

FIRST AMENDMENT TO HOME LOAN AGREEMENT

THIS FIRST AMENDMENT TO HOME LOAN AGREEMENT (this "Amendment") is effective as of _____, 2014 by and between the City of San Leandro, a California municipal corporation ("City") and Alameda Housing Associates, L.P., a California limited partnership ("Borrower"). City and Borrower are hereinafter collectively referred to as the "Parties."

RECITALS

A. The City and Borrower entered that certain HOME Loan Agreement dated July 24, 2012, pursuant to which the City is loaning Six Hundred Fifty Thousand Dollars (\$650,000) in HOME funds to Borrower ("Agreement").

B. Since the execution of the Agreement, the "Project" has been modified as follows: the Project shall include one hundred fifteen (115) units of affordable housing, and; the Project will be located on Borrower's leasehold interest in that certain real property more particularly described in the attached Exhibit A. As used in this Agreement, the "Property" shall mean Borrower's leasehold interest in the property described in Exhibit A. In addition the City and Borrower have agreed that a portion of the HOME funds may be used to pay for certain Project soft-costs prior to Borrower's acquisition of the Property.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

1. The second and third sentences of Section 1.0 of the Agreement are amended and restated as follows:

"The Loan shall be evidenced by a promissory note executed by Borrower substantially in the form attached hereto as Exhibit C, bearing simple interest at the rate of three percent (3%) per annum with a term of fifty-five (55) years. The Borrower and City agree that until such time as the Borrower acquires the Property, the Loan will be secured by that certain Assignment of Agreements plans and Specifications dated June 25, 2009 between Borrower and City, as housing successor to the former Redevelopment of the City of San Leandro ("Assignment Agreement"). The Assignment Agreement was entered into in connection with the OPLA. Following Borrower's acquisition of the Property, the Loan will be secured by a leasehold deed of trust substantially in the form attached hereto as Exhibit D, which will be recorded against the Property at the Borrower's construction loan closing for the Project (the "Construction Closing")."

2. The following language is added to Section 1.1:

"Notwithstanding anything to the contrary in this Agreement, provided that Borrower is not in default under this Agreement, Borrower may terminate this Agreement under the circumstances set forth below by giving written notice of such termination to the City on or prior to Borrower's acquisition of the Property:

(i) The Borrower is unable to acquire the Property, despite Borrower's good faith efforts;

Provided that Borrower is not in default under this Agreement, if Borrower elects to terminate this Agreement as set forth above, and upon Borrower's delivery to City of all Assigned Documents (as defined in the Assignment Agreement), the City shall forgive all amounts owed to City pursuant to this Loan Agreement.

3. The last sentence of Section 1.3 is amended and restated to read: "Draws from replacement reserves in excess of \$10,000 shall be subject to City approval."

4. The following is added to the end of Section 1.6: "The City agrees that the Borrower may use the Loan Funds for the predevelopments costs set forth in Exhibit E, provided that Borrower has submitted documentation to City evidencing that the Project has been awarded tax credit financing."

5. Section 1.9 is amended and restated as follows:

"The Borrower shall execute, and pledges to operate the development in compliance with, a Regulatory Agreement substantially in the form attached as Exhibit F which shall restrict eleven (11) of the units in the Project for occupancy by Very Low- Income Households at affordable rents (as more particularly described in the Regulatory Agreement) for twenty (20) years. The Regulatory Agreement shall be recorded in the Official Records of Alameda County at Construction Closing."

6. The following language is added to the end of Section 1.10.1:

"Notwithstanding Section 1.10.1(i) through (xii), the City shall disburse to Borrower up to Six Hundred Fifty Dollars (\$650,000) in HOME Funds to reimburse Borrower for the costs set forth on Exhibit E provided that the Borrower (a) provides invoices evidencing such costs to the City, in a form reasonably acceptable to the City, (b) provides City with documentation that Borrower has been awarded tax credit financing for the Project and (c) satisfies the conditions set forth in Section 1.10.1 (ii), (iv), (vi) with respect to property (as may be applicable) and liability insurance, (vii) and (viii)."

7. Exhibits A, B, C, and D to the Agreement are replaced in their entirety with the Exhibits A, B C, and D that are attached to this Agreement.

8. Section 5.12 is amended and restated as follows:

"This Agreement, together with Exhibits A through F attached hereto and incorporated herein by reference, and the agreements referenced herein, constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior oral or written agreements with respect thereto."

9. Except as expressly modified by this Amendment, all other provisions of the Agreement are unmodified and continue in full force and effect.

10. This Amendment may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date first written above.

CITY

CITY OF SAN LEANDRO,
a municipal corporation

By: _____
Chris Zapata, City Manager

ATTEST:

By: _____
Marian Handa, City Clerk

APPROVED AS TO FORM:

By: _____
Richard Pio Roda, City Attorney

BORROWER

ALAMEDA HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: Alameda Housing, LLC, a California limited liability company

Its: General Partner

By: MCB Family Housing, Inc., a California nonprofit public benefit corporation

Its: Sole Member

By: _____

Name: _____

Title: _____

Exhibit A

LEGAL DESCRIPTION OF PROPERTY

Exhibit B

SCOPE OF WORK

The Project shall consist of a 115-unit multi-family residential development that will include four (4) dwelling units that will be accessible to persons with disabilities, common areas including a lobby, a multi-purpose room with kitchen, a landscaped outdoor courtyard, podium and underground parking consisting of approximately 115 spaces, approximately 5000 square feet of retail (including a potential child care center) bicycle storage; laundry facilities; a management office; and landscaping.

Exhibit C

PROMISSORY NOTE

Exhibit D

DEED OF TRUST

Exhibit E

APPROVED COSTS

Exhibit F

REGULATORY AGREEMENT