



March 1, 2016

Peoples' Self-Help Housing Corporation  
 John Fowler, Executive Director  
 3533 Empleo Street  
 San Luis Obispo CA, 93401

Dear Mr. Fowler:

On March 1, 2016, the County Board of Supervisors (Board) approved the requests of Peoples' Self-Help Housing Corporation (PSHHC) pertaining to the County loans provided in 1998 to Mariposa Reale Limited Partnership (LP), of which PSHHC is the General Partner, for the construction of Mariposa Townhomes. As more specifically discussed in the Board of Supervisors Agenda Letter, the Board approved the following requests contingent upon LP's remittance of a \$40,000 partial pre-payment of the County Loan at the closing of the Senior Permanent Loan refinance transaction:

1. Approve a waiver of acceleration of repayment of the County Loan upon refinancing of the Senior Permanent Loan (see Sections 5 of the HOME and In-Lieu Promissory Notes and Section 2.5 of the Loan Agreement);
2. Subordinate the County loans to a new senior loan; and

The pre-payment will be applied to the County loans in accordance with the County Loan Agreement and associated Promissory Note(s). In accordance with the Board's direction, these approvals are also contingent upon the new senior loan not exceeding the following amount and terms.

Principal Amount	\$2,496,000
Term	15 years
Amortization	30 years
Interest	5.30%*
Est. Annual Debt Service	\$165,396

\*The proposed interest rate is an estimate and will be determined when the Senior Lender locks the rate. The execution of the subordination agreement is a condition to go to rate lock. It is not anticipated that the rate will be higher than 6%.

Upon receipt of the loan prepayment by the County and if the new senior loan conforms to the terms described above, PSHHC may rely on this letter as written confirmation in accordance with Section 9.15 of the Loan Agreement that the County is exercising its option to waive acceleration of the County loans upon refinancing of the senior loan to a new senior loan. This waiver is applicable to this refinancing only and not to any future refinancing transactions.

On March 1, 2016, the Board also approved the replacement of the Federal National Mortgage Association (Fannie Mae) with PSHHC as the limited partner of Mariposa Reale Limited Partnership (LP), a California limited partnership. PSSHHC may rely on this letter as authorization by the County to replace the limited partner of Mariposa Reale Limited Partnership with PSHHC.

Accompanying this letter is a subordination agreement signed by the Chair of the Board that subordinates the County loans to the new senior loan. Please record the subordination agreement in the County real estate records at the County Clerk-Recorder office and return the original to this office, attention Dinah Lockhart, Deputy Director.

Sincerely,

George Chapjian, Director  
Community Services Department