

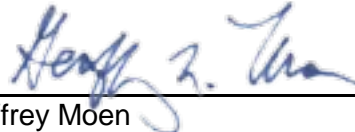
REPORT OF THE PRESIDENT & CEO

March 31, 2022

RESOLUTION AUTHORIZING AND APPROVING AMENDMENT OF THE EXISTING \$100,000,000 REVOLVING LINE OF CREDIT FACILITY WITH CITY NATIONAL BANK AND CN FINANCING, INC. TO TEMPORARILY INCREASE THE FACILITY'S AGGREGATE REVOLVING LINE OF CREDIT TO AN AMOUNT NOT TO EXCEED \$140,000,000, AND AUTHORIZING THE PRESIDENT & CEO, OR THEIR DESIGNEE, TO EXECUTE AND DELIVER A FIRST AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT, SECOND AMENDED AND RESTATED FEE AND INTEREST RATE AGREEMENT, PROMISSORY NOTES AND ALL OTHER RELATED DOCUMENTS AND AGREEMENTS AND THE UNDERTAKING OF VARIOUS OTHER ACTIONS IN CONNECTION THEREWITH, SUBJECT TO CREDIT APPROVAL FROM CITY NATIONAL BANK AND CN FINANCING, INC.



Douglas Guthrie
President & Chief Executive Officer



Geoffrey Moen
Director of Development

Purpose:

Authorize the President and CEO, or their designee, to take all actions necessary to amend HACLA's existing revolving line of credit bank facility (the "LOC"). The amended and restated facility ("Amended LOC") will temporarily increase the total credit available under the LOC from \$100 million to \$140 million and contains structural components better suited to HACLA's interim financing needs, under terms substantially similar to those of the LOC.

Regarding: Resolution No. 9589, adopted by the Board of Commissioners ("BOC") on April 23, 2020, approved establishing a Revolving Commitment with City National Bank.

Resolution No. 9625, adopted by the BOC on August 27, 2020, approved amending the City National Bank (CN Financing) revolving line of credit facility previously authorized under Resolution No. 9589 to reflect material changes in terms, authorized the execution and delivery of a credit agreement for an initial revolving commitment amount not-to-exceed \$50,000,000, as well as a fee letter, promissory notes, and all other related documents and agreements reflecting such revisions, and authorized the use of available and unrestricted funds, including grant funding, as a source of repayment of outstanding loans under the revolving line of credit facility.

Resolution No. 9745, adopted by the BOC on September 23, 2021, approved terminating the existing revolving line of credit with CN Financing, Inc., and replacing it with a revolving line of credit with two commitments, a taxable commitment with City National Bank and a tax-exempt commitment with CN Financing, Inc., with an aggregate revolving line of credit not to exceed \$100,000,000.

Issues:

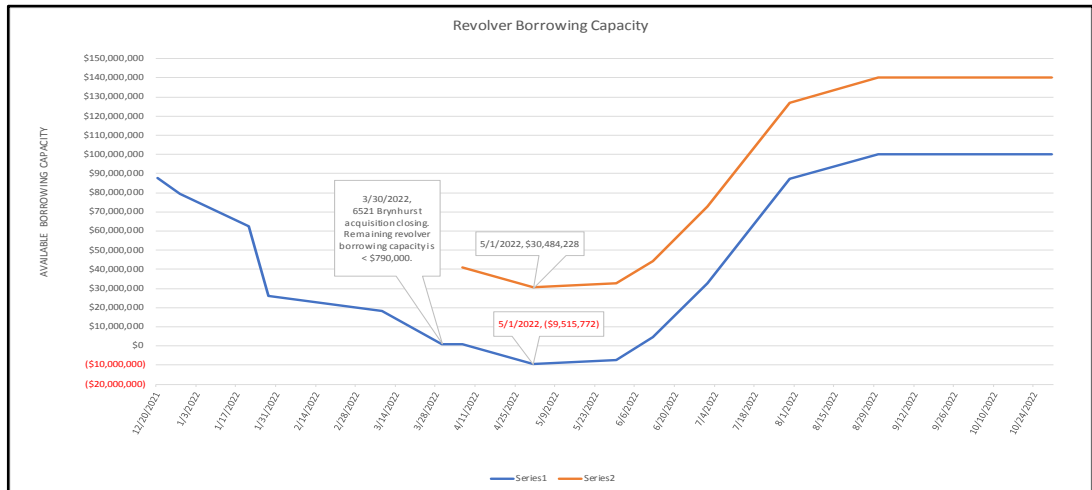
The Amended LOC will have a maximum commitment of \$140 million, but only for a ten-month period. Ten-months after closing the Amended LOC, the maximum commitment amount will automatically reset to \$100 million, the same maximum borrowing limit that had been authorized under the terms of the LOC. This one-time, \$40 million increase of the maximum commitment amount is essential for HACLA to meet its funding requirements for several property acquisitions being made through the State of California’s Project Homekey 2.0 program (“Homekey” or “Homekey R2”).

BOC approval of the Resolution (Attachment 1) is necessary for HACLA to proceed on schedule with the Homekey property acquisitions. HACLA has drawn loans from the LOC to finance, on an interim basis, the acquisitions of several Homekey properties. Based on projections prepared by staff as of March 25, 2022, loans totaling \$99.2 million will have been drawn from the LOC and outstanding. Therefore, the remaining borrowing capacity is less than \$1 million, which is insufficient in view of additional property acquisitions scheduled to close escrow during the coming weeks and months. In May 2022, two additional Homekey acquisitions (14949 Roscoe and 10150 Hillhaven) are scheduled to close. Funding requirements for these two properties total approximately \$28.4 million.

Acquisition Name	HK R2 Appl Date	Escrow Close	12/20/2021	12/28/2021	1/21/2022	1/28/2022	3/9/2022	3/30/2022
NoHo Best Western	n/a	2020	(\$9,189,692)	\$0	\$0	\$0	\$0	\$0
Super 8	n/a	2020	(\$3,186,080)	\$0	\$0	\$0	\$0	\$0
Orchid	n/a	2020	\$0	(\$8,050,000)	\$0	\$0	\$0	\$0
740 Alvarado	1/31/2022	1/21/2022	\$0	\$0	(\$17,000,000)	\$0	(\$7,500,000)	\$0
5050 Pico	10/23/2021	1/28/2022	\$0	\$0	\$0	(\$36,650,000)	\$0	\$0
6521 Brynhurst	12/14/2021	3/30/2022	\$0	\$0	\$0	\$0	\$0	(\$17,640,000)
14949 Roscoe	1/31/2022	5/1/2022	\$0	\$0	\$0	\$0	\$0	\$0
10150 Hillhaven	1/31/2022	5/30/2022	\$0	\$0	\$0	\$0	\$0	\$0
1044 N Soto	1/31/2022	10/30/2022	\$0	\$0	\$0	\$0	\$0	\$0
Available Commitment	\$100,000,000		\$87,624,228	\$79,574,228	\$62,574,228	\$25,924,228	\$18,424,228	\$784,228
Available Commitment	\$140,000,000		\$127,624,228	\$119,574,228	\$102,574,228	\$65,924,228	\$58,424,228	\$40,784,228

Note: Some dates and figures are estimate only.

The Amended LOC can accommodate the two closings in May 2022 and would provide a \$30.5 million cushion. That borrowing cushion could be used to acquire one additional Homekey property or for any of the other permitted uses outlined in the final paragraph of this section of the report.



The LOC closed in December 2021 and at the time, a maximum commitment amount of \$100 million was determined to be sufficiently sized to meet HACLA's acquisition and other interim financing needs. HACLA anticipated borrowing from the LOC primarily to cover the "local match" portion of Homekey acquisitions and repaying those borrowings with take-out financing sourced through receipt of Homekey capital grants and conventional permanent financing. Since borrowings obtained through the LOC have not been repaid by the state's Housing and Community Development department ("HCD") as quickly as anticipated for Homekey, HACLA's available borrowing capacity has not fully rebounded. Pending receipt of HCD Homekey capital grant money, HACLA borrowed money from the LOC to interim finance not just the "local match" portion but the entire acquisition cost for the 5050 Pico, 740 Alvarado¹ and 6521 Brynhurst properties.

Staff recommends the temporary increase in borrowing capacity in the attached Resolution as the most favorable option to proceed with Homekey and other potential property acquisitions. With the approval of the attached Resolution, HACLA may use low-cost bank loans to fulfill its acquisition funding obligations to close escrow on two acquisitions scheduled for May 2022, while leaving a cushion for additional acquisitions and eligible capital expenditures. Without the temporary increase reflected in the Amended LOC, HACLA would have to i) use unrestricted reserve funds to finance upcoming escrow closings, ii) seek time extensions on escrow closing dates, which may or may not be available, but in any event would be costly to HACLA if such time extensions were agreed to by the impacted sellers, or iii) use the financing contingencies under the applicable Purchase and Sale Agreements to cancel the escrow closings.

BOC approval of the Resolution will establish the Amended LOC which will increase the LOC to \$140 million temporarily while maintaining the facility's structure as a revolving line of credit with two revolving commitments, one with City National Bank (the "Taxable Revolving Commitment") and one with CN Financing, Inc. (the "Tax-Exempt Revolving Commitment"). The Taxable Revolving Commitment and the Tax-Exempt Revolving Commitment, together, are the "Revolving Commitments". CN Financing, Inc., is a subsidiary of City National Bank. Together, City National Bank (the "Taxable Lender") and CN Financing, Inc. (the "Tax-Exempt Lender") are the "Lenders". The Lenders are currently reviewing HACLA's request and a final credit decision is pending.

The maximum cumulative commitment amount of the Revolving Commitments under the Amended LOC may not exceed \$140,000,000 whether HACLA borrows money exclusively under the Taxable Revolving Commitment or the Tax-Exempt Revolving Commitment, or simultaneously under both. Approximately ten months following the closing of the Amended LOC, the maximum cumulative commitment amount of the Revolving Commitments will automatically be reduced to \$100,000,000. The final maturity date for the Revolving Commitments will be December 16, 2026, which is unchanged from the final maturity date of the LOC. The unused commitment fee and the interest rate charged on borrowings will increase, as presented in "Issues" below. These fee and interest rate increases will continue through the final maturity date, despite the maximum commitment amount automatically decreasing to \$100 million from \$140 million approximately

¹ HACLA borrowed \$24.5mm from the revolver and additionally borrowed approximately \$7.4mm of HACLA unrestricted reserve funds to acquire 740 Alvarado. Total borrowings of approximately \$31.9mm.

ten-months after closing on the Amended LOC.

The financings funded by the Amended LOC are anticipated to be refinanced by long-term bonds, long-term commercial loans, cash payments by HACLA, or outside grants.

Terms and conditions for the Amended LOC will remain unchanged from the LOC, with exception of the commitment amount and fees/rates:

- a) An initial maximum commitment amount of \$140,000,000 until January 31, 2023;
- b) A Commitment Fee of 32.5 bppa (basis points per annum, i.e., a 0.325% annual rate) charged to the unused portion of the revolving line of credit. By comparison, the LOC has a Commitment Fee of 25.0 bppa;
- c) An interest rate of SIFMA index value (“SIFMA”) plus a margin of 54.0 bppa will be charged on loans drawn at the Tax-Exempt Rate. This is an increase from the LOC’s rate of SIFMA plus 47.5 bppa;
- d) An interest rate of SOFR index value (“SOFR”) plus a margin of 69.5 bppa will be charged on loans drawn at the Taxable Rate. This is an increase from the LOC’s rate of SOFR plus 61.0 bppa; and
- e) The Commitment Fee, Tax-Exempt Rate and Taxable Rate will become effective at closing of the Amended LOC, estimated for April 6, 2022, and remain in place through the Commitment Termination Date of December 18, 2026 (a credit facility term of more than 4.5 years). These fee and rate amounts will remain unchanged after the maximum commitment amount decreases from \$140,000,000 to \$100,000,000 on February 1, 2023 (approximately).

Estimated annual costs are illustrated in the table below.

Revolving Commitments -- Interest and Fees, Adjusted for Increases in SIFMA and SOFR Indexes			
Tax-Exempt Scenario	Scenario A	Scenario B	Scenario C
<i>Assumed Index Rate</i>	0.24%	1.24%	2.24%
Max Commitment Amount (4/2022 to 1/2023)	\$140,000,000	\$140,000,000	\$140,000,000
Max Commitment Amount (2/2023 to 12/2026)	\$100,000,000	\$100,000,000	\$100,000,000
<i>Origination Fee</i>	\$0	\$0	\$0
<i>HACLA Legal, Closing Costs</i>	\$12,000	\$12,000	\$12,000
<i>Bank Counsel, Closing Costs</i>	\$15,000	\$15,000	\$15,000
Total Origination and Issuance Fees	\$27,000	\$27,000	\$27,000
Assuming 40% Utilization:			
<i>Annual Cost, Year 1</i>	\$703,079	\$1,231,079	\$1,759,079
<i>Annual Cost, Years 2 to 5</i>	\$676,079	\$1,204,079	\$1,732,079
Assuming 60% Utilization:			
<i>Annual Cost, Year 1</i>	\$826,618	\$1,618,618	\$2,410,618
<i>Annual Cost, Years 2 to 5</i>	\$799,618	\$1,591,618	\$2,383,618
Assuming 80% Utilization:			
<i>Annual Cost, Year 1</i>	\$950,158	\$2,006,158	\$3,062,158
<i>Annual Cost, Years 2 to 5</i>	\$923,158	\$1,979,158	\$3,035,158
<small>Note: Scenario A is the current market condition, as of March 14, 2022.</small>			
<small>The dollar figures are for a 12-month period, with 10-months at \$140mm and 2-months at \$100MM, split 80% T-E and 20% Taxable.</small>			
<small>The SIFMA index and the SOFR index are a variable rate. The projections expressed here are estimates only.</small>			

The majority of terms for the Amended LOC remain the same as the LOC including no prepayment penalties, options to renew the facility at the end of its term, and an option to convert any outstanding debt at the term expiration to five year term-out loans. There are no changes to how the LOC is securitized as a general obligation of HACLA.

The Lenders' estimated closing costs are approximately \$30,000. These costs will cover the cost of the Lenders' counsel (Chapman & Cutler) and in-house administrative costs. HACLA will be required to pay Lenders' costs when the transaction closes. HACLA has retained Kutak Rock as external transaction counsel, and legal services are estimated at \$15,000. All of these figures are estimates.

Compliance with the Debt Management Policy.

The structure, terms and conditions of the Revolving Commitments are in compliance with HACLA's Debt Management Policy.

Legal Counsel.

HACLA's in-house counsel and Kutak Rock (external counsel) are serving as joint legal counsel for this transaction.

Vision Plan: Place Strategy 2. Increase functionality and effectiveness of Asset Management portfolio

This strategy will expand HACLA's property portfolio and increase revenues through the application of acquisition and infill strategies that serve to increase the total number of affordable housing units HACLA offers, while simultaneously diversifying the range of housing options HACLA is able to offer in response to changes in market demands.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds:

Proceeds from the non-public housing portfolio are available to cover the fees and expenses associated with establishing and operating this interim financing mechanism. Take-out financing in the form of long-term debt obligations, agency financings or conventional lending will be the permanent source of financing for the borrowings conducted under the Revolving Commitments.

Budget and Program Impact:

Based on current market conditions, total annual fees and interest expenses are estimated to range between \$950,000 and \$2,006,000 depending on fluctuations in variable rate indices.

Current market conditions provide a relatively low interest rate environment for a revolving line of credit, making the Revolving Commitments a favorable, flexible and economically viable interim financing mechanism for HACLA. Should market interest rates trend significantly higher during the term of the Revolving Commitments, HACLA has the option to terminate the Revolving Commitments without having to pay an early termination penalty.

Environmental Review: Not Applicable

Section 3: Not Applicable

Attachments:

1. Resolution
2. LOC Borrowings, Actual and Projected
3. Second Amended and Restated Fee and Interest Rate Agreement
4. First Amendment to Amended and Restated Revolving Credit Agreement

Attachment 1

Resolution

RESOLUTION NO. [_____]

RESOLUTION AUTHORIZING AND APPROVING AMENDMENT OF THE EXISTING \$100,000,000 REVOLVING LINE OF CREDIT FACILITY WITH CITY NATIONAL BANK AND CN FINANCING, INC. TO TEMPORARILY INCREASE THE FACILITY'S AGGREGATE REVOLVING LINE OF CREDIT TO AN AMOUNT NOT TO EXCEED \$140,000,000, AND AUTHORIZING THE PRESIDENT & CEO, OR THEIR DESIGNEE, TO EXECUTE AND DELIVER A FIRST AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT, SECOND AMENDED AND RESTATED FEE AND INTEREST RATE AGREEMENT, PROMISSORY NOTES AND ALL OTHER RELATED DOCUMENTS AND AGREEMENTS AND THE UNDERTAKING OF VARIOUS OTHER ACTIONS IN CONNECTION THEREWITH, SUBJECT TO CREDIT APPROVAL FROM CITY NATIONAL BANK AND CN FINANCING, INC.

WHEREAS, the Housing Authority of the City of Los Angeles ("HACLA") is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Housing Authorities Law, Sections 34200 et seq. of the California Health and Safety Code (the "Act"), including the power to provide financing for the acquisition, construction, rehabilitation and equipping of multifamily rental housing for persons and families of low to moderate income;

WHEREAS, HACLA is further authorized under the Act to issue bonds, notes, interim certificates, debentures, or other obligations for any of its corporate purposes and to make and execute contracts and other instruments necessary or convenient for the exercise of its powers;

WHEREAS, it is in the public interest that HACLA has access to a revolving line of credit or other revolving commitment facility (the "Revolving Commitment") so that HACLA may facilitate the timely acquisition, construction, rehabilitation, renovation, equipping and refinancing of multifamily rental housing, and other capital improvements and initiatives;

WHEREAS, on April 23, 2020, the HACLA Board of Commissioners ("Board") adopted Resolution No. 9589 authorizing and approving the establishment of a Revolving Commitment with City National Bank specifying an initial revolving commitment amount not-to-exceed \$30,000,000, and also authorizing the President and CEO to obtain subsequent increases to the Revolving Commitment for a total amount not to exceed \$50,000,000;

WHEREAS, on August 27, 2020, the Board adopted Resolution No. 9625, approving changes to the revolving line of credit facility previously authorized under Resolution No. 9589, including authorizing the execution of a credit agreement for an initial revolving commitment amount not-to-exceed \$50,000,000;

WHEREAS, in October 2020, pursuant to the Board's authorizations via Resolutions 9589 and 9625, HACLA established a \$25,000,000 revolving line of credit with CN Financing, Inc., an affiliate of City National Bank (the "\$25,000,000 Revolving Commitment");

WHEREAS, on September 9, 2021, the State of California released its Notice of Funding Availability for round two of the Homekey Program ("HomeKey R2"), which provides partial funding to California governmental entities such as HACLA for various housing-related initiatives, including the acquisition of properties for affordable housing purposes;

WHEREAS, in order to meet its anticipated matching obligations for property acquisitions under HomeKey R2, HACLA identified a need to increase short-term borrowing capacity under its revolving credit facility;

WHEREAS, on September 23, 2021, the Board adopted Resolution No. 9745, approving termination of the \$25,000,000 Revolving Commitment and its replacement with a revolving line of credit facility with two commitments, a taxable commitment with City National Bank (the “Taxable Revolving Commitment”) and a tax-exempt commitment with CN Financing, Inc. (the “Tax-Exempt Revolving Commitment”, and together with the Taxable Revolving Commitment, the “Revolving Commitments”), with an aggregate revolving line of credit between the Revolving Commitments not to exceed \$100,000,000, and HACLA subsequently entered into commitments with City National Bank and CN Financing pursuant to that authorization (the “2021 Revolving Commitment”);

WHEREAS, as of March 31, 2022, HACLA has open borrowings of approximately \$99.2 million against the 2021 Revolving Commitment, primarily for acquisitions under HomeKey R2;

WHEREAS, HACLA anticipates an additional need for \$28.4 million in short-term borrowing to fund two additional HomeKey R2 acquisitions scheduled to close in May 2022;

WHEREAS, HACLA anticipates further short-term borrowing in support of various other initiatives, including borrowings for other property acquisitions, site acquisitions, and capital projects that potentially include the construction of a parking garage adjacent to HACLA’s 2600 Wilshire office building (the “Parking Lot Project”);

WHEREAS, subject to credit approval, City National Bank and CN Financing, Inc. (together, the “Lenders”) have agreed to amend the 2021 Revolving Commitment to allow for maximum cumulative borrowing against the Revolving Commitments of \$140,000,000, under the terms of a proposed First Amended and Restated Revolving Credit Agreement and Second Amended and Restated Fee and Interest Rate Agreement, evidenced by one or more accompanying Promissory Notes, all under substantially similar terms to those applicable to the 2021 Revolving Commitment, which agreements and notes are collectively referred to herein as the “Amended Revolving Commitment”;

WHEREAS, the interest rate on the Promissory Notes for tax-exempt borrowing under the Amended Revolving Commitment will be a variable rate substantially equivalent to the SIFMA index value (“SIFMA”) plus a margin of 0.54% for an approximately four-and-a-half-year term;

WHEREAS, the interest rate on the Promissory Notes for taxable borrowing under the Amended Revolving Commitment will be a variable rate substantially equivalent to the SOFR index rate (“SOFR”) plus a margin of 0.695% for an approximately four-and-a-half-year term;

WHEREAS, HACLA and the Lenders will enter into a Second Amended and Restated Fee and Interest Rate Agreement (the “Second Amended and Restated Fee and Interest Rate Agreement”) to confirm the new interest rates and other fees payable by HACLA to the Lenders with respect to the Revolving Commitments;

WHEREAS, the Revolving Commitments will be provided to HACLA by the Lenders pursuant to an amended revolving credit agreement (the “First Amendment to Amended and Restated Revolving Credit Agreement”) by and between HACLA and the Lenders, whereby HACLA may request Borrowings (as defined in the First Amended and Restated Credit Agreement) from time to time, to finance (i) the acquisition, construction, rehabilitation, renovation, equipping, and refinancing of multifamily rental housing, other housing properties, and permissible mixed use properties, (ii) site acquisitions, (iii) capital improvement projects, including the Parking

Lot Project, and (iv) costs in connection with the Amended and Restated Credit Agreement;

WHEREAS, the following substantially final documents have been presented to this Board:

(a) form of the Second Amended and Restated Fee and Interest Rate Agreement; and

(b) form of the First Amendment to Amended and Restated Revolving Credit Agreement.

WHEREAS, the obligations incurred by HACLA pursuant to the terms of the First Amendment to Amended and Restated Revolving Credit Agreement and evidenced by one or more Promissory Notes will be general obligation debt secured by and payable from HACLA's unencumbered and legally available assets, as provided in the Second Amended and Restated Fee and Interest Rate Agreement; and

WHEREAS, the structure of HomeKey R2 and partnerships HACLA has entered, or will be entering, in relation to that program, create a reasonable likelihood that HACLA will have access to grant funds and other unencumbered assets to repay certain borrowings under the Revolving Commitments.

NOW, THEREFORE, BE IT RESOLVED, the Board does hereby authorize and approve entering amended Revolving Commitments with City National Bank and its affiliate CN Financing, Inc. with a maximum cumulative borrowing amount between the two Revolving Commitments of \$140,000,000, under terms for tax-exempt borrowing that include a variable ratesubstantially equivalent to the SIFMA index value ("SIFMA") plus a margin of 0.54% for an approximately four-and-a-half-year loan period, and under terms for taxable borrowing that include a variable rate substantially equivalent to the SOFR index rate ("SOFR") plus a margin of 0.695% for an approximately four-and-a-half-year loan period. The Board further authorizes repayment of borrowings under the Revolving Commitments with grant funds and other unencumbered and legally available assets of HACLA, including, but not limited to, repayment through take-out financing in the form of long-term debt obligations; and authorizes the President and CEO, or their designee ("Designated Officers"), to execute the Second Amended and Restated Fee and Interest Rate Agreement, First Amendment to Amended and Restated Revolving Credit Agreement, Promissory Notes, and all other related documents and agreements to effectuate the intent of this Resolution, all with the approval of legal counsel.

BE IT FURTHER RESOLVED that the President and CEO and Designated Officers described herein are as follows:

Douglas Guthrie, President & CEO
Marlene Garza, Chief Administrative Officer
Jenny Scanlin, Chief Strategic Development Officer
Margarita Lares, Chief Programs Officer

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED AS TO FORM:

JAMES JOHNSON

**HOUSING AUTHORITY OF THE CITY OF
LOS ANGELES**

By: _____
General Counsel

By: _____
Cielo Castro, Board Chairperson

DATE ADOPTED: _____

Attachment 2

Revolver Borrowings, Actual and Projected

REVOLVER BORROWINGS AND REPAYMENTS

Acquisition Name	HK R2 Acq. Date	Escrow Close	12/20/2021	12/28/2021	1/21/2022	1/28/2022	3/8/2022	3/30/2022	4/13/2022	5/1/2022	5/30/2022	6/1/2022	7/1/2022	7/30/2022	8/30/2022	9/30/2022	10/30/2022
NoHo Best Western	n/a	2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Super B	n/a	2020	(\$9,189,692)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Orchid	n/a	2020	(\$3,186,080)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
740 Alvarado	1/31/2022	1/21/2022	\$0	(\$8,050,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5050 Pico	10/23/2021	1/28/2022	\$0	\$0	(\$17,000,000)	\$0	(\$7,500,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$20,925,000	\$0	\$0	\$0
6521 Brynhurst	12/14/2021	3/30/2022	\$0	\$0	\$0	(\$36,650,000)	\$0	\$0	\$0	\$0	\$20,310,538	\$0	\$0	\$16,339,462	\$0	\$0	\$0
14949 Rescoe	1/31/2022	5/1/2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$10,300,000)	\$0	\$11,664,500	\$0	\$7,944,502	\$5,975,500	\$0	\$0
10150 Hillhaven	1/31/2022	5/30/2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$18,050,000)	\$0	\$0	\$7,944,502	\$2,355,498	\$0	\$0
1044 N Soto	1/31/2022	10/30/2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,285,000	\$8,795,000	\$0	\$0
Available Commitment	\$100,000,000		\$87,624,228	\$79,574,228	\$62,574,228	\$25,924,228	\$18,424,228	\$784,228	\$784,228	(\$9,515,772)	(\$7,255,234)	\$4,409,266	\$32,623,958	\$97,087,922	\$100,000,000	\$100,000,000	\$14,245,000
Available Commitment	\$140,000,000		\$127,624,228	\$119,574,228	\$102,574,228	\$65,924,228	\$56,424,228	\$40,784,228	\$40,784,228	\$30,484,228	\$32,744,766	\$44,409,266	\$72,623,958	\$127,087,922	\$140,000,000	\$140,000,000	\$140,000,000

Note: Some dates and figures are estimate only.

Assumptions:

1. HK R2 Capital Grant money arrives at HACLA 180- to 242-days after HK application submission date.
2. Does not include City Residual Receipt Loan.
3. Does not include HACLA Non-Federal Capital Contributions.
4. Does not include rehab costs for Super B.
5. Does not include rehab costs for any other property.
6. Does not include non-HK acquisitions.
7. Does not include possibility of HACLA buying a seventh HK property in this round #2.
8. Does not include HK property acquisitions during round #3, which launches in summer 2022.

Acquisition Name	Days	Appl Submitted	HK R2 \$ Arrive
740 Alvarado	180	1/31/2022	7/30/2022
5050 Pico	219	10/23/2021	5/30/2022
6521 Brynhurst	180	12/14/2021	6/12/2022
14949 Rescoe	180	1/31/2022	7/30/2022
10150 Hillhaven	180	1/31/2022	7/30/2022
1044 N Soto	242	1/31/2022	9/30/2022

Attachment 3

Second Amended and Restated Fee and Interest Rate Agreement

**SECOND AMENDED AND RESTATED FEE AND INTEREST RATE AGREEMENT
DATED APRIL [__], 2022**

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of December 1, 2021 (as amended, supplemented, restated or otherwise modified from time to time, the “*Agreement*”), among the Housing Authority of the City of Los Angeles (the “*Authority*”), City National Bank (the “*Taxable Lender*”) and CN Financing, Inc. (the “*Tax-Exempt Lender*” and together with the Taxable Lender, the “*Lender*”), pursuant to which the Lender has agreed to make Loans to the Authority. Further reference is made to the Amended and Restated Fee and Interest Rate Agreement dated December 20, 2021 (the “*Existing Fee Agreement*”), between the Authority and the Lender. Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Agreement.

The Authority and the Lender wish to amend and restate the Existing Fee Agreement in its entirety. The purpose of this Second Amended and Restated Fee and Interest Rate Agreement (this “*Fee Agreement*”) dated April [__], 2022 (the “*Effective Date*”) is to amend and restate the Existing Fee Agreement in its entirety and confirm the agreement between the Lender and the Authority with respect to the Commitment Fee and certain other fees payable by the Authority to the Lender and to define the terms relating to interest rates as used in the Agreement. This Fee Agreement is the Fee Agreement referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement between the Authority and the Lender, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

Notwithstanding anything set forth herein to the contrary, at all times prior to the Effective Date, the Commitment Fee and the interest rates on the Loans shall be calculated and paid in accordance with the Existing Fee Agreement without regard to this Fee Agreement.

ARTICLE I. FEES.

Section 1.1. Commitment Fee. The Authority agrees to pay to the Lender on July 1, 2022, for the period commencing on the Effective Date and ending on June 30, 2022, and in arrears on the first Business Day of each April, July, October and January occurring thereafter to and including the Commitment Termination Date, and on the Commitment Termination Date, a non-refundable commitment fee (the “*Commitment Fee*”) with respect to the Available Commitment for each day in the related fee period, in an amount equal to the applicable rate per annum specified below (the “*Commitment Fee Rate*”). To the extent any Commitment Fee is not paid when due, such Commitment Fee shall, to the extent permitted by law, accrue interest from the date payment is due until payment in full at the Default Rate, such interest to be payable on demand. Upon the occurrence and during the continuance of an Event of Default under the Agreement, the Commitment Fee Rate shall equal the Default Rate automatically and without notice to the Authority. Commitment Fees shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days elapsed.

For the period from and including April __, 2022, and at all times thereafter, the Commitment Fee Rate shall be as follows:

S&P RATING	COMMITMENT FEE RATE
A+ or above	0.325%
A	0.425%
A-	0.575%
BBB+	0.775%
BBB	1.025%
BBB-	1.525%
Below BBB-	Default Rate

The term “*Rating*” as used above shall mean the long-term unenhanced general obligation debt rating assigned by S&P to any debt of the Authority (the “*Parity Debt*”). Any change in the Commitment Fee Rate resulting from a change in the Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as determined by S&P on the Effective Date, and, in the event of adoption of any new or changed rating system by S&P, including, without limitation, any recalibration or realignment of the long-term unenhanced rating assigned to any Parity Debt of the Authority in connection with the adoption of a “global” rating scale, each of the Ratings referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Authority agrees that, based on the Authority’s Rating on the Effective Date, the Commitment Fee Rate is 0.25%. In the event that the Rating is suspended, withdrawn or otherwise unavailable from S&P, the Commitment Fee Rate shall equal the Default Rate.

For the avoidance of doubt, at all times prior to April __, 2022, the Commitment Fee Rate shall be determined in accordance with the Amended and Restated Fee and Interest Rate Agreement dated December 20, 2021, among the Authority, the Taxable Lender and the Tax-Exempt Lender.

Section 1.2. Amendment, Consent or Waiver Fee. The Authority agrees to pay to the Lender on the date of each amendment, supplement, or modification to the Agreement or this Fee Agreement (or any Related Document, the amendment, supplement or modification of which requires the consent of, or waiver from, the Lender), a non-refundable fee equal to \$2,500, plus the reasonable fees and expenses of any legal counsel retained by the Lender in connection therewith.

Section 1.3. Borrowing Fee. The Authority hereby agrees to pay to the Lender a borrowing fee of \$250 for each Borrowing, payable on the date such Borrowing is made.

Section 1.4. Definitions. For purposes of the Agreement, the following defined terms have the meaning set forth below:

“*Applicable Spread*” means, from the period from and including April ___, 2022, and at all times thereafter, at a rate per annum corresponding to the Ratings, as specified below. The Applicable Spread shall be calculated on a cumulative basis.

S&P RATING	TAX-EXEMPT APPLICABLE SPREAD	TAXABLE APPLICABLE SPREAD
A+ or above	0.00%	0.00%
A	+ 0.10%	+0.13%
A-	+ 0.15%	+0.19%
BBB+	+ 0.20%	+0.25%
BBB	+ 0.25%	+0.32%
BBB-	+0.50%	+0.64%

The term “*Rating*” as used above shall mean the long-term unenhanced general obligation debt rating assigned by S&P to any debt of the Authority (the “*Parity Debt*”). Any change in the Applicable Spread resulting from a change in the Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as determined by S&P on the Effective Date, and, in the event of adoption of any new or changed rating system by S&P, including, without limitation, any recalibration or realignment of the long-term unenhanced rating assigned to any Parity Debt of the Authority in connection with the adoption of a “global” rating scale, each of the Ratings referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Authority agrees that, based on the Authority’s Rating on the Effective Date, the Applicable Spread is 0.00%. In the event that the Rating falls below BBB- by S&P, or is suspended, withdrawn or otherwise unavailable from S&P, the Taxable Rate and the Tax-Exempt Rate shall equal the Default Rate.

For the avoidance of doubt, at all times prior to April ___, 2022, the Tax-Exempt Applicable Spread and the Taxable Applicable Spread shall be determined in accordance with the Amended and Restated Fee and Interest Rate Agreement dated December 20, 2021, among the Authority, the Taxable Lender and the Tax-Exempt Lender.

“*Base Rate*” means, for any day, the rate per annum equal to the greatest of: (a) the rate of interest announced or otherwise established publicly by City National Bank (the “*Bank*”) from time to time as its prime commercial rate as in effect on such day, with any change in the Base Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate (it being acknowledged and agreed that such rate may not be the Bank’s best or lowest rate), (b) the sum of (i) the Federal Funds Rate, *plus* (ii) 0.50% and (c) 5.00%.

“*Computation Date*” means at all times with respect to the SIFMA Index, Wednesday of each week or, if Wednesday is not a Business Day, the next succeeding Business Day.

“*Daily Simple SOFR*” means, for any day (a “*SOFR Interest Day*”), a rate per annum (rounded upward to the next one-sixteenth (1/16th) of one percentage (0.0625%), if necessary) equal to the greater of (a) SOFR for the day that is two (2) Business Days prior to (i) if such SOFR Interest Day is a Business Day, such SOFR Interest Day or (ii) if such SOFR Interest Day is not a Business Day, the Business Day immediately preceding such SOFR Interest Day and (b) zero percent (0%). Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Authority. Notwithstanding anything herein to the contrary, if Daily Simple SOFR determined as provided above would be less than zero percent (0.0%), then Daily Simple SOFR shall be deemed to be zero percent (0.0%).

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“*SIFMA Index*” means for any day the SIFMA Municipal Swap Index (a weekly, high-grade market index comprised of seven (7) day tax-exempt, variable rate demand notes produced by Municipal Market Data) in effect on each Computation Date and effective on each Rate Reset Date. If at any time the SIFMA Municipal Swap Index is not available, the “*SIFMA Index*” means instead the most recently effective index that the Bank determines most closely approximates the SIFMA Index. Notwithstanding anything herein to the contrary, if the SIFMA Index determined as provided above would be less than zero percent (0.0%), then the SIFMA Index shall be deemed to be zero percent (0.0%).

“*SOFR*” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day, plus ten (10) basis points.

“*SOFR Administrator’s Website*” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“*Tax-Exempt Base Rate*” means a fluctuating rate of interest per annum equal to the Base Rate; *provided, however*, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuation of such Event of Default, “*Tax-Exempt Base Rate*” shall mean the Default Rate.

“*Tax-Exempt Rate*” means, for any day, the SIFMA Index plus 54 basis points plus the Tax-Exempt Applicable Spread.

“*Tax-Exempt Term Loan Rate*” means, for any day, the Base Rate plus two percent (2.00%).

“*Taxable Base Rate*” means a fluctuating rate of interest per annum equal to the Base Rate; *provided, however*, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuation of such Event of Default, “*Taxable Base Rate*” shall mean the Default Rate.

“*Taxable Rate*” means, for any day, Daily Simple SOFR plus 69.5 basis points plus the Taxable Applicable Spread.

“*Taxable Term Loan Rate*” means, for any day, the Base Rate plus two percent (2.00%).

ARTICLE II. MISCELLANEOUS.

Section 2.1. Amendments. No amendment to this Fee Agreement shall become effective without the prior written consent of the Authority and the Lender.

Section 2.2. Governing Law; Jurisdiction Etc. (a) THIS FEE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA.

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE AUTHORITY AND THE LENDER AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY AND ALL CLAIM OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS FEE AGREEMENT. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS FEE AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

(c) EACH PARTY HERETO CONSENTS TO AND SUBMITS TO IN PERSONAM JURISDICTION AND VENUE IN THE STATE OF CALIFORNIA AND IN THE FEDERAL DISTRICT COURTS WHICH ARE LOCATED IN THE STATE OF CALIFORNIA. EACH PARTY ASSERTS THAT IT HAS PURPOSEFULLY AVAILED ITSELF OF THE BENEFITS OF THE LAWS OF THE STATE OF CALIFORNIA AND WAIVES ANY OBJECTION TO IN PERSONAM JURISDICTION ON THE GROUNDS OF MINIMUM CONTACTS, WAIVES ANY OBJECTION TO VENUE, AND WAIVES ANY PLEA OF FORUM NON CONVENIENS. THIS CONSENT TO AND SUBMISSION TO JURISDICTION IS WITH REGARD TO ANY ACTION RELATED TO THIS FEE AGREEMENT. REGARDLESS OF WHETHER THE PARTY’S ACTIONS TOOK PLACE IN THE STATE OF CALIFORNIA OR ELSEWHERE IN THE UNITED STATES, THIS SUBMISSION TO JURISDICTION IS NONEXCLUSIVE, AND DOES NOT PRECLUDE EITHER PARTY FROM OBTAINING JURISDICTION OVER THE OTHER IN ANY COURT OTHERWISE HAVING JURISDICTION.

Section 2.3. Counterparts. This Fee Agreement may be executed in multiple counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. This Fee Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 2.4. Severability. Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.5. Confidentiality. This Fee Agreement and the terms hereof are for the Authority's confidential use only. The Authority shall not deliver or permit (with knowledge), authorize or consent to the delivery of this Fee Agreement to any person for delivery to the Municipal Securities Rulemaking Board and shall use its best efforts to not disclose this Fee Agreement or the terms hereof to any person, other than its trustees, officers, employees, attorneys, accountants and financial advisors (but not commercial lenders), and then only on a confidential basis, except where (in the Authority's judgment, as applicable) disclosure is required by law or where the Lender consents to the proposed disclosure; *provided*, that any party to the transactions contemplated by this Fee Agreement (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the federal, state or local tax treatment of the transaction contemplated herein, and all materials of any kind (including opinions or other tax analyses) relating to such federal, state or local tax treatment, other than the name of the parties or any other person named herein, or information that would permit identification of the parties or such other persons, and any pricing terms or other nonpublic business or financial information that is unrelated to the federal, state or local tax treatment of the transaction contemplated herein to the taxpayer and is not relevant to understanding the federal, state or local tax treatment of the transaction contemplated herein to the taxpayer. This authorization of tax disclosure is retroactively effective to the commencement of the first discussions between the parties regarding the transaction contemplated herein. These provisions are meant to be interpreted so as to prevent the transaction contemplated herein from being treated as offered under "conditions of confidentiality" within the meaning of the Code and the Treasury Regulations thereunder.

Section 2.6. Representation by Legal Counsel; Joint Preparation. The parties hereto have participated jointly in the negotiation and drafting of this Fee Agreement, and each of the parties was represented by its respective legal counsel during the negotiation and execution of this Fee Agreement. In the event an ambiguity or question of intent or interpretation arises, this Fee Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Fee Agreement.

Section 2.7. Amendment and Restatement. This Fee Agreement amends and restates in its entirety the Existing Fee Agreement but is not intended to be or operate as a novation or an accord

and satisfaction of the Existing Fee Agreement or the obligations and liabilities of the Authority evidenced or provided for thereunder. The parties hereto agree that this Fee Agreement does not extinguish or discharge the obligations of the Authority or the Lender under the Existing Fee Agreement. Reference to this specific Fee Agreement need not be made in any agreement, document, instrument, letter, certificate, the Existing Fee Agreement itself, or any communication issued or made pursuant to or with respect to the Existing Fee Agreement, any reference to the Fee Agreement being sufficient to refer to the Existing Fee Agreement as amended and restated hereby, and more specifically, any and all references to the Fee Agreement in the Agreement shall mean this Fee Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of date first written above.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: _____
Name: Douglas Guthrie
Title: President & CEO

CN FINANCING, INC.

By: _____
Name: Ken Haber
Title: Senior Vice President

CITY NATIONAL BANK

By: _____
Name: Ken Haber
Title: Senior Vice President

Attachment 4

First Amendment to Amended and Restated Revolving Credit Agreement

FIRST AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

This FIRST AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this “*Amendment*”) dated April [__], 2022 (the “*Amendment Date*”), is among the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic (the “*Authority*”), CITY NATIONAL LENDER (the “*Taxable Lender*”) and CN FINANCING, INC. (the “*Tax-Exempt Lender*”) and together with the Taxable Lender, the “*Lender*”). All capitalized terms used herein and not defined herein shall have the meanings set forth in the hereinafter defined Agreement.

WITNESSETH

WHEREAS, the Authority and the Lender have previously entered into that certain Amended and Restated Revolving Credit Agreement dated as of December 1, 2021 (as amended, restated, supplemented or otherwise modified to date, the “*Agreement*”);

WHEREAS, pursuant to Section 8.01 of the Agreement, the Agreement may be amended by a written amendment thereto, executed by the Authority and the Lender; and

WHEREAS, the Authority has requested that certain amendments be made to the Agreement, and the Lender has agreed to make such amendments to the Agreement subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

SECTION 1. AMENDMENTS.

Upon satisfaction of the conditions precedent set forth in Section 2 hereof, the Agreement shall be amended as follows:

1.01. Section 1.01 of the Agreement is hereby amended by the addition thereto of the following defined term to read as follows and to appear in the appropriate alphabetical sequence:

“*First Amendment Effective Date*” means April [__], 2022.

1.02. The following defined terms set forth in Section 1.01 of the Agreement are hereby amended in their entireties and as so amended shall be restated to read as follows:

“*Available Commitment*” means, on any date, (i) from the First Amendment Effective Date to February 1, 2023, an initial amount equal to \$140,000,000 and (ii) thereafter, an initial amount equal to \$100,000,000, and in each case, such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and/or the Taxable Revolving Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan made

to the Authority under the Tax-Exempt Revolving Loan Commitment and/or the Taxable Revolving Loan Commitment, as applicable, that is repaid or prepaid, as applicable, in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.04 hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided*, that, after giving effect to any of the foregoing adjustments the Available Commitment shall (i) from the First Amendment Effective Date to February 1, 2023, never exceed \$140,000,000 and (ii) thereafter, never exceed \$100,000,000, in each case at any one time.

“*Fee Agreement*” means the Second Amended and Restated Fee and Interest Rate Agreement, dated April [___], 2022, providing for payment of the Commitment Fee and other fees to be payable to the Lender related to the Revolving Loans, the Term Loans and this Agreement and for the determination of the Base Rate, the Tax-Exempt Rate and the Taxable Rate.

“*Revolving Commitment*” means the Lender’s obligation to make Revolving Loans to the Authority pursuant to Section 2.01(b) hereof. The Revolving Commitment on the First Amendment Effective Date shall initially be \$140,000,000 and from and after February 1, 2023, an initial amount equal to \$100,000,000.

“*Taxable Note*” means the Amended and Restated Taxable Note dated April [___], 2022, of the Authority in favor of the Taxable Lender evidencing the outstanding Taxable Revolving Loans and the Taxable Term Loan made by the Taxable Lender and substantially in the form of Exhibit B-2 hereto.

“*Taxable Revolving Loan Commitment*” means, on any date, (i) from the First Amendment Effective Date to February 1, 2023, an initial amount equal to \$140,000,000 and (ii) thereafter, an initial amount equal to \$100,000,000, and in each case such initial amount adjusted from time to time as follows: (a) downward an amount equal to any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and/or the Taxable Revolving Loan Commitment, as applicable; (b) upward in an amount equal the principal amount of any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and/or the Taxable Revolving Loan Commitment, as applicable, that is repaid, prepaid or canceled, as applicable, in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.04 hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided*, that, after giving effect to any of the foregoing adjustments the Taxable Revolving Loan Commitment together with the Tax-Exempt Revolving Loan Commitment shall (i) from the First Amendment Effective Date to February 1, 2023, never exceed \$140,000,000 and (ii) thereafter, never exceed \$100,000,000, in each case at any one time.

“*Tax-Exempt Note*” means the Amended and Restated Tax-Exempt Note dated April [___], 2022, of the Authority in favor of the Tax-Exempt Lender evidencing the outstanding Tax-Exempt Revolving Loans and the Tax-Exempt Term Loans made by the Tax-Exempt Lender and substantially in the form of Exhibit B-1 hereto.

“*Tax-Exempt Revolving Loan Commitment*” means, on any date, (i) from the First Amendment Effective Date to February 1, 2023, an initial amount equal to \$140,000,000 and (ii) thereafter, an initial amount equal to \$100,000,000, and in each case such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and the Taxable Revolving Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and/or the Taxable Revolving Loan Commitment, as applicable, that is repaid, prepaid or canceled, as applicable, in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.04 hereof; and downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided*, that, after giving effect to any of the foregoing adjustments the Tax-Exempt Revolving Loan Commitment together with the Taxable Revolving Loan Commitment shall (i) from the First Amendment Effective Date to February 1, 2023, never exceed \$140,000,000 and (ii) thereafter, never exceed \$100,000,000, in each case at any one time.

1.03. Exhibits B-1 and B-2 of the Agreement are hereby amended and restated in their entireties as set forth in Exhibits A-1 and A-2 attached hereto.

SECTION 2. LOANS OUTSTANDING ON THE FIRST AMENDMENT EFFECTIVE DATE.

For the avoidance of doubt, any Loans outstanding prior to the First Amendment Effective Date shall continue to bear interest in accordance with the terms of the Agreement and the Fee Agreement as in effect prior to the First Amendment Effective Date until the next succeeding Rate Reset Date, and then, at such time, any such Loans shall be converted to Loans that bear interest at the rates of interest in accordance with the terms of the Agreement, as amended by this Amendment, and the Fee Agreement.

SECTION 3. CONDITIONS PRECEDENT.

This Amendment shall become effective on the Amendment Date subject to the satisfaction of or waiver by the Lender of all of the following conditions precedent (such satisfaction to be evidenced by the Lender’s execution and delivery of this Amendment):

3.01. Delivery by the Authority to the Lender of an executed counterpart of this Amendment and the Fee Letter, and the original Notes.

3.02. Delivery to the Lender of an opinion of counsel to the Authority, addressed to the Lender, which shall include an opinion that interest on the Tax-Exempt Revolving Loans are not includible in the gross income of the holder of Bond Counsel with respect to the tax-exempt status of any Tax-Exempt Revolving Loan and the Tax-Exempt Note, in form and substance satisfactory to the Lender and Lender Counsel.

3.03. Receipt by the Lender of a certified copy of the authorizing resolution of the Authority approving the execution and delivery and performance of its obligations under the Agreement, as amended by this Amendment, the Fee Letter and the Notes.

3.04. Receipt by the Lender of a customary certificate executed by appropriate officers of the Authority including the incumbency and signature of the officer of the Authority executing this Amendment, the Fee Letter and the Notes.

3.05. Payment directly to Chapman and Cutler LLP, legal counsel to the Lender (“*Lender Counsel*”) within thirty (30) days of receipt of an invoice from Lender Counsel, of the reasonable legal fees and expenses of Lender Counsel.

3.06. All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Lender and Lender Counsel.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY.

4.01. The Authority hereby represents and warrants that the following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of the Authority contained in Article 5 of the Agreement and in each of the Related Documents are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same expressly relate to an earlier date and except that the representations contained in Sections 5.12 and 5.22 of the Agreement shall be deemed to refer to the most recent financial statements of the Authority delivered to the Lender pursuant to Section 6.01 of the Agreement); and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment.

4.02. In addition to the representations given in Article 5 of the Agreement, the Authority hereby represents and warrants as follows:

(a) The execution, delivery and performance by the Authority of this Amendment, the Fee Letter and the Notes, and the performance by the Authority of the Agreement, as amended hereby, are within its powers, have been duly authorized by all necessary action and do not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting the Authority.

(b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Authority of this Amendment, the Fee Letter and the Notes or the performance by the Authority of the Agreement, as amended hereby.

(c) This Amendment, the Fee Letter and the Notes have been duly executed and delivered and this Amendment, the Fee Letter and the Notes, and the Agreement, as amended hereby, constitute legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except that (i) the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, as the same may be applied in the event of the bankruptcy, reorganization, insolvency, liquidation or similar situation of the Authority, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

SECTION 5. MISCELLANEOUS.

Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its original terms. Reference to this specific Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to or with respect to the Agreement, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby. IRRESPECTIVE OF THE PLACE OF EXECUTION AND/OR DELIVERY, THIS AMENDMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA AND SHALL BE SUBJECT TO SECTION 8.10 OF THE AGREEMENT.

This Amendment amends the Agreement but is not intended to be or operate as a novation or an accord and satisfaction of the Agreement or any other Related Document or the indebtedness, obligations and liabilities of the Authority evidenced or provided for thereunder. This Amendment does not extinguish the obligations for the payment of money outstanding under the Agreement or any other Related Document or discharge or release the obligations or the liens or priority of any pledge or any other security therefor.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Amendment may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers hereunto duly authorized as of the Amendment Date.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: _____

Name: Douglas Guthrie

Title: President & CEO

CN FINANCING, INC.

By: _____

Name: Ken Haber

Title: Senior Vice President

CITY NATIONAL BANK

By: _____

Name: Ken Haber

Title: Senior Vice President

EXHIBIT A-1

THE TRANSFERABILITY OF THIS NOTE IS SUBJECT TO THE LIMITATIONS ON TRANSFER SET FORTH IN SECTION 8.06 OF THE HEREINAFTER DEFINED AGREEMENT

FORM OF AMENDED AND RESTATED TAX-EXEMPT NOTE

Not to exceed \$140,000,000

April [___], 2022

FOR VALUE RECEIVED, the undersigned the Housing Authority of the City of Los Angeles (the “*Authority*”), hereby promises to pay to CN Financing, Inc., or registered assigns (the “*Tax-Exempt Lender*”), in accordance with the provisions of the Agreement (as hereinafter defined), the principal outstanding amount of each Tax-Exempt Revolving Loan and the Tax-Exempt Term Loan from time to time made by the Tax-Exempt Lender to the Authority under that certain Amended and Restated Revolving Credit Agreement, dated as of December 1, 2021 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “*Agreement*”; the terms defined therein being used herein as therein defined), among the Authority, City National Bank and the Tax-Exempt Lender, in accordance with the terms of the Agreement.

The Authority promises to pay interest on the unpaid principal amount of each Tax-Exempt Revolving Loan and the Tax-Exempt Term Loan from the date of such Tax-Exempt Revolving Loan and the Tax-Exempt Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Tax-Exempt Lender in Dollars in immediately available funds at the Tax-Exempt Lender’s Lending Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Amended and Restated Tax-Exempt Note is the Tax-Exempt Note referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Amended and Restated Tax-Exempt Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The Tax-Exempt Revolving Loans and the Tax-Exempt Term Loan made by the Tax-Exempt Lender shall be evidenced by one or more loan accounts or records maintained by the Tax-Exempt Lender in the ordinary course of business. The Tax-Exempt Lender may also attach schedules to this Amended and Restated Tax-Exempt Note and endorse thereon the date, amount and maturity of its Tax-Exempt Revolving Loans and the Tax-Exempt Term Loan and payments with respect thereto.

This Amended and Restated Tax-Exempt Note amends and restates in its entirety the existing Authority’s Tax-Exempt Note dated December 20, 2021 (the “*Existing Tax-Exempt Note*”), and from and after April [___], 2022, all references made to the Existing Tax-Exempt Note in any Related Document or in any other instrument or document shall without more, be deemed

to refer to this Amended and Restated Tax-Exempt Note. This Amended and Restated Tax-Exempt Note shall become effective and supersede all provisions of the Existing Tax-Exempt Note upon the issuance of this Amended and Restated Tax-Exempt Note by the Authority and the fulfillment of all conditions precedent hereof but is not intended to be or operate as a novation or an accord and satisfaction of the Existing Tax-Exempt Note or the indebtedness, obligations and liabilities of the Authority evidenced or provided for thereunder.

The Authority, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Amended and Restated Tax-Exempt Note.

Delivery of an executed counterpart of a signature page of this Amended and Restated Tax-Exempt Note by fax transmission or other electronic mail transmission (*e.g.*, “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Amended and Restated Tax-Exempt Note.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: _____
Name: _____
Title: _____

**TAX-EXEMPT REVOLVING LOANS, TAX-EXEMPT TERM LOAN
AND PAYMENTS WITH RESPECT THERETO**

DATE	AMOUNT OF LOAN MADE	AMOUNT OF PRINCIPAL OR INTEREST PAID THIS DATE	OUTSTANDING PRINCIPAL BALANCE THIS DATE	NOTATION MADE BY
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

EXHIBIT A-2

THE TRANSFERABILITY OF THIS NOTE IS SUBJECT TO THE LIMITATIONS ON TRANSFER SET FORTH IN SECTION 8.06 OF THE HEREINAFTER DEFINED AGREEMENT

FORM OF AMENDED AND RESTATED TAXABLE NOTE

Not to exceed \$140,000,000

April [___], 2022

FOR VALUE RECEIVED, the undersigned the Housing Authority of the City of Los Angeles (the “*Authority*”), hereby promises to pay to City National Bank, or registered assigns (the “*Taxable Lender*”), in accordance with the provisions of the Agreement (as hereinafter defined), the principal outstanding amount of each Taxable Revolving Loan and the Taxable Term Loan from time to time made by the Taxable Lender to the Authority under that certain Amended and Restated Revolving Credit Agreement, dated as of December 1, 2021 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “*Agreement*”; the terms defined therein being used herein as therein defined), among the Authority, CN Financing, Inc. and the Taxable Lender, in accordance with the terms of the Agreement.

The Authority promises to pay interest on the unpaid principal amount of each Taxable Revolving Loan and the Taxable Term Loan from the date of such Taxable Revolving Loan and the Taxable Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Taxable Lender in Dollars in immediately available funds at the Taxable Lender’s Lending Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Amended and Restated Taxable Note is the Taxable Note referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Amended and Restated Taxable Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The Taxable Revolving Loans and the Taxable Term Loan made by the Taxable Lender shall be evidenced by one or more loan accounts or records maintained by the Taxable Lender in the ordinary course of business. The Taxable Lender may also attach schedules to this Amended and Restated Taxable Note and endorse thereon the date, amount and maturity of its Taxable Revolving Loans and the Taxable Term Loan and payments with respect thereto.

This Amended and Restated Taxable Note amends and restates in its entirety the existing Authority’s Taxable Note dated December 20, 2021 (the “*Existing Taxable Note*”), and from and after April [___], 2022, all references made to the Existing Taxable Note in any Related Document or in any other instrument or document shall without more, be deemed to refer to this Amended and Restated Taxable Note. This Amended and Restated Taxable Note shall become effective and supersede all provisions of the Existing Taxable Note upon the issuance of this Amended and Restated Taxable Note by the Authority and the fulfillment of all conditions precedent hereof but is not intended to be or operate as a novation or an accord and satisfaction of the Existing Taxable Note or the indebtedness, obligations and liabilities of the Authority evidenced or provided for thereunder.

The Authority, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Amended and Restated Taxable Note.

Delivery of an executed counterpart of a signature page of this Amended and Restated Taxable Note by fax transmission or other electronic mail transmission (*e.g.*, “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Amended and Restated Taxable Note.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: _____

Name: _____

Title: _____

**TAXABLE REVOLVING LOANS, TAXABLE TERM LOAN
AND PAYMENTS WITH RESPECT THERETO**

DATE	AMOUNT OF LOAN MADE	AMOUNT OF PRINCIPAL OR INTEREST PAID THIS DATE	OUTSTANDING PRINCIPAL BALANCE THIS DATE	NOTATION MADE BY
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____