

**THIRD AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
AH 1818 ECR LLC**

THIS THIRD AMENDMENT TO THE AGREEMENT, entered into this 1<sup>st</sup> day of April, 2024, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and AH 1818 ECR LLC, a California limited liability company, hereinafter called "Contractor"; County and Contractor may be collectively referred to herein as "Parties" and individually as a "Party."

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, on December 13, 2022, the Parties entered into that certain Agreement Between the County of San Mateo and AH 1818 ECR LLC which addresses predevelopment lease up and operations to facilitate Contractor's management and operations for the County property located at 1818 El Camino Real in Redwood City, known as Casa Esperanza, in advance of the execution of a ground lease between the Parties (the "Agreement"); and

WHEREAS, on January 23, 2023, the Parties amended the Agreement to amend Section 3 (Payments) and to amend Exhibits A and B as specified therein (the "First Amendment"); and

WHEREAS, on September 25, 2023, the Parties amended the Agreement to amend Section 3 (Payments) and to amend Exhibit A to add Exhibit A2 and to replace Exhibit B with Exhibit B2 as specified therein (the "Second Amendment"); and

WHEREAS, the Parties wish to further amend the Agreement via this Third Amendment to increase the County's maximum fiscal obligation under the Agreement by \$2,017,770.99 and further amend Exhibit A, add Exhibit A3.1, Exhibit A3.2 and Exhibit A3.3 and to delete Exhibit B2 and replace it with Exhibit B3, and to make other amendments as further provided herein.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

1. Section 3 (Payments) of the Agreement is amended and restated in its entirety as follows:

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth in this Agreement and in Exhibit A, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement exceed **One Million, Five Hundred Thousand Dollars (\$1,500,000) in County Measure K funding; Two Hundred Twenty-Six Thousand Two Hundred Forty-Five Dollars and Twenty-Four Cents (\$226,245.24) in County American Rescue Plan Act funding; and Three Million Six Hundred Sixty-Two Thousand Sixteen Dollars and Ninety-Nine cents (\$3,662,016.99) in Homekey Operating Subsidy** for a total of **Six Million Four Hundred Eighty-Five Thousand Eight Hundred Twenty-Three Dollars and Twenty Cents (\$6,485,823.20)**. In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owned by the County at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this Agreement.

2. Exhibit A (Services and Budget) to the Agreement is amended, as follows:
  - a. Sections 1, 2 and 3 on pg. 11 of the Agreement are hereby deleted.
  - b. The Parties agree that the Budget Table set forth in Exhibit A (Scope of Work/Services) to the Agreement, including as amended by the Second Amendment to this Agreement, is hereby deleted and is no longer in force or effect.
3. The Parties agree that Exhibits A3.1, A3.2 and A3.3 are added to the Agreement and incorporated by reference as if fully set forth herein.
4. Exhibit B2 "Payments and Rates" to the Agreement is hereby deleted and replaced with and superseded by Exhibit B3, which is attached hereto and incorporated by reference as if fully set forth herein.
5. Except as set forth herein, all other terms and conditions of the Agreement dated December 13, 2022, as amended, shall remain in full force and effect.

In witness of and in agreement with this Agreement's terms, the Parties, by their duly authorized representatives, affix their respective signatures:

**For Contractor: AH 1818 ECR LLC**

DocuSigned by:  
*Randal Tsuda*  
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4/30/2024

\_\_\_\_\_  
Randal Tsuda, CEO & President

\_\_\_\_\_  
Date

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**For County:**

COUNTY OF SAN MATEO

\_\_\_\_\_  
By:

Raymond Hodges, Director, Department of Housing, County of San Mateo

\_\_\_\_\_  
Date:

**THIRD AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
AH 1818 ECR LLC**

**Exhibit A3.1: Annual Operating Budget January 1-December 31, 2024**

**(2 Pages)**

1818 ECR Budget Period - Jan 2024-Dec 2024													Notes		
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Total		
5000-001 INCOME															
5000-002 REVENUE															
5120-000 Tenant Rent	10,410.12	10,410.12	10,410.12	10,410.12	10,410.12	10,410.12	10,410.12	10,410.12	10,410.12	10,410.12	10,410.12	10,410.12	124,921.44	Income based on latest rent roll; avg \$218.51/mo per unit	
5122-000 Rental Subsidy Payments (S1)	106,641.00	106,641.00	106,641.00	106,641.00	106,641.00	106,641.00	106,641.00	106,641.00	106,641.00	106,641.00	106,641.00	106,641.00	1,279,692.00	Assuming monthly subsidy for 51 units from DOH. Subsidy beginning 01/01/24.	
5123-999 Potential Rent	117,051.12	117,051.12	117,051.12	117,051.12	117,051.12	117,051.12	117,051.12	117,051.12	117,051.12	117,051.12	117,051.12	117,051.12	1,404,613.44		
5200-000 Vacancy	-11,705.11	-11,705.11	-11,705.11	-11,705.11	-11,705.11	-11,705.11	-11,705.11	-11,705.11	-11,705.11	-11,705.11	-11,705.11	-11,705.11	-140,461.34	Estimated 10% based on GFR	
<b>5399-999 TOTAL REVENUE</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>105,346.01</b>	<b>1,264,152.10</b>		
5400-000 OTHER INCOME															
5910-000 Laundry Income	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	Estimated income from Laundry \$150/Month	
5920-000 Late Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Estimated 20 late fees @ \$20.00 each removed by DGI	
5921-000 NSF Check Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Estimated NSF fees @ \$10.00 each	
5925-000 Application Fee Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Estimated YTD income removed by DGI	
5990-000 Rehab. and Recovery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Estimated income from tenant-caused damages/losses charged to tenant removed by DGI	
5940-000 Credit Check Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Estimated income from credit & criminal background screening to fill 10 vacancies YTD removed by DGI	
HOME ARP Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Assuming property subsidy tied to 4 units from RWC. @ \$2190 (sub)*4 units*3 months	
DOH reimbursement- Misc Admin	385.49	385.49	385.49	385.49	385.49	385.49	385.49	385.49	385.49	385.49	385.49	385.49	4,625.88		
<b>5995-999 TOTAL OTHER INCOME</b>	<b>535.49</b>	<b>535.49</b>	<b>535.49</b>	<b>535.49</b>	<b>535.49</b>	<b>535.49</b>	<b>535.49</b>	<b>535.49</b>	<b>535.49</b>	<b>535.49</b>	<b>535.49</b>	<b>535.49</b>	<b>6,425.88</b>		
<b>5999-999 TOTAL INCOME</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>105,881.50</b>	<b>1,270,577.98</b>		
6000-000 EXPENSES															
6100-000 ADMINISTRATIVE EXPENSES															
6210-000 Advertising	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00	Cost to re-open wait list and/or employee hire	
6227-000 Tenant Services	35,844.00	35,844.00	35,844.00	35,844.00	35,844.00	35,844.00	35,844.00	35,844.00	35,844.00	35,844.00	35,844.00	35,844.00	430,128.00	MHA Contract - Service Coordinator, 3 FTE Case Managers, 5 Occupational Therapist, 2 Clinician/RN, and 5 floor Specialist.	
6229-000 Tenant Activities	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00	Tenant Activities for Property Management	
6230-000 Tenant Online Deposit Service Fees	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	69.00	Estimated cost for online deposit service fee	
6231-000 Hospitality	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	541.70	Estimated cost for refreshments for hosting trainings/meetings	
6243-000 Printing / Publication	54.16	54.16	54.16	54.16	54.16	54.16	54.16	54.16	54.16	54.16	54.16	54.16	650.00	Estimated cost for management & services printing of newsletters/flyers and subscription to related publications	
6245-000 Postage	54.16	54.16	54.16	54.16	54.16	54.16	54.16	54.16	54.16	54.16	54.16	54.16	650.00	Estimated cost for postage during Annual certifications/waitlist update.	
6247-000 Office Equipment Maint. Service	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00	Estimated cost for fax/printing/repairs	
6250-000 Credit Check Expense	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00	Estimated based on 10 vacancies YTD. Includes criminal background screening; reimbursed by DOH	
6310-000 Office Salaries	10,991.83	10,991.83	10,991.83	10,991.83	10,991.83	10,991.83	10,991.83	10,991.83	10,991.83	10,991.83	10,991.83	10,991.83	132,886.91	Estimated cost for 1 FTE Property Manager & 1 FTE Assistant Manager	
6311-000 Office Supplies	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	2,500.00	Estimated cost for general office supplies, files, paper, desk supplies, etc.	
6320-000 Management Fees	4,212.00	4,212.00	4,212.00	4,212.00	4,212.00	4,212.00	4,212.00	4,212.00	4,212.00	4,212.00	4,212.00	4,212.00	50,544.00	Estimated cost for Management Fees \$81 (PUPM amount as published by HUD in the Management Fee Schedule)	
6340-000 Legal Fees	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	8,400.00	Estimated based on 4 projected evictions at \$2100/each @ new rate.	
6350-000 Audit Fees	1,559.92	1,559.92	1,559.92	1,559.92	1,559.92	1,559.92	1,559.92	1,559.92	1,559.92	1,559.92	1,559.92	1,559.92	18,719.00	Based on 2021 Comp expense + 5% increase in 2022	
6351-000 Bookkeeping Fees	676.00	676.00	676.00	676.00	676.00	676.00	676.00	676.00	676.00	676.00	676.00	676.00	8,112.00	Per HUD \$13 PUPM	
6353-000 In-House Prof /Occupancy Serv. Fees	520.00	520.00	520.00	520.00	520.00	520.00	520.00	520.00	520.00	520.00	520.00	520.00	6,240.00	Based on \$10 PUPM	
6354-000 Professional Fees	42.91	42.91	42.91	42.91	42.91	42.91	42.91	42.91	42.91	42.91	42.91	42.91	515.00	Estimated cost based on YTD expense	
6360-000 Telephone	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00	Estimated cost based on 5 telephone lines, monitoring of fire panel, emergency rescue line, door king, YTD	
6363-000 Answering Service	127.33	127.33	127.33	127.33	127.33	127.33	127.33	127.33	127.33	127.33	127.33	127.33	1,528.00	Estimated cost for monthly answering service (after hours services)	
6366-000 Cell Phone / Paging Service	137.75	137.75	137.75	137.75	137.75	137.75	137.75	137.75	137.75	137.75	137.75	137.75	1,653.00	Estimated cost of cell phones for 3 site staff	
6370-000 Collection Loss	634.33	634.33	634.33	634.33	634.33	634.33	634.33	634.33	634.33	634.33	634.33	634.33	7,612.00	Estimated for tenant unpaid balances at move-out and skips	
6372-000 Conference and Training	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00	Estimated cost for mandated trainings for 3 staff e.g., Fair Housing, Preventing Sexual Harassment, and other affordable housing trainings	
6373-000 Travel	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	541.70	Estimated for business related traveling for 3 site staff	
6380-000 Permit / License	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	129.17	1,550.00	Estimated cost for permits and licenses (city ARP monitoring, fire department inspection fees, state fees, occupancy permits, etc.)	
6382-000 Cable TV/ Internet	1,415.00	1,415.00	1,415.00	1,415.00	1,415.00	1,415.00	1,415.00	1,415.00	1,415.00	1,415.00	1,415.00	1,415.00	16,980.00	Estimated Comcast cost for internet \$120/month and cable \$95/month, plus internet for tenants at \$1000/month	
6386-000 Bank Charges	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	120.00	Estimated monthly expense	
6390-000 Misc Administrative Expenses	385.49	385.49	385.49	385.49	385.49	385.49	385.49	385.49	385.49	385.49	385.49	385.49	4,625.88	Late Fees, NSF Charges, Application Fees, Rehab & Recovery, Credit Check Fees; reimbursement by DOH	
6395-000 Contribution Exp. (Donations)	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	500.00		
6396-000 Computer Expense	145.83	145.83	145.83	145.83	145.83	145.83	145.83	145.83	145.83	145.83	145.83	145.83	1,750.00	Estimated cost for tech support as needed	
6397-000 Computer Software	504.03	504.03	504.03	504.03	504.03	504.03	504.03	504.03	504.03	504.03	504.03	504.03	5,697.20	Annual Yardi software contract & Compliance software for file processing	
<b>6399-999 TOTAL ADMINISTRATIVE EXPENSES</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>60,807.98</b>	<b>729,813.39</b>		
6400-000 UTILITIES															
6450-000 Electricity	5,200.00	5,200.00	5,200.00	5,200.00	5,200.00	5,200.00	5,200.00	5,200.00	5,200.00	5,200.00	5,200.00	5,200.00	40,560.00	Estimated Based on Comp	
6451-000 Water	2,517.57	2,517.57	2,517.57	2,517.57	2,517.57	2,517.57	2,517.57	2,517.57	2,517.57	2,517.57	2,517.57	2,517.57	25,000.00	Estimated Based on trending water from 2/21 through 4/19/2023 (Water, irrigation, fire)	
6452-000 Gas	1,666.00	1,666.00	1,666.00	1,666.00	1,666.00	1,666.00	1,666.00	1,666.00	1,666.00	1,666.00	1,666.00	1,666.00	19,992.00	Estimated Based on Comp	
6453-000 Sewer	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	1,916.67	23,000.00	Estimated Based on trending sewer from 2/21 through 4/19/2023	
<b>6499-999 TOTAL UTILITIES</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>11,300.24</b>	<b>108,552.00</b>		
6500-000 OPERATING AND MAINTENANCE															
6505-000 Alarm/Security System Services	66,540.00	66,540.00	66,540.00	66,540.00	66,540.00	66,540.00	66,540.00	66,540.00	66,540.00	66,540.00	66,540.00	66,540.00	798,480.00	Estimated cost for Alarm/Security camera monitoring + security guard & patrol (2 Guards - 24/7 security for 11 & 12)	

1818 PUPA																
Budget																
Period = Jan 2024-Dec 2024																
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Total	Notes		
6510-000 Maintenance Payroll	4,997.33	4,997.33	4,997.33	4,997.33	4,997.33	4,997.33	4,997.33	4,997.33	4,997.33	4,997.33	4,997.33	4,997.33	5,138.37	60,109.04	Estimated cost of salary of 1 FTE Maintenance Tech allocated 100% to the property	
6515-000 Maintenance Supplies	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00	Estimated cost for maintenance supplies needed for routine upkeep of property	
6520-000 Maintenance Services	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	16,380.00	Estimated cost for unexpected specialty maintenance services as needed such as small flooding repairs not covered under insurance, biohazard services, and other maintenance work needed beyond maintenance staff duties.	
6522-000 Elevator Services	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	458.33	5,500.00	Estimated cost for required quarterly, semi-annual, and monthly elevator inspections, testing, maintenance services, etc.	
6523-000 Lock and Keys	190.33	190.33	190.33	190.33	190.33	190.33	190.33	190.33	190.33	190.33	190.33	190.33	190.33	2,284.00	Estimated cost to replace latch, re-key, master repl, extra set of key, etc.	
6524-000 Small Tools and Equipment	31.83	31.83	31.83	31.83	31.83	31.83	31.83	31.83	31.83	31.83	31.83	31.83	31.83	382.00	Estimated cost of small hand tools	
6525-000 Garbage	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	1,083.37	8,000.00	Estimated Based on trending garbage from 2/21 through 4/19/2023	
6526-000 Trash Removal	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00	Estimated cost to haul and dispose large items dumped on site or left by tenants	
6528-000 Equipment Rental	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00	Estimated cost of copier lease at \$1219/potential coverage	
6535-000 Uniforms	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33	76.00	Estimated cost of uniform for maintenance staff	
6541-000 Janitorial Supplies	380.58	380.58	380.58	380.58	380.58	380.58	380.58	380.58	380.58	380.58	380.58	380.58	380.62	4,567.00	Estimated cost of general janitorial supplies such as toilet/towel paper, cleaning supplies restroom/kitchen/common areas. Includes Nano septic disinfecting in common areas	
6545-000 Janitorial Services	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00	Projected cost of janitorial service. Includes deep cleaning/sanitizing of common areas 6 times	
6546-000 Heating / Cooling Repairs	222.00	222.00	222.00	222.00	222.00	222.00	222.00	222.00	222.00	222.00	222.00	222.00	222.00	2,664.00	Estimated cost of heating or A/C repairs	
6562-000 Grounds Supplies	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00	Estimated cost of Sprinkler heads, valves, soil, ground treatments, floweret.	
6563-000 Grounds Services	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00	Estimated cost of landscaping services and tree trimming	
6570-000 Equipment Repair and Maintenance	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00	Estimated cost for repairs outside of maintenance duties	
6585-000 Plumbing Supplies	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.63	500.00	Estimated cost of plumbing supplies, e.g. Snek, etc.	
6586-000 Plumbing Services	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	1,000.00	9,250.00	Estimated cost for anticipated emergency plumbing e.g. clogged drains, etc.	
6605-000 Painting Supplies	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.37	1,000.00	Estimated cost for painting supplies for small touch-up	
6610-000 Painting Services	465.00	465.00	465.00	465.00	465.00	465.00	465.00	465.00	465.00	465.00	465.00	465.00	465.00	5,580.00	Estimated cost for entire unit paint/Unit turn 5279Q/unit x 2 units at year	
6615-000 Window Coverings	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.37	1,000.00	Estimated cost for window coverings for 5 units at \$200/unit	
6630-000 Carpet / Floor Replacement	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	10,500.00	5 unit flooring replacement due to damages/normal wear and tear \$2100/ea	
6635-000 Appliance Replacement	479.17	479.17	479.17	479.17	479.17	479.17	479.17	479.17	479.17	479.17	479.17	479.13	479.13	5,750.00	Refrigerator replacement x 5 (\$800 each), 5 cooktops (\$350 each)	
6655-000 Other Replacements	1,133.33	1,133.33	1,133.33	1,133.33	1,133.33	1,133.33	1,133.33	1,133.33	1,133.33	1,133.33	1,133.33	1,133.33	1,133.33	13,599.96	Misc Replacements (garbage disposals, doors, bathroom fans, hoods, countertops)	
Misc. Contracts	1,167.30	1,167.30	1,167.30	1,167.30	1,167.30	1,167.30	1,167.30	1,167.30	1,167.30	1,167.30	1,167.30	1,167.30	1,167.30	14,007.60	Projected cost for service contract, regular monitoring, and emergency services	
6660-000 Pest Control	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00	Cost of regular pest control service for bedbug prevention; canine inspections, & heat services	
6689-999 TOTAL OPERATING AND MAINTENANCE	82,821.53	82,821.53	82,821.53	82,821.53	82,821.53	82,821.53	82,821.53	82,821.53	82,821.53	82,821.53	82,821.53	82,821.53	83,629.43	998,629.60		
6700-000 TAXES AND INSURANCE																
6710-000 Property Tax Expense	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00	Projected Welfare Exemption Taxes	
6711-000 Employer Payroll Taxes	1,289.33	1,289.33	1,289.33	1,289.33	1,289.33	1,289.33	1,289.33	1,289.33	1,289.33	1,289.33	1,289.33	1,289.33	1,289.37	15,472.00	Based on 7.65% of payroll	
6715-000 Filing Fee	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00		
6719-000 Liability Insurance	160.83	160.83	160.83	160.83	160.83	160.83	160.83	160.83	160.83	160.83	160.83	160.83	160.87	1,930.00	Based on comp +5% increase	
6720-000 Property Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,000.00	County to carry property insurance	
6722-000 Workers' Compensation	2,656.25	2,656.25	2,656.25	2,656.25	2,656.25	2,656.25	2,656.25	2,656.25	2,656.25	2,656.25	2,656.25	2,656.25	2,656.25	31,875.00	Based on 15.16% of employee payroll	
6723-000 Employee Medical Insurance	4,669.58	4,669.58	4,669.58	4,669.58	4,669.58	4,669.58	4,669.58	4,669.58	4,669.58	4,669.58	4,669.58	4,669.58	4,669.62	56,035.00	Estimated based on comp (similar property) includes 12% foreseen increase	
6724-000 Other Employee Benefits	1,458.00	1,458.00	1,458.00	1,458.00	1,458.00	1,458.00	1,458.00	1,458.00	1,458.00	1,458.00	1,458.00	1,458.00	1,459.00	17,497.00	Based on 6% of payroll	
6792-000 Other Insurance	188.91	188.91	188.91	188.91	188.91	188.91	188.91	188.91	188.91	188.91	188.91	188.91	188.99	2,267.00	10% of annualized amount	
6798-000 Other Taxes	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	66.67	800.00	Based on YTD expenses	
6799-999 TOTAL TAXES AND INSURANCE	10,689.57	10,689.57	10,689.57	10,689.57	10,689.57	10,689.57	10,689.57	10,689.57	10,689.57	10,689.57	10,689.57	10,689.57	10,690.73	173,276.00		
TOTAL EXPENSES														2,610,270.99		
6800-000 INTEREST AND OTHER FINANCIAL EXPENSES																
6820-000 Mortgage Interest - 1st Mortgage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
6889-999 TOTAL INTEREST AND OTHER FINANCIAL EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
FINANCIAL EXPENSES																
7118-000 Asset Management Fees	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00		
7599-999 TOTAL OTHER EXPENSES	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00		
7999-999 TOTAL EXPENSES (INCLUDING FINANCE + MANAGEMENT FEES)	166,244.32	166,244.32	166,244.32	166,244.32	166,244.32	166,244.32	166,244.32	166,244.32	166,244.32	166,244.32	166,244.32	166,244.32	167,170.98	2,017,770.99		
8999-999 OPERATING SURPLUS (DEFICIT)	-60,362.83	-60,362.83	-60,362.83	-60,362.83	-60,362.83	-60,362.83	-60,362.83	-60,362.83	-60,362.83	-60,362.83	-60,362.83	-60,362.83	-60,362.83	-747,193.01		
ADDITIONAL CASH RECEIPTS (OUTLAYS)																
1320-000 Required Addition to Reserve Account - Replacement Reserves	-2,166.67	-2,166.67	-2,166.67	-2,166.67	-2,166.67	-2,166.67	-2,166.67	-2,166.67	-2,166.67	-2,166.67	-2,166.67	-2,166.67	-2,166.67	-26,000.00	\$500 PUPA	
1320-000 Required Addition to Operating Reserve Account	-1,547.74	-1,547.74	-1,547.74	-1,547.74	-1,547.74	-1,547.74	-1,547.74	-1,547.74	-1,547.74	-1,547.74	-1,547.74	-1,547.74	-1,547.74	-18,572.85	Coverage PUPA based on CapEx tab	
TOTAL CASH ADJUSTMENTS	-3,714.40	-3,714.40	-3,714.40	-3,714.40	-3,714.40	-3,714.40	-3,714.40	-3,714.40	-3,714.40	-3,714.40	-3,714.40	-3,714.40	-3,714.40	-44,572.85		
Reserve Needed:	-64,077.23	-64,077.23	-64,077.23	-64,077.23	-64,077.23	-64,077.23	-64,077.23	-64,077.23	-64,077.23	-64,077.23	-64,077.23	-64,077.23	-64,077.23	-768,926.76		
Cumulative Reserve Needed:	-68,077.23	-128,154.46	-192,231.69	-256,308.92	-320,386.15	-384,463.38	-448,540.61	-512,617.84	-576,695.07	-640,772.30	-704,849.53	-768,926.76	-768,926.76			

**THIRD AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
AH 1818 ECR LLC**

**Exhibit A3.2: 2023 Repair and Maintenance Budget: Water Damage Insurance Claim**

**(1 Page)**

SWORN STATEMENT IN PROOF OF LOSS

\$100,000,000
AMOUNT OF POLICY AT TIME OF LOSS

020413122
POLICY NUMBER

July 1, 2022
DATE ISSUED

San Francisco, California
AGENCY AT

July 1, 2023
DATE EXPIRES

James & Gable Insurance
AGENT

To the Lexington Insurance Company
Of Boston, Massachusetts
At time of loss, by the above indicated policy of insurance you insured County of San Mateo

against loss by "All Risk" unless otherwise excluded to the property described under Schedule "A", according to the terms and conditions of the said policy and all forms, endorsements, transfers and assignments attached thereto.

1. Time and Origin: A Pipe break loss occurred about the hour of o'clock M.,
15th day of June, 2023. The cause and origin of the said loss were:
Water damage to property

2. Occupancy: The building described, or containing the property described, was occupied at the time of the loss as follows, and for no other purpose whatever:

3. Title and Interest: At the time of the loss the interest of your insured in the property described therein was:
No other person or persons had any interest therein or incumbrance thereon,
No exception

4. Changes: Since the said policy was issued there has been no assignment thereof, or change of interest, use, occupancy, possession, location of exposure of the property described, except: No changes

5. Total Insurance: The total amount of insurance upon the property described by this policy was, at the time of the loss, \$100,000,000, as more particularly specified in the appointment attached under Schedule "C", besides which there was no policy or other contract of insurance, written, oral, valid or invalid.

Table with 2 columns: Description and Amount. Rows include Actual Cash Value (\$ N/A), Whole Loss and Damage (\$ 336,721.58), Less amount of Deductible (\$ 100,000.00), and Amount Claimed (\$ 236,721.58).

The said loss did not originate by any act, design or procurement on the part of your insured, or this affiant; nothing has been done by or with the privacy or consent of your insured of this affiant, to violate the conditions of the policy or render it void; no articles are mentioned herein or in annexed schedules but such as were destroyed or damaged at the time of said loss; no property saved has in any manner been concealed, and no attempt to deceive the said company, as to the extent of said loss, has in any manner been made. Any other information that may be required will be furnished and considered a part of this proof.

The Insured hereby covenants that no release has been or will be given to or settlement or compromise made with any third party who may be liable in damages to the Insured and the Insured in consideration of the payment made under this policy hereby subrogates the said Company to all rights and causes of action the said Insured has against any person, persons, or corporations whomsoever for damage arising out of or incident to said loss or damage to said property and authorized said Company to sue in the name of the Insured but at the cost of the Company any such third party, pledging full cooperation in such action.

FOR YOUR PROTECTION CALIFORNIA LAW REQUIRES THE FOLLOWING TO APPEAR ON THIS FORM:

566 False or fraudulent claim; penalty.

- (a) It is unlawful to
(1) Knowingly present to or cause to be presented any false or fraudulent claim for the payment of a loss under a contract of insurance.
(2) Knowingly file multiple claims for the same loss or injury with more than one insurer with an intent to defraud the insurer.
(3) Knowingly prepare, make or subscribe any writing, with intent to present or use the same, or to allow it to be presented or used in support of any such claim.
(b) Every person who violates any provision s of this section is punishable by imprisonment in the state prison, for two, three, or four years, or by fine not exceeding ten thousand dollars (\$10,000), or by both.
(c) Notwithstanding any other provision of law, probation shall not be granted to, nor shall the execution or imposition of a sentence by suspended for any adult person convicted of a violation of this section who has been previously convicted of violations of this section as an adult under charges separately brought and tried two or more times. The existence of any fact which would make a person ineligible for probation under this subdivision shall be alleged in the information or indictment, and either admitted by the defendant in open court or found to be true by the jury trying the issue of guilt or by the court where guilt is established by pleas or guilty or nolo contendere or by trial by the court sitting without a jury.

Except where the existence of such fact was not admitted or found to be true or the court finds that a prior conviction was invalid, the court shall not strike or dismiss any prior convictions alleged in the information or indictment. This subdivision does not prohibit the adjournment of criminal proceedings pursuant to division 3 (commencing with section 3000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code. (Amended by Stats 1976, C, 1139, p. 5085, 87, operative July 1, 1997; Stats 1978, c, 174, p. 405, 3 urgency, eff. May 31, 1978; Stats 1979, c556, p. 1765, 1.)

The furnishing of this blank or the preparation of proofs by a representative of the above insurance company is not a waiver of any of its rights.
State of
County of Insured

Subscribed and sworn to before me this day of , 20

Notary Public



**THIRD AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
AH 1818 ECR LLC**

**Exhibit A3.3: 2024-2026 Casa Esperanza Approved Capital Expenditure Budget**

**(1 Page)**

## Casa Esperanza Approved Capital Budget-022724 FINAL.xlsx

Item	Cost/Bid	Alta Notes
Upgrade camera system	\$199,000	Verkada/KIS bid - \$199,000 & Avigilon/Edgeworth - \$263,475 - \$521,475.09 (depending on monitoring levels)
Change out locks for all units	\$36,638	Signed proposal - \$36,637.55
New Energy Efficient Windows	\$327,024	This will help lower Utility expenses (better insulation) and Maintenance expenses (fewer repairs from window leaks)
Office upgrade	\$30,000	Remove cabinet against back wall and remove wall paper, texture and paint. Purchase furniture for Assistant.
Bike Rack	\$2,000	<a href="#">15-Bike Black Ground Mount Heavy-Duty Wave Rack</a>
Window Security bars - 2nd floor windows must have quick emergency release?	\$20,000	This will help deter people from climbing to the second floor and gaining access to the building. Putting this measure in place will allow us to eventually scale back on security.
Solar (49kw nameplate)	\$141,151	This will help offset Electricity charges
Replace in wall AC Units	\$98,916	Newer, more energy-efficient units will lower utility costs and maintenance costs. The current units see multiple failures/replacements every year.
Panic Button at Front Desk w/ Alarm		Included in the camera bids
Heat Box - Bed bug treatment	\$2,500	<a href="#">link</a> additional cost estimate for inflation, tax, & shipping.
Water Monitoring System	\$25,980	Ion; Includes hardware, installation, and 60 months of monitoring/data. <b>This can significantly reduce our water bills by notifying us of leaks and when water faucets are left on or toilets running immediately so it can be addressed. It is linked directly to our Yardi system.</b>
Exterior Paint	\$105,000	Exterior paint with new colors to help freshen up the property and to bring a sense of pride to the community of residents that live there.
<b>Total:</b>	<b>\$988,209</b>	

**Exhibit B3**

**Payments and Rates**

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In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

1. The County will reimburse Contractor for all authorized, actual, reasonable and necessary expenditures incurred (a) in accordance with the Approved Annual Operations Budget set forth in Exhibit A2 for the period from July 1, 2023 to December 31, 2023 only (notwithstanding any references to the period after December 31, 2023 in said Exhibit A2; (b) in accordance with the approved budget set forth at Exhibit A3.1, inclusive of approved expenses set forth at Exhibit A3.2 and Exhibit A3.3 for the period from January 1, 2024 through December 31, 2024; and (c) thereafter in accordance with such budgets as may be reviewed and approved in writing by the County in accordance with Section 5 of this Agreement. Contractor will submit invoices to the County for operational expenses. All back-up invoice documentation, including invoices and evidence of payment, shall be submitted with the invoice. The County reserves the right to request hard copies of invoice documentation or a summary of documentation plus scanned/emailed support materials as a condition of County review and approval. In all cases, Contractor shall make expense and Project documentation available for DOH review upon request.
  
2. Upon County's request, Contractor shall supervise any capital improvement work to be undertaken at the Property. Upon approval from County, Contractor shall be authorized to procure proposals and bids, contract for all work, assure compliance with Davis-Bacon and/or Prevailing Wage requirements, as needed, prepare withdrawals from escrow funds, and otherwise arrange for and supervise the repairs required by regulating agencies, as well as any additional repairs authorized by County. Work in excess of \$7,500 shall be considered a Capital Project and Contractor will receive 5% of gross construction costs as a fee for administrative oversight of such Capital Projects.
  
3. Contractor shall request written approval from the County before incurring

capital expenditures in excess of \$7,500 and shall request approval of competitive bids before commencing such work and will request a one-time disbursement for approved capital expenditures if the set-aside reserve amount is insufficient to fund the work and still maintain the reserve desired balance. The reserve desired balance is re-assessed annually based on Long Term Capital Plan in connection with Contractor's annual budget submission to the County.

4. Contractor shall submit written requests to the County in accordance with this section for disbursement of funds by the County into the Project Operating Account.

5. Contractor will submit a quarterly disbursement request to the County within 30 days before the start of the calendar quarter which shall state the disbursement amount requested for the upcoming quarter in accordance with the approved budget; provided that such request shall include the backup documentation required under this Exhibit B3, and Contractor may, concurrently request disbursement of funds for the remainder of the quarter.

- a) On or before the thirtieth (30th) day after the last day of a calendar quarter, Contractor will provide the County with all supporting documentation for expenses incurred in accordance with the approved budget during the preceding quarter, including financial and management information as of the end of the preceding quarter, which will include the following materials:
  - a. Income statement (which will show the variance between actual and approved budget in both dollar amount and %)
  - b. Balance sheet
  - c. Rent rolls
  - d. A summary of Operating Account balance that includes information of operating cash and replacement reserve balances.
  - e. Bank statements of the Security Deposit Account and Operating Account (both are Trust Accounts).
- b) The County will disburse funds into the Project Operating Account within 30 days of receiving and approving Contractor's quarterly disbursement request.
- c) The County shall review Contractor's supporting documentation and periodically reconcile (aka true up) the actual costs and services reported and

substantiated with amounts disbursed. To the extent that Contractor's reasonable and necessary, actual costs incurred exceed the amount of prior disbursements, the excess amounts may be applied or otherwise credited against future disbursement; to the extent that Contractor's reasonable and necessary, actual costs incurred are less than the amount of the prior disbursements, the County may adjust the amount of later disbursements accordingly. Contractor agrees to cooperate with the County to reconcile expenditures against disbursements and provide further supporting documentation as requested.

6. Amount and Method of Disbursement

- a. The funding provided under this Agreement is for the purpose of reimbursing Contractor for reasonable and necessary expenditures actually incurred for predevelopment, lease up and operations of the Property, including approved capital expenditures, in accordance with the approved budget. Contractor agrees that it shall return any disbursed funds that are unspent as of December 31, 2024 or the termination of this Agreement, whichever is earlier, to the County or, at the County's sole election, deposit such funds into a reserve account designated by the County.
- b. Contractor shall enter quarterly disbursement requests and supporting documentation through City Data Services (CDS) web-based system for purposes of documentation and assurances that the costs were appropriate and consistent with the approved budget.
- c. In no event shall County reimburse Contractor for any payments exceeding the total amount stated in Section 3 of this Agreement (Payments). By requesting authorization for payment reimbursement or draws against the Working Capital, Contractor certifies that the specific services for which reimbursement or payment is being requested have been satisfactorily completed, that the payments are proper, and that all funds to be expended are on behalf of and exclusively for the activity or services described in Exhibit A and in accordance with the approved budget. County reserves the right to verify such completion

prior to or after reimbursement/payment to Contractor.

7. Budget Changes

No changes to the approved budget, service providers and vendors, or eligible activities shall be made without prior written approval from County. Contractor agrees to promptly notify County of any proposed line-item changes to the approved budget. For proposed line-item changes representing more than ten (10%) of the overall project budget, an amendment to the Agreement may be required.

8. Ineligible Costs

- A. An expenditure which is not authorized by this Agreement, or which cannot be adequately documented, shall be disallowed and must be reimbursed to County, by Contractor.
- B. County, at its sole and reasonable discretion, shall make the final determination regarding the allowability of expenditures.

9. Objectionable Reimbursement Request

In the event of a questionable payment request, County will state in writing the specific nature of its objections to Contractor's work. County will also specify what actions or changes are necessary to make the request eligible for disbursement. Contractor shall respond to County within 15 days of receipt of such objections. The Parties to this Agreement shall meet to discuss such objections at the request of either party. County will not be obligated to make a payment of any billing until any, and all objections to the adequacy of the services rendered or the amount of the billing have been resolved.