

FIRST AMENDMENT OF NSP3 LOAN AGREEMENT
(Robin Lane Apartments)

This first amendment ("First Amendment") is dated March 12, 2013, and is between the County of Contra Costa, a political subdivision of the State of California (the "County") and Robin Lane LLC, a California limited liability company ("Borrower").

RECITALS

A. The County and Borrower are parties to a NSP3 Loan Agreement dated January 24, 2012 (the "Loan Agreement"), pursuant to which the County loaned Borrower One Million Five Hundred Twenty-Three Thousand Forty-Six Dollars (\$1,523,046) for the acquisition and rehabilitation of the real property located at 1149 Meadow Lane and 1890 Robin Lane, in the City of Concord, County of Contra Costa, State of California (the "Property").

B. Borrower has acquired the Property and is in the process of rehabilitating it. Borrower now desires to borrow an additional One Hundred Thirty-Nine Thousand One Hundred Sixty-Five Dollars (\$139,165) of NSP3 Funds to be used in the rehabilitation of the Development, bringing the total loan amount to One Million Six Hundred Sixty-Two Thousand Two Hundred Eleven Dollars (\$1,662,211).

C. In addition to increasing the loan amount, the parties desire to (i) modify the dates by which rehabilitation of the Development must begin and end, (ii) modify the repayment start date, (iii) modify the loan term, and (iv) replace Exhibit B, which sets forth the Approved Development Budget.

The parties therefore agree to amend the Loan Agreement as follows:

AGREEMENT

1. Unless otherwise defined herein, defined terms have the meaning ascribed to them in the Loan Agreement.
2. Section 1.1 Definitions is modified by deleting certain definitions and replacing them in their entirety as follows:

(s) "Deed of Trust" means the Deed of Trust with Assignment of Rents, Security Agreement, and Fixture Filing dated as of January 24, 2012, among Borrower, as Trustor, Old Republic Title Company, as Trustee, and the County, as Beneficiary, which (i) was recorded in the official records of Contra Costa County as instrument number 2012-022353, (ii) was amended by a First Amendment to Deed of Trust dated March 12, 2013, and (iii) encumbers the Property to secure repayment of the Loan and Borrower's performance of the Loan Documents.

(ee) "Loan" means One Million Six Hundred Sixty-Two Thousand Two Hundred Eleven Dollars (\$1,662,211) of NSP3 Funds.

(jj) “Note” means the First Amended and Restated Promissory Note dated March 12, 2013, executed by Borrower in favor of the County, which evidences Borrower’s obligation to repay the Loan.

(qq) “Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants dated January 24, 2012, between the County and Borrower related to the Loan, which was recorded in the official records of Contra Costa County as instrument number 2012-022352, and which was amended by a First Amendment to Regulatory Agreement dated March 12, 2013.

(ww) “Term” means the period of time that commences on January 24, 2012, and expires on the date that is fifty-five (55) years from the date of the First Amendment to NSP3 Loan Agreement, which is March 12, 2068.

3. Section 2.7 Conditions Precedent to Disbursement of Loan Funds for Rehabilitation is deleted in its entirety and replaced with the following:

The County is not obligated to make a disbursement of Loan funds for rehabilitation costs in the amount set forth in the Approved Development Budget, or to take any other action under the Loan Documents unless the following conditions precedent are satisfied:

- (a) All of the conditions precedent set forth in Section 2.6 have been timely satisfied;
- (b) Borrower has executed and delivered the Note to the County, in form and substance satisfactory to the County;
- (c) The Deed of Trust, as amended March 12, 2013, has been recorded against the Property in the official records of Contra Costa County;
- (d) The Regulatory Agreement, as amended March 12, 2013, has been recorded against the Property in the official records of Contra Costa County;
- (e) There exists no Event of Default nor any act, failure, omission or condition that would constitute an Event of Default under this Agreement, or the Project Agreement;
- (f) Borrower has obtained all permits and approvals necessary for the rehabilitation of the Development;
- (g) The County has received and approved the Bid Package for the subcontractors for the rehabilitation of the Development pursuant to Section 3.4 below;
- (h) If the Borrower hires a general contractor to rehabilitate the Development as required by Section 3.5 below, the County has received and approved the general contractor's construction contract;

(i) If the Borrower does not hire a general contractor, and instead elects to use subcontractors to rehabilitate the Development as required by Section 3.5 below, the County has received and approved the contracts with all of the major subcontractors;

(j) The County has received and approved labor and material (payment) bonds and performance bonds pursuant to Section 3.6 below;

(k) Borrower has closed all loans that are part of the Approved Financing described in Section 1.1(h) and has already received or is eligible to receive the funds;

(l) The undisbursed proceeds of the Loan, together with other funds or firm commitments for funds that Borrower has obtained in connection with the rehabilitation of the Development, are not less than the amount the County determines is necessary to pay for the rehabilitation of the Development and to satisfy all of the covenants contained in this Agreement and the Regulatory Agreement; and

(m) The County has received a written draw request from Borrower, including (i) certification that the condition set forth in Section 2.7(e) continues to be satisfied, (ii) certification that the proposed uses of funds is consistent with the Approved Development Budget, (iii) the amount of funds needed, and, (iv) where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred. When a disbursement is requested to pay any contractor in connection with improvements on the Property, the written request must be accompanied by (i) certification by the Borrower's architect reasonably acceptable to the County that the work for which disbursement is requested has been completed (although the County reserves the right to inspect the Property and make an independent evaluation); and (ii) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to the County.

(n) A title insurer reasonably acceptable to the County is unconditionally and irrevocably committed to issuing endorsement numbers 110.6 and 108.8, or equivalent, to the County's ALTA Lender's Policy of title insurance, insuring the priority the continued priority of the Deed of Trust in the amount of One Million Six Hundred Sixty-Two Thousand Two Hundred Eleven Dollars (\$1,662,211).

4. Section 2.9 Repayment Schedule is deleted in its entirety and replaced with the following:

(a) Annual Payments. Commencing on May 1, 2014, and on May 1 of each year thereafter during the Term, Borrower shall make a loan payment in an amount equal to the County's Prorata Percentage of the Lenders' Share of Residual Receipts (each, an "Annual Payment"). The County shall apply all Annual Payments as follows: (1) first, to accrued interest, and (2) second, to principal.

(b) Payment in Full. Borrower shall pay all outstanding principal and accrued interest on the Loan, in full, on the earliest to occur of (i) a Transfer, (ii) an Event of Default, and (iii) the expiration of the Term.

(c) Prepayment. Borrower may prepay the Loan at any time without premium or penalty. However, the Regulatory Agreement and the Deed of Trust will remain in effect for the entire Term, regardless of any prepayment or Transfer.

5. Section 3.2 Permits and Approvals is deleted in its entirety and replaced with the following:

Borrower shall obtain all permits and approvals necessary for the rehabilitation of the Development no later than April 1, 2013, or by such later date that the County approves in writing.

6. Section 3.7 Commencement of Construction is deleted in its entirety and replaced with the following:

Borrower shall cause the Commencement of Construction of the Development to occur no later than April 1, 2013, or such later date that the County approves in writing. For the purposes of this Agreement, "Commencement of Construction" means the date set for the start of rehabilitation of the Development in the notice to proceed issued by Borrower to Borrower's general contractor.

7. Section 3.8 Completion of Construction is deleted in its entirety and replaced with the following:

Borrower shall diligently prosecute rehabilitation of the Development to completion, and shall cause the rehabilitation of the Development to be completed no later than April 1, 2014, or such later date that the County approves in writing.

8. Exhibit B is replaced in its entirety with the Exhibit B attached hereto, which reflects the increase in the Loan to One Million Six Hundred Sixty-Two Thousand Two Hundred Eleven Dollars (\$1,662,211).

9. All other terms of the Loan Agreement remain unchanged.

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10. This First Amendment may be executed in counterparts.

IN WITNESS WHEREOF, this First Amendment is being executed as of the day and year first above written.

COUNTY:

COUNTY OF CONTRA COSTA, a political
subdivision of the State of California

By: _____

Its: _____

Approved as to form:

SHARON L. ANDERSON
County Counsel

By: *Kathleen M. Andrus*
Kathleen Andrus
Deputy County Counsel

BORROWER:

ROBIN LANE LLC, a California limited liability
company

By: SAHA Development, Inc., a California
nonprofit public benefit corporation, its sole
member

By: _____

Its: _____

EXHIBIT B

APPROVED DEVELOPMENT BUDGET

Robin Lane Apartments Development Budget

Land Cost	1,035,000
Acquisition T&R	4,095
Acquisition Holding Costs/Transfer Taxes	9,908
Predevelopment Loan Interest	2,458
Unit Construction	800,288
Abatement	20,000
Owner Furnishings	15,000
Hard Cost Contingency	100,920
Architecture	51,212
Survey	7,400
Engineering	5,000
Enviro Testing - Phase 1, Asbestos, Toxics	10,000
Construction Loan Fees - MHSA Origination	5,600
Construction Lender Costs/Expenses	13,997
Construction Lender Costs/Legal - Other	7,000
Loan Interest – Construction	1,414
Loan Interest – Lease-up	884
Construction Title & Recording	1,500
Owner Legal - Acquisition	3,784
Owner Legal – Construction	6,000
Operating Reserve (6 months)	33,913
Replacement Reserve	16,000
RE Taxes	31,050
Planning Fees & Building Permits	26,476
PG&E	10,000
AT&T	10,000
Builders Risk Insurance	25,000
General Liability Insurance	20,000
Operating Costs During Construction	126.00
Appraisal	2,400
Marketing & Leasing	25,000
Soft Cost Contingency	14,932
Developer Fee	156,313
Construction Management	9,900
Accountant Fee (Audit/Cost Cert)	7,500
Total	2,490,070

Sources of Funds

FHLB - AHP loan	150,000
Neighborhood Stabilization Program	1,662,211
CalHFA-MHSA Capital	560,000
Enterprise Bank of America Green Retrofit	117,859
Total	2,490,070