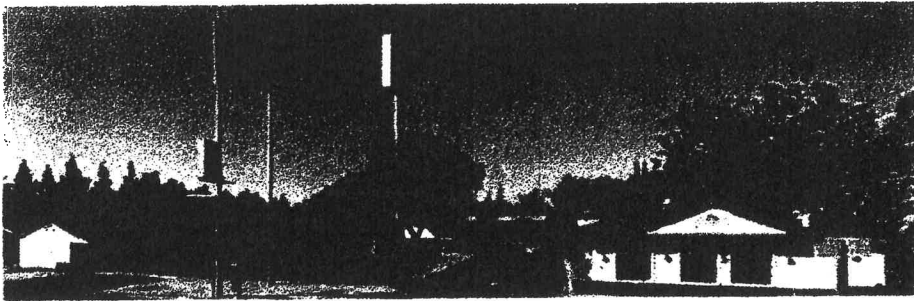


ESPERANZA PERMANENT SUPPORTIVE HOUSING

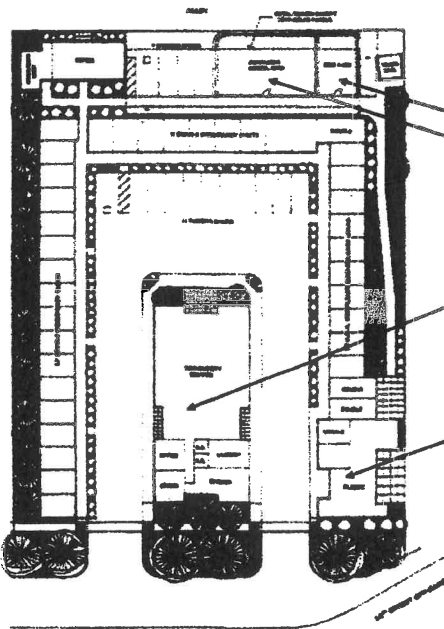
*A new development providing hope and homes for the
community's most vulnerable population*



Features:

- ◆ Onsite medical clinic
- ◆ Onsite manager
- ◆ Community center
- ◆ Bicycle rideshare program
- ◆ Training classes for job and life skills
- ◆ Free bus passes for residents

Esperanza is scheduled to break ground in October 2016 and plans to open its doors September 2017



ESPERANZA SITE PLAN

Esperanza is Permanent Supportive housing with:

- ◆ Affordable rents
- ◆ 26 single occupancy furnished studio apartments
- ◆ Secure bike storage
- ◆ Animal companion area

Community center :

- ◆ Commercial kitchen
- ◆ Laundry room
- ◆ Large meeting area

Onsite medical clinic provides:

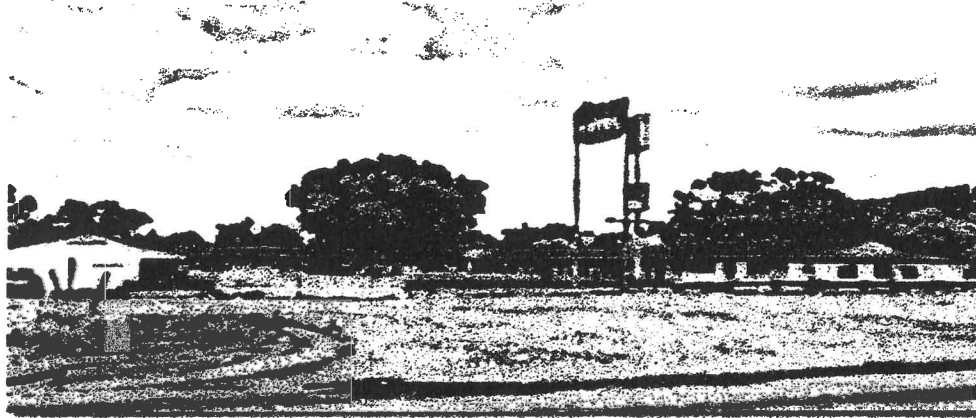
- ◆ Respite care for up to 18 patients
- ◆ Mental healthcare
- ◆ Behavioral health
- ◆ Dental care
- ◆ Various other healthcare related services

Esperanza's priorities are to provide homes with onsite healthcare to the community's most vulnerable population. The Esperanza project evolved into more when the community center was added to hold workshops and classes. By opening the community center and the medical clinic to the general public it will be a valuable community resource. The free workshops and classes will be focused on job skills and health topics.

Merced Community

Development Corporation, 1666 N Street, Merced CA 95340 (209)500-7773

SOUTH MERCED AFFORDABLE HOUSING AND RESPITE CARE, LP \$6,500,000



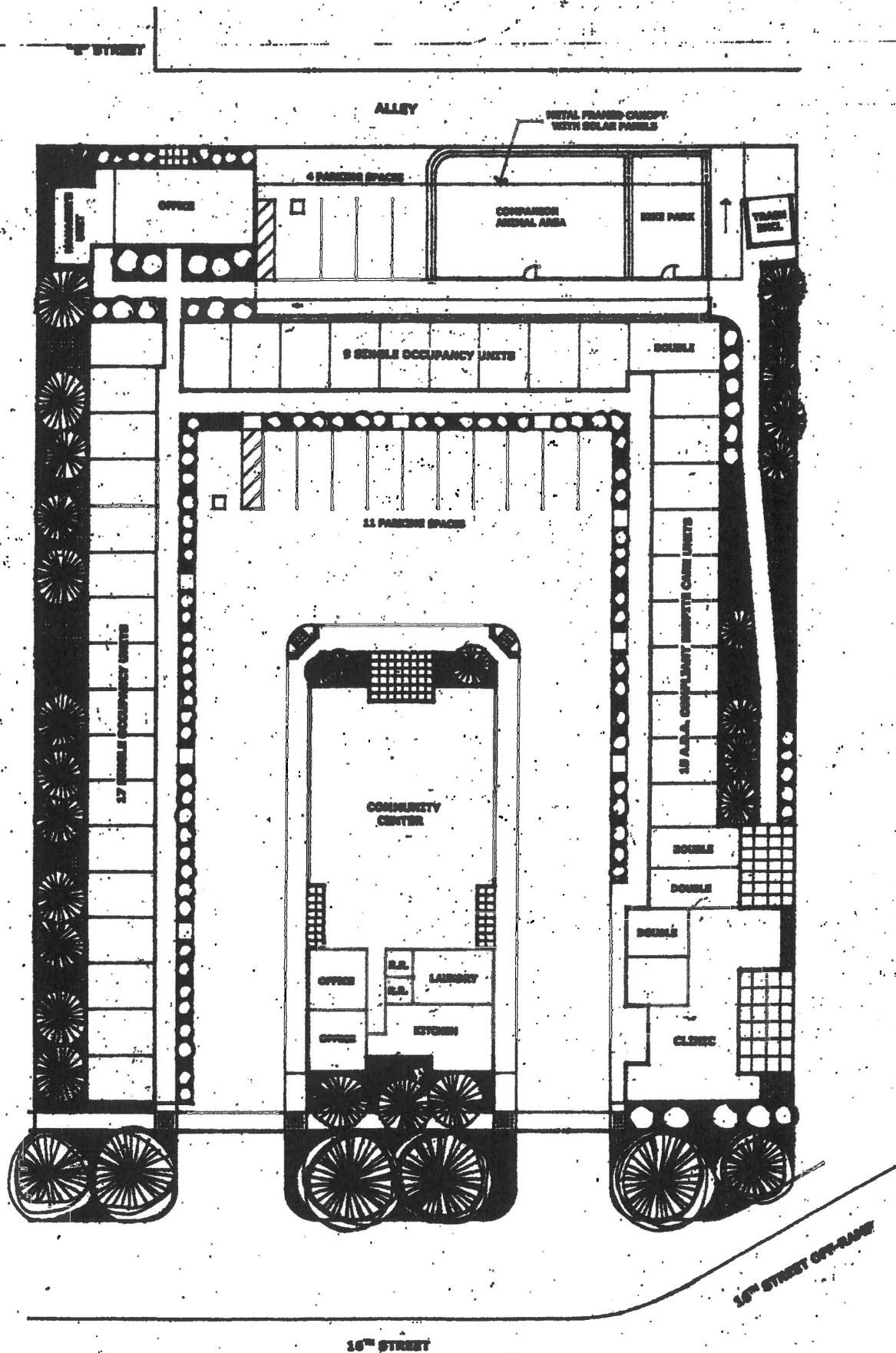
"ESPERANZA"

Esperanza is named after the Spanish word for "hope". Esperanza will convert an existing dilapidated 37-unit motel located at 205 E. 16th Street, Merced, into a vibrant 41-unit facility. There will be an onsite manager residence, 26 affordable studio apartments for single occupancy and 14 units of long term respite care that will be specifically renovated to meet the Americans with Disability Act standards: 10 for single occupancy and 4 for double occupancy. Including the manager, there are a total of 41 units with 45 formerly homeless residents. A medical clinic will be available onsite that is open to the public with Horizons Unlimited Healthcare offering services among others. Hope Medical Respite will provide for the daily needs of the 14 units of long term respite care. For residents requiring wheelchair transportation, a medical transport van will be available as needed. Healthcare for all of the residents will be done on site, eliminating the need for vehicle trips, and will include: a medical examination room, a mental health office and dental care, along with various other medical services.

To make this project more environmentally friendly, all residents are issued free bus passes and enrolled in the residents' bicycle rideshare program. The Community Center will have a large meeting/classroom area, laundry facilities, and two offices. Once the Community Center has opened to the public, it will feature Merced County Department of Workforce Investment with Job Skills Workshops, Hope Medical Respite with Life Skills classes and Sama School with computer job training classes.

A bus pullout to the Planada Commuter bus route will be constructed to allow buses to safely load and unload passengers. The bus pullout will be located to the right of the through lane and next to the curb near Harvest 2 Outreach Church, 161 E. 16th Street, Merced. Between Esperanza and Harvest 2 Outreach Church, 500 feet of sidewalk will be fixed and well lit. The existing stop will be improved with a shelter, bench and trash receptacle. Since the bus provides direct service to the Transportation Center, which offers connectivity to the entire bus system and other providers (Amtrak, Greyhound), and future High-Speed Rail Station, this bus pullout will service the entire community. Esperanza successfully connects the entire community to the bus transit system and city wide bike routes while at the same time Esperanza's affordable housing, medical care, job training, residents' bike share program and even a place for their animal companion's needs are meant to give "esperanza" to the homeless.

The project will utilize Federal and State funds to acquire and renovate the site. The primary source of funding will come in the form of either a grant and a loan or 4% Low Income Housing Tax Credits with bond financing and a loan. The project's sustainability will hinge on rental assistance programs and funds from healthcare providers/agencies. The project looks to break ground before October of 2016 and open its doors September 2017.



ESPERANZA SITE PLAN

Summary

South Merced Affordable Housing and Respite Care Summary

Description	
Location	Merced, California
Developer	
Target Population	Homeless individuals
Financing	4% tax credits, bond, AHSC

Scope	
Units	44
Residential SF	17,600
Non-residential SF	2,000
Total SF	19,600

Site	
Gross Area- Acres	1.1
Gross Area- SF	47,916
Net Area- Acres	
Net Area- SF	
Parking Spaces	
Parking Spaces/Unit	0

Zoning	
Zoning- current	
Zoning- proposed	
Allowable Density	
Density Bonus	
Max. Density with Bonus	
Proposed Density	40.0

Notes	

Unit Mix	Units	Percentage
Studio	44	100%
1BD	0	0%
2BD	0	0%
3BD	0	0%
4BD	0	0%
Total	44	100%

Affordability	Units	Percentage
30% AMI	-	0%
35% AMI	44	100%
40% AMI	-	0%
45% AMI	-	0%
50% AMI	-	0%
55% AMI	-	0%
60% AMI	-	0%
Total	44	100%
Average Affordability	36% AMI	
Average Rent	\$ 453	

Net Rent Range	Low	High
Studio	\$ 285	\$ 285
1BD		
2BD		
3BD		
4BD		

Summary of Costs	Total	Per Unit	Per SF	% of TDC
Total Development Costs	\$ 6,757,556	\$ 153,581	\$ 345	
Land Costs	\$ 850,000	\$ 19,318	\$ 43	13%
Hard Costs	\$ 3,157,168	\$ 71,754	\$ 161	47%
Soft Costs	\$ 2,212,136	\$ 50,276	\$ 113	33%
Developer Fee	\$ 538,252	\$ 12,233	\$ 27	8%

Development Costs	Total	Per Unit	Per SF	% of TDC
Land & Acquisition	\$ 850,000	\$ 19,318	\$ 43	13%
Construction	\$ 3,157,168	\$ 71,754	\$ 161	47%
Local Fees	\$ 393,943	\$ 8,953	\$ 20	6%
Financing Costs	\$ 367,893	\$ 8,816	\$ 20	6%
Soft Costs	\$ 640,300	\$ 14,552	\$ 33	9%
Developer Fee	\$ 538,252	\$ 12,233	\$ 27	8%
Reserves	\$ 790,000	\$ 17,955	\$ 40	12%
Total	\$ 6,757,556	\$ 153,581	\$ 345	100%

Summary of Sources	Total	Per Unit	Per SF	% of TDC
AHSC Housing Loan	\$ 4,122,401	\$ 93,691	\$ 210	61%
AHSC HRI Grant	\$ 974,611	\$ 22,150	\$ 50	14%
LIHTC Equity	\$ 1,860,545	\$ 37,740	\$ 85	25%
GP Equity	\$ -	\$ -	\$ -	0%
Total	\$ 6,757,557	\$ 153,581	\$ 345	100%

Sources Uses

South Merced Affordable Housing and Respite Care
Sources and Uses

Development Sources	Source	Amount	Pre-Dev	Pre-Op	Construction	Permanent	Reserve
AHSC Housing Loan	Residual Receipts Loan	1,222,805	83,881	210.33	1,330,800	2,781,801	81.00%
AHSC Housing Related Infrastructure Grant		974,811	22,150	49.73		974,811	14.42%
Permanent Loan							0.00%
Tax Credit Equity		1,860,545	37,740	84.72	300,000	1,980,545	24.57%
Deferred Developer Fee							0.00%
Construction Loan		2,503,450	58,867	127.73		2,503,450	(2,503,450)
Total		6,757,557	153,561	344.77	1,330,800	3,778,061	100.00%

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Development Costs	Source	Project	Pre-Dev	Pre-Op	Construction	Permanent	Reserve
Acquisition		850,000	19,318	43.37	850,000		450,000
Property Purchase							
Land Interest-Carrying Costs							
Real Estate Taxes, Insurance							
Title and Recording							
Total Acquisition		850,000	19,318	43.37	850,000		450,000
Construction							
Demolition/Environmental Remediation		157,000	3,568	8.01	157,000		202,500
Site Work		202,500	4,802	10.33	202,500		704,168
Off-site Improvements		704,168	16,004	35.93			1,392,500
Structures		1,392,500	31,648	71.05	1,392,500		149,000
General Requirements		149,000	3,386	7.80			122,500
Contractor Overhead		122,500	2,784	6.25	122,500		122,500
Contractor Profit		122,500	2,784	6.25			
Surety & Bonds		35,000	785	1.79	35,000		272,000
General Liability/Builders Risk Ins.							
Hard Cost Contingency	18.0%	272,000	6,182	13.88			2,280,000
Total Construction		3,157,168	71,754	161.08			
Permit & Impact Fees							
Planning Fees							
Plan Check, Permit & Inspection Fees		123,500	2,807	6.30	123,500		270,443
Impact Fees		270,443	6,146	13.80		270,443	
Utility Hookups							
Contingency							
Total Permit & Impact Fees		393,943	8,953	20.10	123,500		270,443
Construction Financing							
Construction Loan Interest	5% at 80% out 12 mos, 6 mo, 100% out	127,259	2,892	6.48			88,081
Origination Fee	1.0%	25,035	569	1.28	25,035		25,035
Taxes During Construction		5,000	114	0.26			5,000
Legal		25,000	568	1.28	25,000		25,000
Title and Recording		10,000	227	0.51	10,000		10,000
Bond Insurance		80,000	2,045	4.58	80,000		
CDLAC Fees		60,800	1,377	3.08	60,800		45,000
Lender Fees (appraisal, etc.)		45,000	1,023	2.30	45,000		198,118
Total Financing		387,883	8,818	18.78			
Permanent Financing							
Loan Origination Fee	1.0%						
Title & Recording							
Legal							
Cost of Insurance							
Total Permanent Financing							
Soft Costs							
Architecture	4.3%	135,000	3,068	6.89	84,500	40,500	135,000
Soils Report	0.2%	5,000	114	0.26	3,500	1,500	5,000
Appraisal		6,000	138	0.31	6,000		6,000
Environmental Studies		8,500	193	0.43	8,500		6,500
Legal- Organization, LP		25,000	568	1.28		25,000	25,000
TCAC Fees		17,300	383	0.88	17,300		
Permit Processing							
Marketing/Lease-up		20,000	455	1.02		20,000	
Furnishings		25,000	568	1.28		25,000	25,000
Market Study		10,000	227	0.51	10,000		10,000
Audit/Cost Certification		20,000	455	1.02	20,000		20,000
Development Consultant		138,000	3,136	7.04	138,000		138,000
Physical Needs Assessment		6,000	138	0.31		6,000	6,000
Survey		8,500	216	0.48	8,500		8,500
Security							
Insurance		55,000	1,250	2.81		55,000	55,000
Soft Cost Contingency		180,000	2,273	5.10	50,000	30,000	100,000
Total Soft Costs		580,300	13,168	29.61	357,300	203,000	643,000
Developer Fee		638,252	12,233	27.48			638,252
Reserves							
Section 8 Transition Reserve		700,000	15,909	35.71			700,000
Operating Reserves		90,000	2,045	4.69			90,000
Total Reserves		790,000	17,954	40.31			790,000
Syndication Costs							
Legal		25,000	568	1.28	12,500	12,500	
Consultant		35,000	785	1.79	17,500	17,500	
Total Syndication Costs		60,000	1,354	3.06		30,000	30,000
Total Development Costs		6,787,888	183,581	344.77	1,330,800	3,778,061	4,488,311

Tax Credit Calc

South Merced Affordable Housing and Respite Care
Tax Credit Calculation

Credit Calculation			
Threshold Basis		\$	7,364,852
4% energy efficiency	4%	\$	7,659,446
Seismic/environmental		\$	7,659,446
5% distributive energy	5%	\$	8,042,418
Project Basis		\$	4,420,311
Eligible Basis		\$	4,420,311
Qualified Census Tract	130%	\$	5,748,404
Voluntary Basis Reduction			
Requested Eligible Basis		\$	5,748,404
Federal Tax Credit Factor	3.40%	\$	195,378
Percent Affordable	100%	\$	195,378
LP Ownership Percentage	99.99%	\$	195,358
Annual Credit		\$	195,358
Total Federal Credit	10 yrs.	\$	1,953,582
State Credit Factor Yr.1	3.48%		
State Credit Factor Yr.2	3.48%		
State Credit Factor Yr.3	3.48%		
State Credit Factor Yr.4	2.56%		
Total State Credits		\$	-
Price per Credit (State Only)	\$ 0.50	\$	-
Price per Credit (Federal Only)	\$ 0.85	\$	1,660,545
Total Credits		\$	1,660,545

2016 4% Threshold Basis Units			
Studio	\$ 167,363	44	\$ 7,364,852
One Bedroom	-	-	-
Two Bedroom	-	-	-
Three Bedroom	-	-	-
Four Bedroom	-	-	-
Manager's Unit	-	1	-
Total		45	7,364,852

Exceptions to Limits			
Prevailing wage	20%	\$	1,472,970
Parking under units	7%	\$	515,540
Day care	2%	\$	147,297
100% special needs	2%	\$	147,297
Elevator	10%	\$	736,485
Total			0

Tie-breaker Ratio: 75%

4% Maximum Developer Fee			
15% of Project Basis		\$	2,500,000
Or			
Maximum Eligible Basis		\$	2,500,000
Or (New Construction)			
15% of Project Basis			
Or (Acq/Rehab)			
Or 15% of Construction Basis + 5% of Acq Basis		\$	537,309

2016 8% Threshold Basis Units			
Studio		\$	-
One Bedroom	-	\$	-
Two Bedroom	-	\$	-
Three Bedroom	-	\$	-
Four Bedroom	-	\$	-
Manager's Unit	1		-
Total	(1)		-

8% Maximum Developer Fee			
15% of Project Basis		\$	663,047
Or		\$	2,000,000
Maximum Eligible Basis			
Or (New Construction)			
15% of Project Basis			
Or (Acq/Rehab)			
Or 15% of Construction Basis			
5% of Acquisition Basis			

South Married Affordable Housing and Respite Care Unit Mix

LINE	SYEAR	% of Total Available Units
0	30%	0%
44	40%	100%
0	30%	0%
0	45%	0%
0	45%	0%
0	50%	0%
0	55%	0%
0	60%	0%
44	Total	100%
Average Affordability		36%
Average Rent		453

LINE	SYEAR	% of Total
44	Studio	100%
0	1 Bedroom/1 Bath	0%
0	2 Bedroom/2 Bath	0%
0	3 Bedroom/2 Bath	0%
0	Bedroom/2 Bath	0%
0	3	100%

Market Study Date	Market Study - High Product	Year	Cost	Charges
#DIV/0!			\$	
#DIV/0!			\$	
#DIV/0!			\$	
#DIV/0!			\$	

Cashflow

South Merced Affordable Housing and Respite Care
Cashflow

Assumptions:	
Vacancy	5.00%
Vacancy (SN)	10.00%
Rent	2.50%
Expenses	3.50%
Property Taxes	2.00%
Support Services	2.50%
Mortgage Interest Rate	5.50%
Reserve/Respite Rate	1.00%

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue															
Tenant Rent	\$ 150,546	\$ 154,310	\$ 158,187	\$ 162,122	\$ 166,175	\$ 170,329	\$ 174,587	\$ 178,932	\$ 183,268	\$ 188,011	\$ 192,712	\$ 197,529	\$ 202,468	\$ 207,529	\$ 212,716
Section 8 Subsidy	\$ 88,638	\$ 90,854	\$ 93,125	\$ 95,453	\$ 97,840	\$ 100,288	\$ 102,793	\$ 105,353	\$ 107,967	\$ 110,697	\$ 113,464	\$ 116,301	\$ 119,208	\$ 122,188	\$ 125,243
Laundry Income	\$ 5,864	\$ 7,038	\$ 7,211	\$ 7,392	\$ 7,577	\$ 7,768	\$ 7,960	\$ 8,159	\$ 8,363	\$ 8,572	\$ 8,787	\$ 9,006	\$ 9,231	\$ 9,462	\$ 9,699
Vacancy	\$ (24,935)	\$ (25,220)	\$ (25,500)	\$ (25,780)	\$ (26,060)	\$ (26,340)	\$ (26,620)	\$ (26,900)	\$ (27,180)	\$ (27,460)	\$ (27,740)	\$ (28,020)	\$ (28,300)	\$ (28,580)	\$ (28,860)
Total Revenue	\$ 215,143	\$ 226,978	\$ 233,943	\$ 241,817	\$ 249,822	\$ 257,967	\$ 266,252	\$ 274,685	\$ 283,268	\$ 292,001	\$ 300,884	\$ 309,915	\$ 319,093	\$ 328,422	\$ 337,903
Expenses															
Operating Expenses	\$ 4,100	\$ (186,714)	\$ (193,249)	\$ (200,013)	\$ (207,013)	\$ (214,259)	\$ (221,758)	\$ (229,519)	\$ (237,552)	\$ (245,897)	\$ (254,472)	\$ (263,379)	\$ (272,597)	\$ (282,139)	\$ (292,012)
Property Taxes	\$ (5,000)	\$ (5,125)	\$ (5,253)	\$ (5,384)	\$ (5,519)	\$ (5,657)	\$ (5,798)	\$ (5,943)	\$ (6,092)	\$ (6,244)	\$ (6,400)	\$ (6,560)	\$ (6,724)	\$ (6,893)	\$ (7,065)
Support Services	\$ 300	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)	\$ (13,200)
Replacement Reserves	\$ (18,800)	\$ (25,035)	\$ (21,702)	\$ (21,702)	\$ (21,702)	\$ (21,702)	\$ (21,702)	\$ (21,702)	\$ (21,702)	\$ (21,702)	\$ (21,702)	\$ (21,702)	\$ (21,702)	\$ (21,702)	\$ (21,702)
Total Expenses	\$ (23,500)	\$ (248,034)	\$ (253,953)	\$ (246,307)	\$ (257,724)	\$ (264,719)	\$ (272,462)	\$ (280,364)	\$ (288,556)	\$ (297,044)	\$ (305,874)	\$ (315,081)	\$ (324,679)	\$ (334,634)	\$ (344,979)
Net Operating Income	\$ 239,643	\$ 475,012	\$ 487,896	\$ 488,124	\$ 497,546	\$ 504,216	\$ 514,490	\$ 524,375	\$ 535,716	\$ 546,955	\$ 557,412	\$ 568,614	\$ 579,493	\$ 590,788	\$ 602,922
Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Coverage Ratio															
Debt Service	\$ 22,843	\$ 21,940	\$ 20,952	\$ 19,873	\$ 18,700	\$ 17,427	\$ 16,050	\$ 14,564	\$ 12,863	\$ 11,241	\$ 9,384	\$ 7,414	\$ 5,265	\$ 3,032	\$ 618
Total Cash Flow	\$ 216,800	\$ 453,072	\$ 466,944	\$ 468,251	\$ 478,846	\$ 487,819	\$ 498,440	\$ 509,811	\$ 522,853	\$ 535,714	\$ 548,028	\$ 561,200	\$ 574,228	\$ 587,756	\$ 606,304
% of Expenses	-12%	-11%	-10%	-9%	-8%	-7%	-7%	-6%	-5%	-4%	-3%	-3%	-2%	-1%	0%
Residual Receipts															
Deferred Developer Fee	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Partnership Management Fees	\$ 3,211	\$ 2,885	\$ 2,738	\$ 2,468	\$ 2,175	\$ 1,857	\$ 1,513	\$ 1,141	\$ 741	\$ 310	\$ (132)	\$ (847)	\$ (1,178)	\$ (1,742)	\$ (2,346)
Sponsor Distributions	\$ 7,224	\$ 6,716	\$ 6,160	\$ 5,554	\$ 4,894	\$ 4,178	\$ 3,403	\$ 2,567	\$ 1,667	\$ 698	\$ (341)	\$ (1,755)	\$ (2,846)	\$ (3,920)	\$ (5,278)
Residual Receipts	\$ 20,435	\$ 19,601	\$ 18,901	\$ 18,022	\$ 16,970	\$ 15,733	\$ 14,366	\$ 12,808	\$ 11,009	\$ 8,959	\$ 6,828	\$ 4,526	\$ 2,078	\$ (522)	\$ (1,364)
Residual Receipts	\$ 20,435	\$ 19,601	\$ 18,901	\$ 18,022	\$ 16,970	\$ 15,733	\$ 14,366	\$ 12,808	\$ 11,009	\$ 8,959	\$ 6,828	\$ 4,526	\$ 2,078	\$ (522)	\$ (1,364)
Contribution (Withdrawal)															
Interest	\$ 132	\$ 26,797	\$ 40,387	\$ 54,133	\$ 68,007	\$ 82,019	\$ 96,171	\$ 110,465	\$ 124,901	\$ 139,482	\$ 154,208	\$ 169,083	\$ 184,106	\$ 199,279	\$ 214,604
Balance	\$ 13,332	\$ 26,797	\$ 40,387	\$ 54,133	\$ 68,007	\$ 82,019	\$ 96,171	\$ 110,465	\$ 124,901	\$ 139,482	\$ 154,208	\$ 169,083	\$ 184,106	\$ 199,279	\$ 214,604
Operating Reserves															
Contribution (Withdrawal)	\$ 80,000	\$ 909	\$ 918	\$ 927	\$ 937	\$ 946	\$ 955	\$ 965	\$ 975	\$ 984	\$ 994	\$ 1,004	\$ 1,014	\$ 1,024	\$ 1,035
Interest	\$ 900	\$ 91,809	\$ 92,727	\$ 93,654	\$ 94,591	\$ 95,537	\$ 96,492	\$ 97,457	\$ 98,432	\$ 99,415	\$ 100,410	\$ 101,414	\$ 102,428	\$ 103,453	\$ 104,487
Balance	\$ 80,900	\$ 91,809	\$ 92,727	\$ 93,654	\$ 94,591	\$ 95,537	\$ 96,492	\$ 97,457	\$ 98,432	\$ 99,415	\$ 100,410	\$ 101,414	\$ 102,428	\$ 103,453	\$ 104,487
Repayment Reserves															
Contribution (Withdrawal)	\$ 7,224	\$ 6,716	\$ 6,160	\$ 5,554	\$ 4,894	\$ 4,178	\$ 3,403	\$ 2,567	\$ 1,667	\$ 698	\$ (341)	\$ (1,455)	\$ (2,648)	\$ (3,920)	\$ (5,278)
Interest	\$ 72	\$ 140	\$ 203	\$ 261	\$ 312	\$ 357	\$ 395	\$ 424	\$ 445	\$ 457	\$ 458	\$ 448	\$ 426	\$ 391	\$ 342
Balance	\$ 7,296	\$ 14,153	\$ 20,517	\$ 26,331	\$ 31,537	\$ 36,071	\$ 39,869	\$ 42,861	\$ 44,973	\$ 46,127	\$ 46,244	\$ 45,237	\$ 43,017	\$ 39,488	\$ 34,552
Section 8 Income Reserves															
Contribution (Withdrawal)	\$ 700,000	\$ 7,000	\$ 7,070	\$ 7,141	\$ 7,212	\$ 7,284	\$ 7,357	\$ 7,431	\$ 7,505	\$ 7,580	\$ 7,656	\$ 7,732	\$ 7,810	\$ 7,888	\$ 7,967
Interest	\$ 700,000	\$ 707,000	\$ 714,070	\$ 721,211	\$ 728,423	\$ 735,707	\$ 743,064	\$ 750,495	\$ 758,000	\$ 765,580	\$ 773,235	\$ 780,968	\$ 788,778	\$ 796,665	\$ 804,632
Balance	\$ 700,000	\$ 707,000	\$ 714,070	\$ 721,211	\$ 728,423	\$ 735,707	\$ 743,064	\$ 750,495	\$ 758,000	\$ 765,580	\$ 773,235	\$ 780,968	\$ 788,778	\$ 796,665	\$ 804,632

LP-1

Certificate of Limited Partnership (LP)

201607100005

To form a limited partnership in California, you can fill out this form, and submit for filing along with:

- A \$70 filing fee.
- A separate, non-refundable \$15 service fee also must be included, if you drop off the completed form or document.

Important! LPs in California may have to pay a minimum \$800 yearly tax to the California Franchise Tax Board. For more information, go to <https://www.ftb.ca.gov>.

Note: Before submitting the completed form, you should consult with a private attorney for advice about your specific business needs.

FILED ^{ny}Secretary of State
State of CaliforniaMAR 07 2016 ^{mc}

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For questions about this form, go to www.sos.ca.gov/business/be/filing-tips.htm.

LP Name

① SOUTH MERCED AFFORDABLE HOUSING AND RESPITE CARE LP

Proposed LP Name

The name must end with: "Limited Partnership," "LP," or "L.P.," and may not contain "bank," "insurance," "trust," "trustee," "incorporated," "inc.," "corporation," or "corp." For general entity name requirements and restrictions, go to www.sos.ca.gov/business/be/name-availability.htm.

LP Addresses

② a. 1666 N ST MERCED CA 95340
Initial Street Address of Designated Office in CA City (no abbreviations) State Zip

b. _____
Initial Mailing Address of LP, if different from 2a City (no abbreviations) State Zip

Service of Process (List a California resident or an active 1505 corporation in California that agrees to be your initial agent to accept service of process in case your LP is sued. You may list any adult who lives in California. You may not list an LP as the agent. Do not list an address if the agent is a 1505 corporation.)

③ a. DANIEL R. KAZAKOS

Agent's Name

b. 1666 N ST MERCED CA 95340
Agent's Street Address (if agent is not a corporation) City (no abbreviations) State Zip

General Partners (List the name and address of each general partner. Attach additional pages, if necessary.)

④ a. Merced Community Development Corporation 1666 N St. Merced CA 95340
General Partner's Name Address City (no abbreviations) State Zip

b. _____
General Partner's Name Address City (no abbreviations) State Zip

Read and sign below: This form must be signed by all of the general partners listed in Item 4. If a trust, association, attorney-in-fact, or any other person is signing, go to www.sos.ca.gov/business/be/filing-tips.htm for more information. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are part of this certificate. Signing this document affirms under penalty of perjury that the stated facts are true.

General Partner - Sign here

Daniel R. Kazakos, CEO of Merced Community Development Corporation
Print your name here

General Partner - Sign here

Print your name here

Make check/money order payable to: Secretary of State
Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$5 certification fee.

By Mail
Secretary of State
Business Entities, P.O. Box 944225
Sacramento, CA 94244-2250

Drop-Off
Secretary of State
1500 11th Street, 3rd Floor
Sacramento, CA 95814