects liability imposed by "Employers' Liability", PRISM shall have no obligation to indemnify the **Covered Party** for damages imposed in any lawsuit brought in, or any judgment rendered by, any court outside of the United States of America, its territories or possession, or Canada, or to any action on such judgment wherever brought.

PRISM's liability under Coverage Agreement I.B. includes **bodily injury or occupational disease** to the master and members of the crew of a vessel, subject to the following:

- A. The **bodily injury or occupational disease** must occur in the territorial limits of, or the operation of a vessel sailing directly between the ports of the Continental United States of America, Alaska, Hawaii, or Canada.
- B. This coverage does not apply to:
1. **bodily injury or occupational disease** covered by a

protection and indemnity coverage or similar policy issued to or on behalf of the Covered Party

2. The duty to provide transportation, wages, and maintenance.

- II. **RETENTION AND INDEMNITY:** As respects loss, which the Covered Party sustains as a result of each **occurrence**, the **Covered Party** shall retain **loss** in the amount of the **Covered Party's** Retention specified in the Declarations, and PRISM agrees to indemnify the **Covered Party** against **loss** in excess of such Retention. Notwithstanding the application of this Memorandum to **loss** sustained by the **Covered Party** under Coverage Agreements I.A. or I.B., and regardless of the number of entities named in the Declarations, or otherwise qualifying as **Covered Parties**, the maximum amount of the **Covered Party's** Retention and the maximum limit of PRISM's indemnity hereunder shall not exceed the amounts specified in the Declarations.

DEFINITIONS

Wherever used in this Memorandum, the following definition of terms shall apply:

- I. **BODILY INJURY:** The term **bodily injury** shall include death resulting therefrom but shall not include **occupational disease**.
- II. **COMMUNICABLE DISEASE** shall mean a disease caused by an infectious organism, which is transmissible from one source to another, directly or indirectly.
- III. **COVERED PARTY** shall include all entities named in the Declarations and any related "employer" as defined by any applicable **Workers' Compensation Act**.
- IV. **EMPLOYEE:** The term **employee** shall mean any person performing work which renders the **Covered Party** liable under any **Workers' Compensation Act** for **bodily injury** or **occupational disease** sustained by such person.
- V. **JOINT POWERS AGREEMENT** or **AGREEMENT** shall mean the Joint Powers Agreement, as amended, creating PRISM.
- VI. **LOSS:** The term **loss** shall mean only such amounts as are actually paid by the **Covered Party** as benefits under the applicable **Workers' Compensation Act**, or in payment of amounts imposed upon the **Covered Party** by "Employers' Liability", in settlement of claims for such benefits or damages, or satisfaction of awards or judgments for such benefits and damages, including court costs, interest upon awards or judgments, and allocated investigation, adjustment and legal expenses, but the term **loss** shall not include as expenses, salaries paid to **employees** of the **Covered Party**, nor fees and retainers paid to any service organization.

Notwithstanding the foregoing, **loss** does not include any amounts paid by the **Covered Party** as benefits, or in payment of amounts imposed upon the **Covered Party** by Employers' Liability, deriving solely from any **Covered Party's** enactment, resolution or other act establishing either a presumption of work-related illness or

injury or any other expansion of benefits beyond those prescribed by the applicable **Workers' Compensation Act**. Despite any such enactment resolution or act, the **Covered Party** shall retain the burden of establishing **loss** within the Memorandum of Coverage.

- VII. **OCCUPATIONAL DISEASE:** The term **occupational disease** shall include death resulting therefrom and cumulative injuries.
- VIII. **OCCURRENCE:** (A) All **bodily injury** sustained by one or more **employees**, as a result of a single accident or event, shall be deemed to arise from a single **occurrence**. (B) **Occupational disease** sustained by each **employee** shall be deemed to arise from a separate **occurrence**, and the **occurrence** shall be deemed to take place on the last day of the last exposure, in the employment of the **Covered Party**, to conditions causing or aggravating the disease or the date upon which the employee first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment with the **Covered Party**, whichever comes first. (C) All **occupational disease** sustained by one or more **employees** as a result of an outbreak of the same **communicable disease** shall be deemed to arise from a single **occurrence**. An outbreak of the same **communicable disease** that spans more than one coverage period shall be deemed to take place during the first such coverage period.
- IX. **WORKERS' COMPENSATION ACT:** The term **Workers' Compensation Act** shall include any separate occupational disease act, but shall not include the non-occupational disability benefit provisions of any such act. The term **Workers' Compensation Act** includes the United States Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950). Coverage for **loss** shall be limited, by amount and time of payment, to the benefits, which would be available under the **Workers' Compensation Act** of the state where the injured employee is normally employed, if that law applied.

EXCLUSIONS

Liability under Coverage Agreement I.A. does not apply to:

- I. The **Covered Party's** obligation to pay salary in lieu of temporary disability benefits as required by Labor Code Section 4850 or the **Covered Party's** obligation to pay wages or salary as required by Education Code Sections 44984 and 45192, except to the extent that the **Covered Party** would be obligated to pay temporary disability benefits if Labor Code Section 4850 or Education Code Sections 44984 and 45192 did not apply;
- II. The **Covered Party's** obligations pursuant to Labor Code Section 4856;
- III. Punitive or Exemplary Damages, fines or penalties assessed against or imposed upon the **Covered Party**:
 - A. On account of **bodily injury** or **occupational disease** sustained by any

employee; or

- B. On account of the conduct of the **Covered Party** or any of its agents (i) in the investigation, trial or settlement of any claim for benefits under the applicable **Workers' Compensation Act** or for damages at law, or (ii) in failing to pay or delaying the payment of any such benefits or damages; or
- C. On account of violation of any statute or regulation; or
- D. On account of **bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**; or
- E. On account of **bodily injury** arising out of termination of employment; or
- F. On account of **bodily injury** arising out of the coercion, demotion, reassignment, discipline, defamation, harassment or humiliation of, or discrimination against any **employee**.

Liability under Coverage Agreement 1.8. does not apply to:

- I. Liability assumed by the **Covered Party** under any contractual agreement;
- II. **Bodily injury** or **occupational disease** to an employee while employed in violation of law with the actual knowledge of the **Covered Party**;
- III. Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
- IV. **Bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**;
- V. Loss arising out of the coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any **employee** or any personnel practices, policies, acts or omissions;
- VI. Fines or penalties assessed against or imposed upon the **Covered Party** on account of violation of any statute or regulation;
- VII. Loss arising out of operations for which the **Covered Party** has violated or failed to comply with any Workers' Compensation Law;
- VIII. Loss arising out of operations for which the **Covered Party** has rejected any Workers' Compensation Law;
- IX. Punitive or Exemplary Damages, fines or penalties assessed against or imposed upon the **Covered Party**.

CONDITIONS

- I. **PREMIUMS:** The Board of Directors of PRISM shall assess the premium for the Excess Workers' Compensation Program to participating **Covered Parties**. Such premiums shall be calculated in accordance with Article 14 of the **Joint Powers Agreement**.
- II. **VOLUNTEERS:** This Memorandum shall apply to **loss** on account of **bodily injury** or **occupational disease** sustained by volunteer workers while acting within the scope of their duties for or on behalf of the **Covered Party**, provided that, prior to the **occurrence**, the Governing Board of the **Covered Party** has adopted a resolution as provided in Division 4, Part 1, Chapter 2, Article 2, of the California Labor Code, declaring such volunteer workers to be **employees** of the **Covered Party** for purposes of the **Workers' Compensation Act**; or provided that such volunteer workers are statutorily deemed by the **Workers' Compensation Act** to be **employees** for the purposes of workers' compensation.
- III. **ADMINISTRATION AND REPORTING OF CLAIMS:** The **Covered Party** shall be responsible for the investigation, settlement, defense or appeal of any claim made or suit brought, or proceeding instituted against the **Covered Party**, and the **Covered Party** shall have the duty to give immediate notice to PRISM upon learning of any of the following:
 - A. Any **occurrence** for which total incurred (paid to date plus remaining reserves) exceeds 50% of the **Covered Party's** Retention;
 - B. Any **occurrence** which causes serious injury to two or more employees;
 - C. Any **occurrence** which results in:
 1. **A fatality;**
 2. An amputation of a major extremity;
 3. Any serious head injury (including skull fracture or loss of sight of either or both eyes);
 4. Any injury to the spinal cord;
 5. Any second or third degree burn of 25% or more of the body;
 6. A permanent total disability as defined in the **Workers' Compensation Act** of the State of California;
 - D. The reopening of any case in which a further award might exceed 50% of the **Covered Party's** retention.

The **Covered Party** shall not make any voluntary settlement or voluntarily make a lump sum payment or commutation or one-time payment in lieu of periodic indemnity payments to **employees** or their dependents involving **loss** to PRISM except with the prior written consent of PRISM.

The **Covered Party** shall promptly forward to PRISM any requested information on

individual **occurrences** claims, or cases, and shall provide such information to PRISM within thirty (30) days in a form satisfactory to PRISM, including the amounts paid and the estimated future payments or outstanding reserves.

PRISM, at its own election and expense, shall have the right to participate with the **Covered Party** in, or to assume in the name of the **Covered Party**, control over the investigation, settlement, defense, or appeal of any claim, suit, or proceeding, which might involve liability of PRISM.

IV. SERVICE ORGANIZATION: As a condition precedent to recovery hereunder, it is agreed that the **Covered Party** will engage one or more service organizations and/or in-house staff acceptable to PRISM to perform on behalf of the **Covered Party**, and without charge to PRISM, such services as may be acceptable to PRISM during the currency of this Memorandum and until the final settlement of all claims arising out of **occurrences** which take place while this Memorandum is in force. The performance of such services shall not constitute any undertaking on behalf of PRISM, nor relieve the **Covered Party** of any of its obligations under the terms of this Memorandum.

V. ASSISTANCE AND COOPERATION: In the event PRISM elects to participate with the **Covered Party** in, or to assume in the name of the **Covered Party**, control over the investigation, defense, or appeal of any claim, suit, or proceeding, the **Covered Party** shall cooperate to the fullest extent with PRISM and its representatives.

Upon PRISM's request, the **Covered Party** shall direct its service organization and/or other representatives to cooperate with and assist PRISM in all matters relative to such investigation, settlement, defense, or appeal.

If PRISM elects to assume control as described above, PRISM shall give written notice of such election to the **Covered Party**. Upon receipt of such written notice, the **Covered Party** shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense other than such immediate medical or other services at the time of injury as are required by the **Workers' Compensation Act** or such immediate medical and surgical relief as may become imperative at the time of an **occurrence**.

VI. LOSS PAYABLE: PRISM shall pay any **loss** for which it may be liable under this Memorandum in the following manner:

A. As respects Coverage Agreements I.A., payment shall first be made by the **Covered Party** in accordance with the provisions of the **Workers' Compensation Act**, and PRISM shall reimburse the **Covered Party** for such **loss** periodically, at intervals of not less than one (1) month, upon receipt from the **Covered Party** of proofs of payment which is acceptable to PRISM in content and form.

B. As respects Coverage Agreement 1.8., liability under this Memorandum with respect to any **occurrence** shall not attach unless and until PRISM's

liability shall have been fixed and rendered certain either by final judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant, and PRISM. Such **losses** shall be due and payable within thirty (30) days after they are respectively claimed and proven in conformity with this Memorandum.

VII. **PAYMENTS THE COVERED PARTY MUST MAKE:** The **Covered Party** shall be responsible for any payments in excess of the benefits regularly provided by the **Workers' Compensation Act**, including but not limited to those required because:

- A. of serious and willful misconduct on the part of the **Covered Party**;
- B. the **Covered Party** knowingly employs an employee in violation of the law;
- C. the **Covered Party** fails to comply with a health or safety law or regulation; however, this does not apply to recommendations promulgated by the Joint Commission for Accreditation of Health;
- D. of discharge, coercion, or discrimination against any employee in violation of the **Workers' Compensation Act**;
- E. of claims relating to or in any way arising out of California Labor Code Section 132(a);
- F. of the unreasonable delay or failure to make payments of compensation by or on behalf of the **Covered Party**, including the legal fees associated with defending resulting claims or suits;
- G. the **Covered Party** violates or fails to comply with the **Workers' Compensation Act**.

If PRISM makes any payments on behalf of the Covered Party in excess of the benefits regularly provided by the Workers' Compensation Act, the Covered Party will reimburse PRISM promptly.

VIII. **SUBROGATION:** In the event of any payment under this Memorandum, PRISM shall be subrogated, to the extent of such payment, to all the **Covered Party's** rights of recovery therefore, and the **Covered Party** shall execute all papers required and shall do everything that may be necessary to secure such rights. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount shall be apportioned as follows: PRISM shall first be reimbursed to the extent of its actual payment hereunder. If any balance then remains, said balance shall be applied to reimburse the **Covered Party**. The expenses of all proceedings necessary to the recovery of such amount shall be apportioned between the **Covered Party** and PRISM in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on the initiative of PRISM, the expenses thereof shall be borne by PRISM.

-
- IX. **INSPECTION AND AUDIT:** PRISM shall be permitted but not obligated to inspect the **Covered Party's** operations at any time. Neither PRISM's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the **Covered Party** or others to determine or warrant that such operations are safe or harmful, or are in compliance with any law, rule or regulation. PRISM may examine and audit the **Covered Party's** books and records at any time during the currency hereof and until three (3) years after the final settlement of all claims or payments made on account of accident or disease occurring during the term of this Memorandum as far as such books and records relate to the subject matter of this Memorandum.
- X. **OTHER COVERAGE:** If the **Covered Party** has other coverage against a **loss** covered by this Memorandum, PRISM's coverage shall apply in excess of any other coverage.
- XI. **BANKRUPTCY AND INSOLVENCY:** In the event of the bankruptcy or insolvency of the **Covered Party** or any entity comprising the **Covered Party**, PRISM shall not be relieved thereby of the payment of any claims under this Memorandum because of such bankruptcy or insolvency.
- XII. **ASSIGNMENT:** No assignment of the **Covered Party's** interest hereunder shall be binding upon PRISM unless its consent is endorsed hereon.
- XIII. **NOTICE OR PAYMENT:** If more than one entity qualifies as a **Covered Party** under the definition of **Covered Party** or by endorsement to this Memorandum, all notices, stipulations and payments to or by the entity first named in the Declarations shall be binding upon all other **Covered Parties**.
- XIV. **CHANGE OR WAIVER:** The terms of this Memorandum shall not be waived or changed except by endorsement issued to form a part hereof, signed by a duly authorized representative of PRISM.
- XV. **CANCELLATION:** This Memorandum may be canceled by the **Covered Party** only at the end of the Memorandum Period and pursuant to the provisions of Article 20(b) of the **Joint Powers Agreement**. PRISM may cancel this agreement pursuant to the provisions of Article 21 (a)(1) and (a)(2) of the **Joint Powers Agreement** or PRISM's invoice and premium payment policy as established by the Board of Directors. This Memorandum does not apply to any **loss** as a result of any **occurrences** taking place at or after the effective date of any such cancellation.

Any return of unearned premium in the event of cancellation by PRISM shall be determined pursuant to Article 22 of the **Joint Powers Agreement**

- XVI. **ACCEPTANCE:** By acceptance of this Memorandumt the **Covered Party** agrees that each of the persons, firms or organizations named in the Declarations as the **Covered Party** is, or upon learning of the necessity therefore will become, qualified to operate with the permission of the proper authorities as a self-insurer under the **Workers' Compensation Act** of California; that the statements in the application for this Memorandum are the **Covered Party's** agreements and representations; that this Memorandum embodies all agreements existing between the **Covered Party** and PRISM or any of its agents relating to this coverage; and that full compliance by the **Covered Party** with all the terms of this Memorandum is a condition precedent to PRISM's liability hereunder.
- XVII. **CONFORMANCE WITH WORKERS' COMPENSATION ACT:** Any term of this Memorandum which conflicts with any provision of the California **Workers' Compensation Act** is changed by this provision to conform to said law.
- XVIII. **CARVE OUTS:** In the event a **Covered Party** is considering entering into a labor management agreement that establishes an alternative dispute resolution process pursuant to Labor Code Section 3201.7, with one or more bargaining unit(s), to amend any portion of the Workers' Compensation claims process, that proposed carve out agreement must be submitted to PRISM for review prior to implementation. Failure to provide such documentation prior to implementation may result in the benefits provided under such carve out agreement, and any expenses related thereto, not being covered under this Memorandum of Coverage.

IN WITNESS WHEREOF, PRISM has caused this Memorandum to be executed and attested, but this Memorandum shall not be valid unless countersigned by an authorized representative of PRISM.

ENDORSEMENT NO. .Y::1

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM) EXCESS WORKERS' COMPENSATION

WAR AMENDATORY ENDORSEMENT

It is understood and agreed that this Memorandum shall not apply to **loss** directly or indirectly caused by, resulting from or in connection with war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, regardless of any other cause or event contributing concurrently or in any sequence to the **loss**.

This Memorandum shall also not apply to **loss** directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

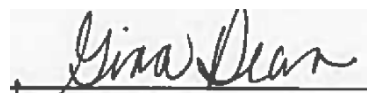
Effective Date:

Memorandum No.: PRISM 26 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 26, 2026

Public Risk Innovation, Solutions and Management


Authorized Representative

ENDORSEMENT NO. □

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
EXCESS WORKERS' COMPENSATION**

WAIVER OF SUBROGATION ENDORSEMENT

It is understood and agreed that Section VIII. **SUBROGATION** of the **CONDITIONS** section of the Memorandum of Coverage is deleted in its entirety and replaced by the following:

VIII. SUBROGATION: In the event of any payment under this Memorandum, PRISM shall be subrogated, to the extent of such payment, to all the **Covered Party's** rights of recovery therefore, and the **Covered Party** shall execute all papers required and shall do everything that may be necessary to secure such rights. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount shall be apportioned as follows: PRISM shall first be reimbursed to the extent of its actual payment hereunder. If any balance then remains, said balance shall be applied to reimburse the **Covered Party**. The expenses of all proceedings necessary to the recovery of such amount shall be apportioned between the **Covered Party** and PRISM in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on the initiative of PRISM, the expenses thereof shall be borne by PRISM.

However, in the event of any loss payment under this Memorandum for which you have waived the right of recovery in a written contract entered into prior to the loss, we hereby agree to also waive our right of recovery but only with respect to such loss.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum **No.:** PRISM 26 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 26, 2026

Public Risk Innovation, Solutions and Management


Authorized Representative

ENDORSEMENT NO. JJ.:a

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM) EXCESS WORKERS' COMPENSATION

OCCURRENCES INVOLVING MULTIPLE COVERED PARTIES

It is understood and agreed that this Memorandum shall apply, as follows, to **occurrences** involving multiple Excess Workers' Compensation Program **Covered Parties**:

For an **occurrence** in which multiple **Covered Parties** exceed their retention specified in the Declarations of this Memorandum, the combined **Losses will** be considered one **occurrence** for each Tower under the Excess Workers' Compensation Program.

Each **Covered Party's Losses will** collectively determine the **occurrence** period as outlined in the definition of **occurrence**. This may result in delayed reimbursement to each **Covered Party** until the **occurrence** periods can be confirmed at a later date, and contrary to the terms listed in **CONDITIONS, Part VI: Loss Payable**.

Should the maximum Program limits apply, the **Loss** to each **Covered Party** within a particular Tower involved in the **occurrence** will be evaluated five years from the end of the coverage period in which the **Loss** occurs, and will be used as the "final **Loss** evaluation" for determination of each **Covered Party's** pro rata percentage share of the "final **Loss** evaluation". The retention specified for each **Covered Party** in the Declarations of this Memorandum issued will be used as part of this determination. This may result in each **Covered Party** not receiving full reimbursement for their **Loss**.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 26 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 26, 2026

Public **Risk** Innovation, Solutions and Management


Authorized Representative

ENDORSEMENT NO. □

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
EXCESS WORKERS' COMPENSATION**

**OFF-DUTY, OUT-OF-STATE PEACE OFFICER INJURY (AB 1749)
ENDORSEMENT**

It is understood and agreed that this Memorandum shall not apply to **bodily injury** or **occupational disease** sustained by a peace officer who was at the time of the **occurrence**:

- a. off-duty,
- b. not acting under the immediate direction of his or her employer, and
- c. outside the state of California.

However, this exclusion shall not apply to **bodily injury** or **occupation disease** sustained by a peace officer under such circumstances if:

- a. the peace officer was engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace; and
- b. prior to the **occurrence**, the Governing Board of the **Covered Party** has adopted a resolution, as provided for in California Labor Code Section 3600.2, subdivision (b)(4), accepting liability for such injury under the **Workers' Compensation Act**.

"Peace officer" for purposes of this Endorsement has the definition stated in Section 50920 of the California Government Code.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 26 EWC-00

Issued to: ALL MEMBERS

Issue Date: June 26, 2026

Public Risk Innovation, Solutions and Management


Authorized Representative

ENDORSEMENT NO. U-5

PUBLIC RISK INNOVATION, SOLUTIONS AND MANAGEMENT (PRISM) EXCESS WORKERS' COMPENSATION

OCCURRENCE DEFINITION AMENDATORY ENDORSEMENT

It is understood and agreed that the DEFINITIONS section of the Memorandum of Coverage is amended as follows:

Section VIII. **OCCURRENCE** is hereby deleted and replaced by the following:

VIII. **OCCURRENCE:**

(A) All **bodily injury** sustained or alleged to have been sustained by one or more **employees** involving one or more **Covered Parties**, from any one disaster, accident or event, or any series of disasters, accident, or events, and is traceable to the same single disaster, accident or event, or series of disasters, accidents or events, shall be deemed to arise from a single **occurrence**; however, any one **occurrence** shall be limited to no more than seven calendar days such that each individual employee claimant's date of injury must fall within the seven calendar day period. PRISM may choose the date when any such seven calendar day period begins, provided that it is not earlier than the date and time of the first recorded employee claimant's date of injury, and provided that no two periods overlap. Should this Memorandum expire or terminate while an **occurrence** covered hereunder is in progress, PRISM will be responsible for its portion of **loss** arising from such **occurrence** under this Memorandum through the conclusion of the seven calendar day period, even if such period extends beyond the term of this Memorandum, subject to the terms and conditions hereof, provided that no amount of **loss** for the same **occurrence** shall be claimed against any renewal or replacement of this Memorandum period.

(B) **Occupational disease** and **communicable disease** sustained or alleged to have been sustained by each **employee** shall be deemed to arise from a separate **occurrence**, and the **occurrence** shall be deemed to take place on the last day of the last exposure, in the employment of the **Covered Party**, to conditions causing or aggravating the disease OR the date upon which the **employee** first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment with the **Covered Party**, whichever comes first.

It is further agreed that nothing herein shall act to increase PRISM's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 26 EWC-00

Issued to: ALL MEMBERS (**Covered Parties**)

Issue Date: June 26, 2026



Authorized Representative

Public Risk Innovation, Solutions and Management

REPORT ITEM

- 1. REPORT BY:** Chair of the Finance Committee Chip Robertson
- 2. SUBJECT:** Core Operations - State Budget Planning 2027-28
- 3. REPORT:**

Annually the College submits its spending and revenue plan to the State of California's Department of Finance along with requests for additional funding through the Budget Change Proposal process for both its operating (i.e., Support) and infrastructure (i.e., Capital Outlay) needs. This process provides information and funding proposals to support the Governor's Budget proposal to be released in January 2027 which in turn serves as the basis for legislative review of the 2027-28 budget.

Based on institutional needs and strategic goals, staff will submit funding requests to the Department of Finance for the following initiatives:

- State support for an ongoing increase of approximately \$2.8 million representing a 3% workload budget adjustment.
- A request for \$2.3 million in one-time funding to modernize five elevators in Kane Hall.
- Further, the baseline budget submittal, to be submitted in October 2026, will continue to include \$10.1 million for 100 McAllister – Annual Allocation for Debt Service for Phase 2.

The College will submit information supporting the need for the 4% fee increase being proposed to the Board of Directors for 2027-28 and will include a plan demonstrating the use of this new revenue and General Fund growth.

A discussion of these and other state funding considerations will occur at the September 11 meeting of the Board of Directors.

REPORT ITEM

- 1. REPORT BY:** Chair of the Finance Committee Chip Robertson
- 2. SUBJECT:** Academic Village - Academe at 198 –
Leasing & Marketing Update
- 3. REPORT:**

An update regarding residential and commercial leasing at the Academe at 198 will be presented at the September 11 meeting of the Board of Directors' meeting.

REPORT ITEM

- 1. REPORT BY:** Chair of the Finance Committee Chip Robertson
- 2. SUBJECT:** Academic Village – McAllister Tower Project Update
- 3. REPORT:**

Activities substantially completed to date include abatement and soft demolition; installation of tower steel bracing to support structural demolition; permeation grouting for soil improvement; and completion of the structural demolition work.

The seismic retrofit work is ongoing, including construction of the new elevator core, with work anticipated to reach Level 24 by the end of August.

Other ongoing field activities include installation of the new structural shear walls, collector beams tying into the new core, and the metal deck and structural steel framing.

Interior buildout has commenced, with drywall framing partially installed on the lower basement levels. Most of the interior buildout, including MEPF rough-in and drywall installation, are expected to ramp up to full production in September 2027.

Project construction is currently targeted for completion in fall 2027.

Attachment:

- McAllister Tower Seismic Upgrade Project Update

McAllister Tower Seismic Upgrade Project – Status Report

Board of Directors

September 11, 2026



Agenda

- Construction Progress
- Schedule Update
- Cost Summary



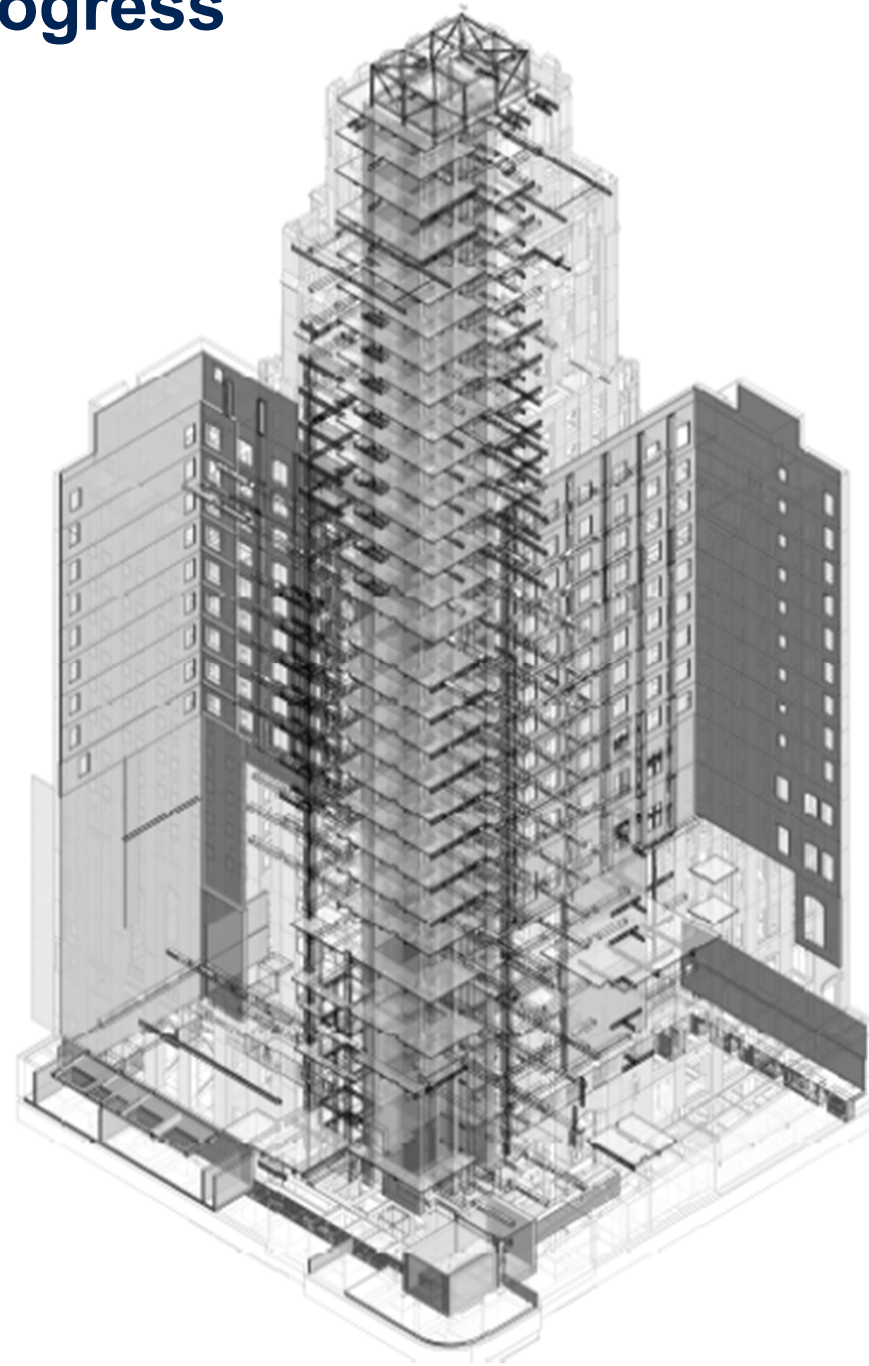
Construction Progress

➤ Seismic Retrofit

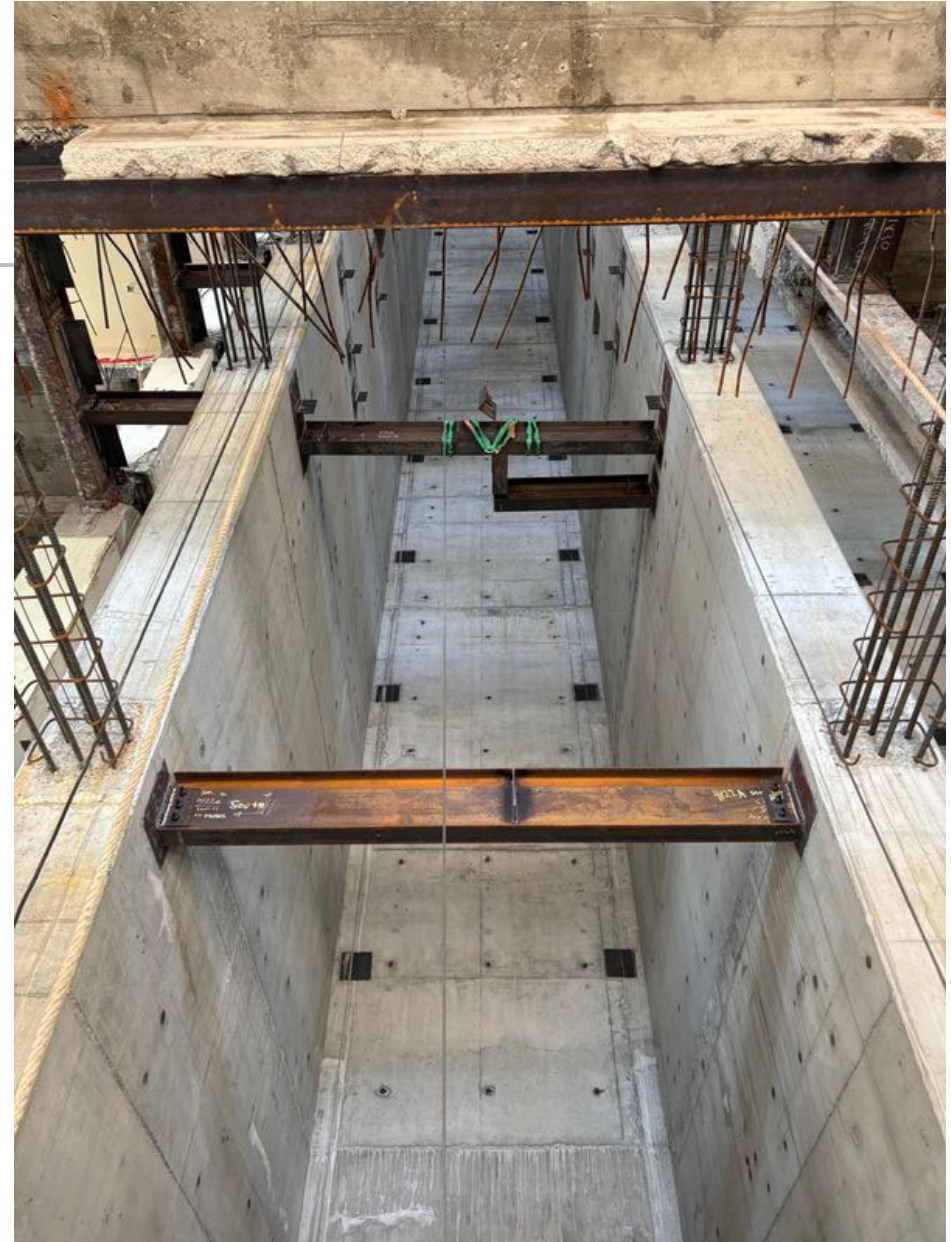
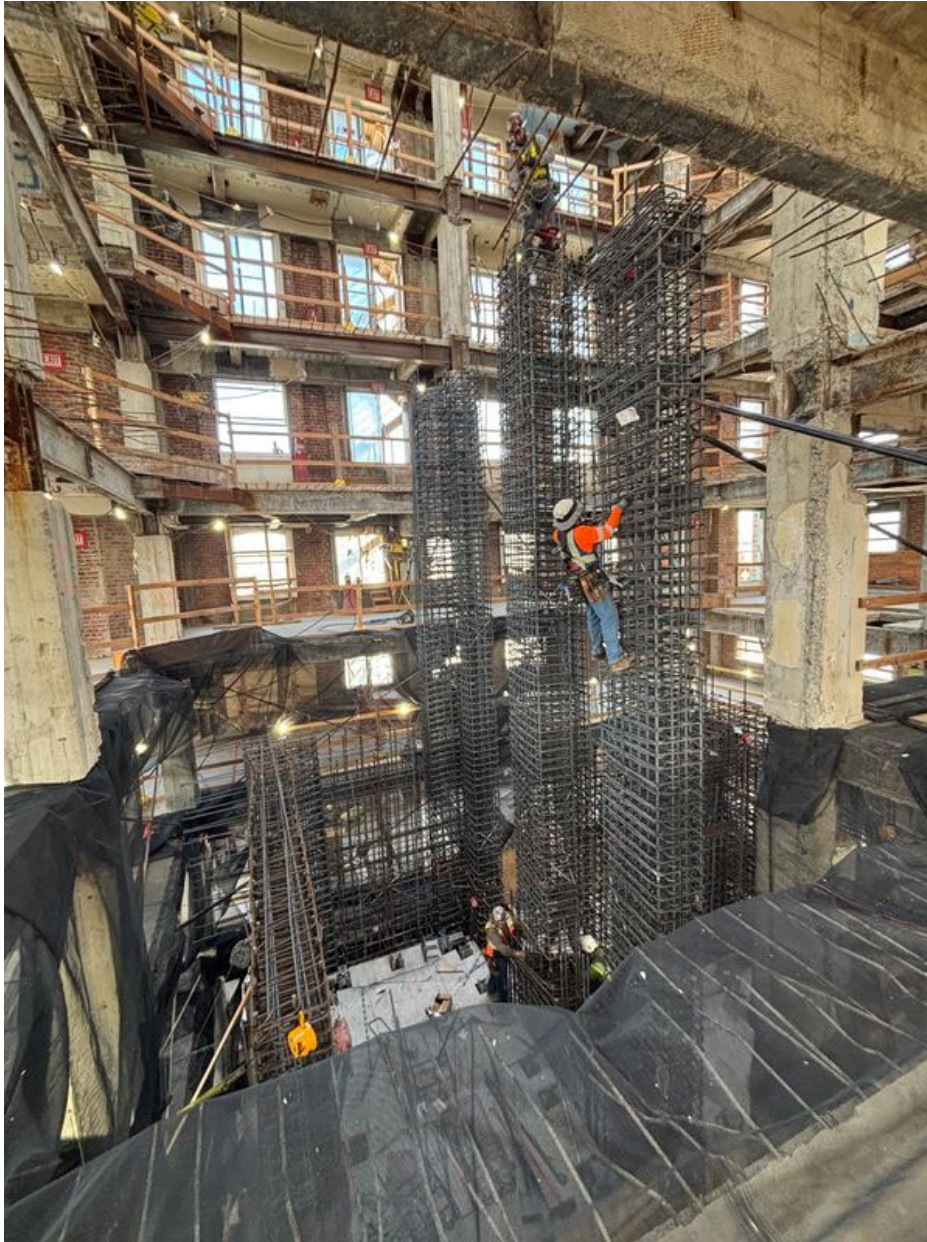
1. **Soil Improvement and Foundations:** Completed.
2. **New Building Core:** Scheduled for completion in September.
3. **New Concrete Overlay Walls:** Ongoing at Level 5.
4. **Collectors:** Ongoing from Level 5 through Level 11.
5. **BRB Outriggers** (Buckling-Restrained Braces and Corresponding Outrigger Columns): Installation is scheduled to begin in September.
6. **Shear Walls:** Work is ongoing at Level 5.
7. **Transfer Beams:** The main transfer beam inside the Great Hall was completed on August 20.

➤ Interior Buildout

- MEPF rough-in
- New stairs
- Elevator support steel



Construction Progress



New Building Core



Construction Progress



New Building Core



Construction Progress



New Building Core



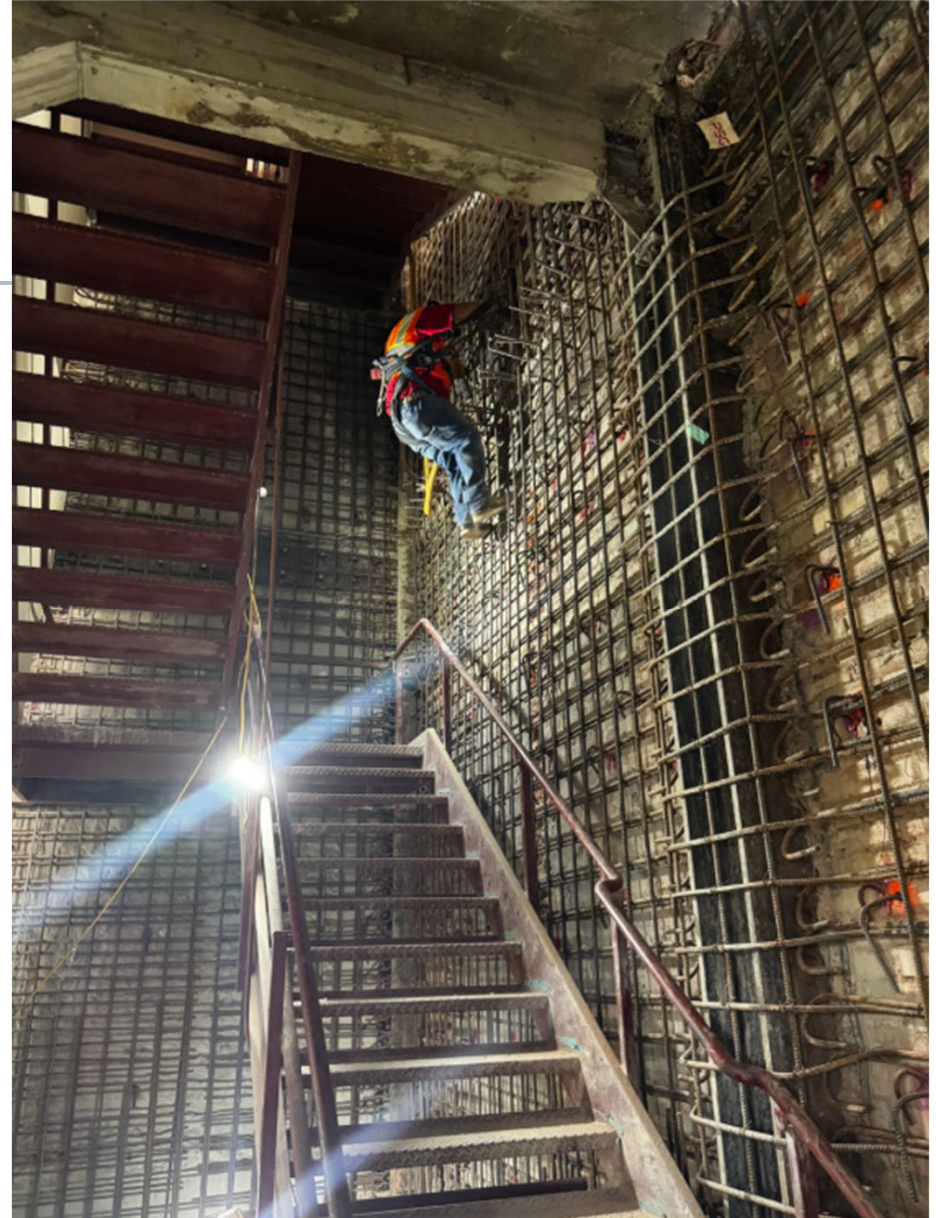
Construction Progress



Collectors (New Structural Connections with the New Core)

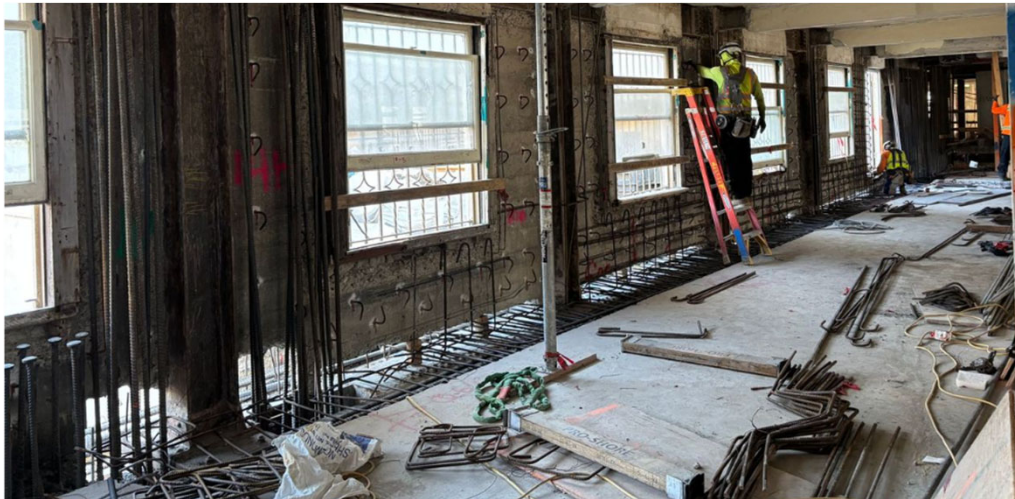


New Concrete Overlay Wall



New Concrete Overlay Wall

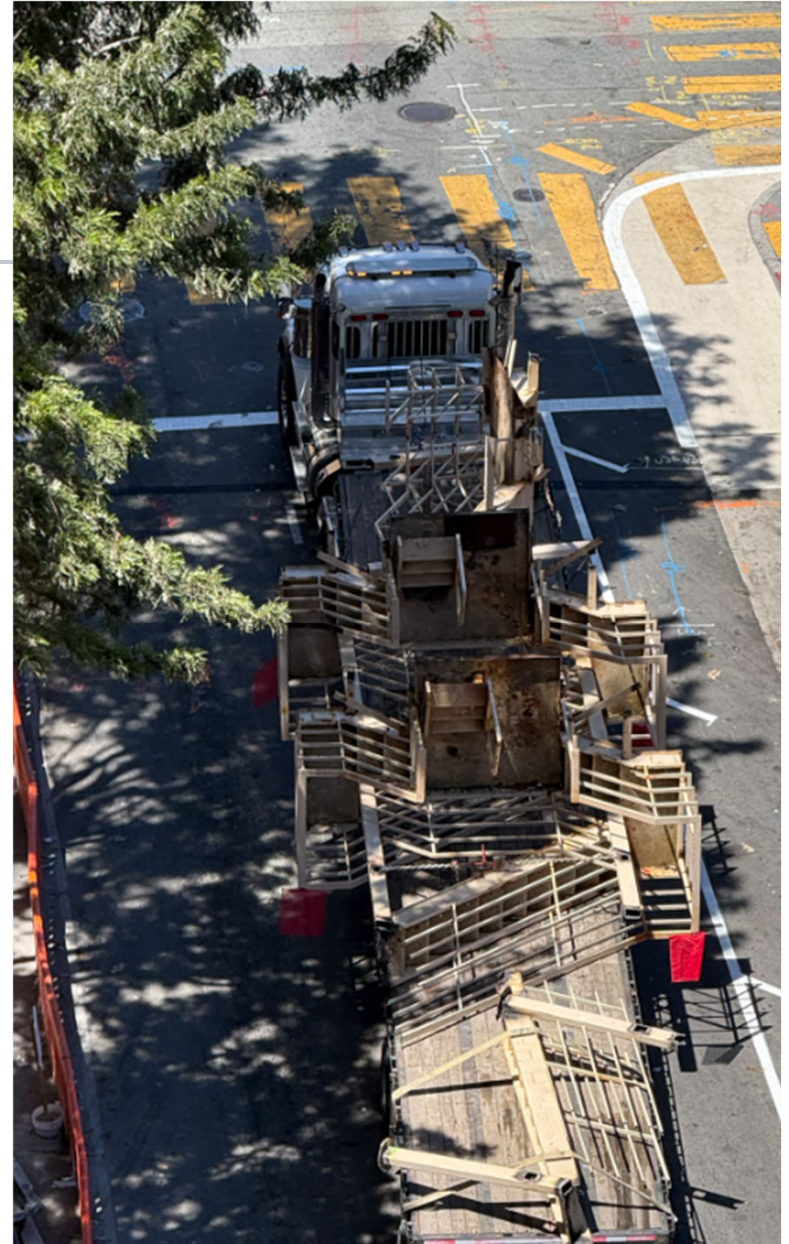
Construction Progress



Shear Walls and Level 5 Transfer Girder



Construction Progress



Exterior Stair



Schedule Update

Look Ahead:

- Core Structural Work Complete: September 2026
- Elevator Install Start: October 2026
- Façade Repair Start: October 2026
- Tower Crane Dismantle: November 2026
- Interior Finishes Start: December 2026

Project Substantial Completion – July 2027



Project Cost Summary

No.	Description of Work	Revised Budget	Total Costs To Date	% Complete	Remaining Costs to Complete
1).	Construction	\$ 240,929,168.00	\$ 101,035,885.78	41.9%	\$ 139,893,282.22
2).	Utilities	324,647.57	237,967.23	73.3%	86,680.34
3).	Financing Costs	1,753,756.62	7,554.00	0.4%	1,746,202.62
4).	Design Services	16,088,971.00	12,746,160.33	79.2%	3,342,810.67
5).	Geotechnical Services	1,099,800.00	1,080,062.87	98.2%	19,737.13
6).	Soils Environmental Testing	59,500.00	59,500.00	100.0%	-
7).	Building Scan	104,272.50	104,272.50	100.0%	-
8).	Site Survey	98,394.00	98,394.00	100.0%	-
9).	Materials Testing & Special Inspections	1,396,858.35	1,341,627.64	96.0%	55,230.71
10).	Deputy Building Official	126,000.00	91,937.50	73.0%	34,062.50
11).	Seismic Peer Review Panel	186,540.00	178,728.50	95.8%	7,811.50
12).	Inspector of Record	1,171,860.00	571,820.00	48.8%	600,040.00
13).	Real Estate Advisory	2,800,000.00	2,237,606.89	79.9%	562,393.12
14).	Market Study	104,630.00	102,828.70	98.3%	1,801.30
15).	Neighbor Allowance	125,000.00	45,249.00	36.2%	79,751.00
16).	Building Decommissioning	127,540.00	127,540.00	100.0%	-
17).	Environmental Services	520,331.97	517,982.00	99.5%	2,349.97
18).	Other Soft Costs	859,660.57	523,269.82	60.9%	336,390.75
19).	Permits & Fees	1,900,000.00	1,834,379.09	96.5%	65,620.91
20).	FF&E Residential	1,100,000.00	-	0.0%	1,100,000.00
21).	Property Taxes During Construction	796,710.55	-	0.0%	796,710.55
22).	Insurance / Builders Risk	1,510,716.16	1,510,716.16	100.0%	-
23).	Legal & Accounting	970,000.00	960,488.43	99.0%	9,511.57
24).	Contingency - Hard & Soft Costs	14,090,295.00	-	0.0%	14,090,295.00
Total		\$ 288,244,652.29	\$ 125,413,970.43	43.5%	\$ 162,830,681.86



Thank You!

REPORT ITEM

1. **REPORT BY:** Chair of the Finance Committee Chip Robertson
2. **SUBJECT:** Listing of Checks and Electronic Transfers over \$100,000
3. **REPORT:**

Listed below are checks & electronic transfers issued by the College for the period of 5/1/2026-7/31/2026:

Date	Check No.	Vendor Name	Amount	Description
5/5/2026	ACH2516	Regents of the University of Calif.	\$ 4,354,705.22	Payroll - March 2026
5/8/2026	E0085564	George S. Hall, Inc.	\$ 199,641.17	Engineering - April 2026
5/8/2026	E0085579	Township Building Services, Inc.	\$ 162,947.38	Custodial - April 2026
5/13/2026	0284471	PG&E Company	\$ 119,871.39	Electric and Gas - March 2026
5/15/2026	E0085761	Consolidated Engineering Labor	\$ 112,879.61	100 McAllister Engineering - February 2026
5/15/2026	E0085777	Perkins & Will, Inc.	\$ 397,168.20	100 McAllister Architecture - January, February 2026
5/15/2026	E0085790	Urban Alchemy	\$ 244,920.16	Security (Exterior) - March 2026
5/15/2026	E0085794	West Academic Publishing	\$ 118,140.00	Bar Passage Prep and Student Assignments
5/16/2026	E0085795	Plant Construction Company LP	\$ 4,181,579.58	100 McAllister Construction - February 2026
5/20/2026	0284488	PG&E Company	\$ 109,326.28	Electric and Gas - April 2026
5/20/2026	E0085801	The Regents of the University	\$ 1,375,210.31	Spring 2026 Premium Sweep
5/22/2026	E0085827	Bhogal Brothers Construction Inc.	\$ 126,052.65	198 Building Improvements - Supplies
5/23/2026	E0085854	Another Planet Entertainment	\$ 134,340.58	2026 Commencement Venue Rental
5/29/2026	E0085855	Plant Construction Company LP	\$ 6,261,324.70	100 McAllister Construction - March 2026
5/29/2026	E0085889	Consolidated Engineering Labor	\$ 154,544.72	100 McAllister Engineering - March 2026
5/29/2026	E0085895	George S. Hall, Inc.	\$ 154,394.79	Engineering - May 2026
5/29/2026	E0085904	Lingk Inc.	\$ 120,000.00	Lingk Platform and Managed Solution
5/29/2026	E0085912	Stantec Architecture Inc.	\$ 203,273.32	198 Building Improvements - February 2026
5/29/2026	E0085914	Township Building Services, Inc.	\$ 162,947.38	Custodial - May 2026
6/5/2026	E0086052	Regents of the University of Calif.	\$ 106,409.42	UC Path Debt Service
6/12/2026	E0086189	Gordon & Rees LLP	\$ 123,630.00	Legal Services - August 2025 - March 2026
6/17/2026	0284635	PG&E Company	\$ 116,362.42	Electric and Gas - May 2026
6/18/2026	ACH2524	Regents of the University of Calif.	\$ 4,947,502.14	Payroll - April - May 2026
6/20/2026	E0086244	Carbon Health Technologies, Inc.	\$ 220,923.61	Enterprise Subscription - May 2026
6/26/2026	E0086338	George S. Hall, Inc.	\$ 177,017.98	Engineering - June 2026
6/26/2026	E0086351	Township Building Services, Inc.	\$ 162,947.38	Custodial - June 2026
6/26/2026	E0086355	Urban Alchemy	\$ 232,020.86	Security (Exterior) - April 2026
7/3/2026	E0086414	Bhogal Brothers Construction Inc.	\$ 212,101.56	198 Building Improvements - Supplies
7/3/2026	E0086433	Restoration Management Company	\$ 116,099.19	Water Damage Restoration
7/3/2026	E0086439	UCSF Police Department	\$ 1,030,203.00	UCSF Security Services -6/30/2026
7/10/2026	E0086471	Ellucian Company LLC	\$ 538,361.00	FY27 Software and Cloud
7/10/2026	E0086480	Perkins & Will, Inc.	\$ 188,422.58	100 McAllister Architecture - March - April 2026
7/10/2026	E0086481	Plant Construction Company LP	\$ 8,170,562.03	100 McAllister Construction - April 2026
7/10/2026	E0086482	PRISM	\$ 114,011.00	Excess Workers Compensation
7/10/2026	E0086492	Urban Alchemy	\$ 262,682.44	Security (Exterior) - May 2026
7/17/2026	E0086525	Consolidated Engineering Labor	\$ 116,106.75	100 McAllister Engineering - April 2026

7/17/2026	E0086540	Regents of the University of Calif.	\$ 106,409.42	UC Path Debt Service
7/22/2026	0284733	University of California San Francisco	\$ 264,850.25	PHL Program
7/24/2026	E0086575	Alliant Insurance Services	\$ 1,493,063.03	FY27 Property Insurance
7/28/2026	ACH2528	Regents of the University of Calif.	\$ 4,473,967.84	Payroll - May - June 2026
7/31/2026	E0086619	Another Planet Entertainment	\$ 155,000.00	2027 Commencement Venue Rental
7/31/2026	E0086636	EAB Global Inc.	\$ 202,171.00	FY27 Adult Learner Recruitment
7/31/2026	E0086638	Ex Libris Inc.	\$ 104,453.23	FY27 Alma and Primo Subscription
7/31/2026	E0086639	George S. Hall, Inc.	\$ 210,558.06	Engineering - July 2026
7/31/2026	E0086655	Township Building Services, Inc.	\$ 162,947.38	Custodial - July 2026
7/31/2026	E0086657	West Payment Center	\$ 187,155.23	Westlaw Subscription - July 2026 - June 2027



David L. Faigman
Chancellor & Dean
William B. Lockhart Professor of Law and
John F. Digardi Distinguished Professor of Law
Professor, UCSF School of Medicine (Dept. of Psychiatry)

UC Law San Francisco | 200 McAllister Street | San Francisco, CA 94102
phone 415 565 4600 | faigmand@uclawsf.edu | uclawsf.edu

July 31, 2026

Senate President pro Tempore Monique Limón
1021 O Street, Suite 8518
Sacramento, CA 95814

Assembly Speaker Robert Rivas
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0029

Re: Annual Report on Name Change and Restorative Justice Initiatives

Dear Senate President pro Tempore Limón and Assembly Speaker Rivas:

Pursuant to Chapter 478, Statutes of 2022 (AB 1936) and EDC 92200 et seq. of the California Education Code, enclosed is the report of UC College of the Law, San Francisco to the Legislature and Assembly Select Committee on Native American Affairs on the progress of effectuating AB 1936, including the College's name change and the various initiatives outlined in the bill.

If you have any questions, Jenny Kwon, Assistant Chancellor & Dean/Chief of Staff, would be pleased to speak with you. Jenny can be reached by telephone at (415) 565-4627, or by email at kwonjenny@uclawsf.edu.

Best regards,

David L. Faigman
Chancellor & Dean
UC Law San Francisco

Enclosure

cc: Assembly Member James Ramos, Chair, Select Committee on Native American Affairs
Assembly Budget Committee, Chair, Assembly Member Jesse Gabriel
Senate Budget and Fiscal Review Subcommittee #1, Chair, Senator John Laird
Assembly Budget Subcommittee #3, Chair, Assembly Member David Alvarez
Governor's Tribal Affairs Secretary Christina Snider-Ashtari
Senate Judiciary Committee, Chair, Senator Tom Umberg
Senate Judiciary Committee, Senator Scott Wiener
Ms. Linda Sacks, Senior Consultant to the California Native American Caucus
Ms. Sue Parker, Chief Clerk, Office of the Chief Clerk of the Assembly
Ms. Erika Contreras, Secretary of the Senate
Ms. Jennifer Louie, Department of Finance
Mr. Gabriel Petek, Legislative Analyst Office
Ms. Florence Bouvet, Legislative Analyst Office
Assistant Chancellor & Dean/Chief of Staff Jenny Kwon, UC Law SF
Provost & Academic Dean Morris Ratner, UC Law SF
Chief Financial Officer David Seward, UC Law SF

2026 California Annual Report
Assembly Bill 1936
July 20, 2026

I. Introduction and Background

In 2017, Chancellor & Dean David Faigman convened a committee to study the actions of its founder, Serranus Hastings, and his involvement in mass killings of Native Americans, particularly of the Round Valley Indian Tribes (RVIT) and Yuki People (also known as the Witukomno'm People of Eden Valley and Powe' N'om). As a result of this study and after several hearings with affected Indigenous People, alumni, students, staff, and faculty, in the fall of 2021, the College's Board of Directors voted to rename the school. In July 2022, the Board unanimously chose University of California College of the Law, San Francisco as its new name. This was followed by a vote by the state Legislature that overwhelmingly approved [Assembly Bill 1936](#), authored by Assembly Member James C. Ramos (D-San Bernadino), that changed the state Education Code to adopt the College's new name. On September 23, 2022, California Governor Gavin Newsom signed AB 1936 into law. AB 1936 became effective on January 1, 2023, as Chapter 478, Statutes of 2022. As of July 2025, the College is fully rebranded as UC Law San Francisco.

II. Progress on Restorative Justice Initiatives

The College continues to commit time and resources to various restorative justice initiatives wherever applicable and appropriate. Chancellor & Dean Faigman's [Restorative Justice Advisory Board](#) continues to meet regularly on the status of initiatives where forward progress is possible. In June 2025, College leaders met in person with the new sitting President, Joseph Parker, members of the Tribal Council, and Tribal Business Administrator, Jim Russ (also former RVIT President, and President during the time of the College's initial outreach many years ago and through the signing of AB 1936) at the Round Valley Indian Tribes administrative building in Covelo, CA.

The College remains in communication with RVIT Tribal leaders, as well as their Yuki Committee Liaison Jeremy Gravier on ongoing meetings and efforts.

The College remains committed to proceeding with initiatives where there is mutual interest and engagement.

Highlights of this year's key accomplishments are outlined below:

- In Spring 2026, the College engaged with Abigail Blue, an experienced grant-writing consultant to research and help facilitate grant opportunities that would benefit the RVIT community. Her initial grant recommendations have been shared with tribal leaders.
- College representatives were present in Covelo for the Round Valley High School Senior Brunch on June 11, 2026, where the first two recipients of the Ka Mees Tatk UC Law San Francisco Scholarship were announced and celebrated. One recipient will be starting at UC Berkeley, and the second will be starting at UC Davis. The funds will support graduates of Round Valley High School in attaining their postsecondary educational goals. The scholarship comes after a year of collaboration with Superintendent of the Round Valley Unified School District Stephanie Steffano-Davis and Principal Amanda Derby of Round Valley High School, and after the College successfully established a quasi-endowment with a capitalization of \$250,000, with the intention of spending 4% annually (\$10,000) towards scholarship awards.
- The College continued to successfully fund summer law fellows to offer pro bono legal support to California tribes. The College funded two 2026 Summer Fellows, and funding for up to four

2027 Summer Fellows is in progress. Each summer, fellows receive a \$6,000 stipend for their work. Summer fellows work full-time with various legal organizations and judges in Mendocino and Humboldt Counties, offering pro bono legal support to members of California tribes, with prioritization wherever possible for any cases involving RVIT members. Summer placement options include, but are not limited to:

- Legal Services of Northern California, Ukiah
 - Chambers of Judge Joseph Wiseman (Tribal Judge for RVIT)
 - California Tribal Families Coalition
 - Superior Court of Mendocino County's Self-Help Center
- In 2023, the College connected with attorneys at McDermott Will & Emery LLP through an alum. As of May 2026, RVIT continues to consider their pro bono offer.
- The College continues to offer the Native American Opportunity Plan, a \$13,000 scholarship to any incoming student who has established California residency and is also a member of a federally recognized Native American, American Indian, or Alaska Native tribe. The amount of the scholarship matches a similar award offered by the UC and is equivalent to the cost of UC tuition and fees. The College welcomes applicants to UC Law SF from RVIT. The admissions team is actively reviewing any existing applications who may qualify, and is prepared to discuss questions with eligible applicants.
- Led by Director and Professor Jo Carrillo, the College's Indigenous Law Center (ILC) continues to be active in its programming and scholarly efforts. Professor Carrillo is building a curriculum on previous seminars that she co-taught with RVIT lawyer Curtis Berkey on the topic of increasing access to land for Indigenous Peoples. In Fall 2025, Professor Carrillo prepared a curriculum for the first ever California-specific seminar on Land Back. To link research and practice, she invited Alma Soongi Beck, a partner at Latham GPM, to join in the seminar discussion on a weekly basis. She continues to make connections across the state in an effort to link research and practice. She served as an expert witness on a California Racial Justice Act case involving a Native American criminal defendant. She continues to work with academic researchers in fields related to the academic mission of the ILC. For example, she convened a Family Law Works-in-Progress Conference that brought together law professors who write in the field of family law and who have worked in or expressed an interest in the Indian Child Welfare Act (ICWA). Professor Carrillo continues her partnership with Cal Poly Humboldt Professor and attorney Jennifer Marlow on research related to Indigenous sovereignty over California coastal areas. She, Professor Marlow, and Alyssa Suarez (who work in land use) offered a Continuing Legal Education (CLE) session to the Santa Clara Environmental Bar Association on the topic of offshore wind development and Tribal sovereignty. Professor Carrillo organized a group of historians to present a panel on the history of California Indian Country at the 2026 Western History Association Conference. Finally, Professor Carrillo helped organize and continues her involvement with establishing a legal think tank to discuss issues of concern to California Indigenous Peoples. This group, which currently is comprised of academics, Tribal leaders, lawyers, law students, and graduate students, convenes on a weekly basis to discuss current issues on California Indian Law.
- The College and Round Valley High School are continuing to discuss establishing a Moot Court Program between Round Valley students and UC Law SF students. The College would need funding for such a program, but would help fundraise where possible.
- The College continues to meet with and discuss various efforts with Round Valley Indian Tribes Yuki Liaison Jeremy Gravier. We are appreciative of his ongoing efforts to engage with the school and discuss productive ways of partnership together.

- The College has maintained relationships with Yuki members of RVIT over the years. Although no members of the tribe have been admitted to the College since the initial outreach in 2017, College leadership has advised individual members on educational attainment wherever possible. In particular, the Medel family has remained in close contact with College leadership since first meeting in 2019, introducing them to the many generations of their family members. One of their family members, a rising junior at UC Irvine, has had an interest in law school since high school. For the summer of 2025, the College was able to arrange for her to join two other undergraduate summer interns to support various College efforts, including the Communications Office and the California Institute on Law, Neuroscience and Education. The College also helped her attain a summer internship for the summer of 2026. Another Medel family member has shown interest in our Master of Legal Studies (MLS) program, attending an info session for the program.

III. Restorative Justice Initiatives Allocations for FY26

The following funding was allocated for FY26 for the work of the Indigenous Law Center.

FY26					
Description	Budget	Actuals	Encumbrances	Total Cost	Balance
ILC Faculty and Scholars: Regular Faculty Salaries	\$ 25,000.00	\$25,000.01	\$ -	\$25,000.01	\$ (0.01)
ILC Faculty and Scholars: Benefits	\$ 600.00	\$ 599.97	\$ -	\$ 599.97	\$ 0.03
Stipends	\$ 20,000.00	\$18,333.37	\$ -	\$18,333.37	\$ 1,666.63
Benefits Provision	\$ 6,400.00	\$ 5,866.63	\$ -	\$ 5,866.63	\$ 533.37
Consultants	\$ 247.00	\$ -	\$ -		\$ 247.00
Contracted Temporary Help Wages	\$ 2,000.00	\$ -	\$ -		\$ 2,000.00
Travel	\$ 7,965.00	\$ 1,252.06	\$ -	\$ 1,252.06	\$ 6,712.94
Events, Entertainment, Meetings	\$ 25,625.00	\$ 1,245.16	\$ -	\$ 1,245.16	\$ 24,379.84
FY26 Total:	\$ 87,837.00	\$52,297.20	\$ -	\$52,297.20	\$ 35,539.80

Additionally, the following funding was allocated for FY26 for other restorative justice efforts:

<u>FY26 Allocations</u>	<u>Amount</u>
Restorative Justice Summer Fellowships	\$24,000
RVIT meetings and travel expenses	\$2,000
UC Law SF Ka Mees Tatk Scholarship Fund expected endowment payout	10,000
Grant Consultant	\$15,000
<u>TOTAL</u>	<u>\$51,000</u>

IV. Plans for Ongoing Efforts

The College remains committed to a long-term relationship with RVIT and their Yuki Committee and looks forward to mutual engagement on various initiatives.