

THIRD AMENDMENT
TO
AMENDED AND RESTATED PREDEVELOPMENT LOAN AGREEMENT
(Heritage Point)

This third amendment to the Amended and Restated Predevelopment Loan Agreement (the “Third Amendment”) is dated February 14, 2017, and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (the “County”), and COMMUNITY HOUSING DEVELOPMENT CORPORATION OF NORTH RICHMOND, a California nonprofit public benefit corporation (“Borrower”).

RECITALS

- A. In 2011, Borrower and the Redevelopment Agency of Contra Costa County (the “Agency”) entered into a predevelopment loan agreement dated April 12, 2011 (the “Original Loan Agreement”). Pursuant to the Original Loan Agreement, Borrower borrowed One Hundred Thirty-One Thousand Seven Hundred Dollars (\$131,700) (the “Original Loan”) of low and moderate income housing funds from the Agency. The Original Loan was used to finance certain predevelopment costs in connection with the potential development of six parcels located in the 1500 block of Fred Jackson Way in North Richmond, as more particularly described in Exhibit A (the “Property”). In furtherance of Borrower’s proposal to construct rental housing on the Property that is affordable to low-income households (such housing, the “Development”), the Agency acquired the Property.
- B. As a result of the dissolution of the Agency in February 2012, and pursuant to California Health and Safety Code Section 34176(a), the County is the Housing Successor Agency to the Agency. When it became the Housing Successor Agency, the County became the owner of the Property, the lender under the Original Loan Agreement, and the holder of the Original Note.
- C. In 2014, Borrower and the County entered into an Amended and Restated Predevelopment Loan Agreement dated December 2, 2014 (the “Agreement”). The Agreement replaced the Original Loan Agreement.
- D. Concurrent with the execution of the Agreement, (i) the County loaned Borrower an additional One Hundred Fifty-Two Thousand Dollars (\$152,000), increasing the total loan to Two Hundred Eighty-Three Thousand Seven Hundred Dollars (\$283,700) (the “2014 Loan Amount”), (ii) the County cancelled the promissory note that evidenced Borrower’s obligation to repay the Original Loan, and (iii) Borrower executed a new promissory note evidencing its obligation to repay the 2014 Loan Amount (the “2014 Note”).
- E. In November 2015, (i) the County loaned Borrower an additional One Hundred Fifty-Two Thousand Five Hundred Dollars (\$152,500), bringing the total loan amount to Four

Hundred Thirty-Six Thousand Two Hundred Dollars (\$436,200) (the “2015 Loan Amount”), (ii) the County cancelled the 2014 Note, and (iii) Borrower executed a new promissory note evidencing its obligation to repay the 2015 Loan Amount (the “2015 Note”).

F. In July 2016, (i) the County loaned Borrower an additional One Hundred Eighty-Four Thousand Dollars (\$184,500) (the “2016 Loan Amount”), (ii) the County cancelled the 2015 Note, and (iii) Borrower executed a new promissory note evidencing its obligation to repay the revised total loan amount of Six Hundred Twenty Thousand Seven Hundred Dollars (\$620,700) (the “2016 Note”).

G. The parties now desire to amend the Agreement to make an additional Two Hundred Twenty-Six Thousand Five Hundred Dollars (\$226,500) (the “2017 Loan Amount”) of low and moderate income housing funds available to Borrower in the form of a loan. The 2017 Loan Amount, when added to the 2016 Note and the accrued interest of Forty Two Thousand Eight Hundred Twenty Two Dollars and Sixty One Cents (\$42,822.61) on the 2016 Note, brings the total current outstanding loan to Eight Hundred Ninety Thousand Twenty Two Dollars and Sixty One Cents (\$890,022.61). The parties also desire to revise the Predevelopment Budget that is part of the Agreement.

H. Concurrent with the execution of this Third Amendment, (i) Borrower is executing a new promissory note evidencing its obligation to repay the full Eight Hundred Ninety Thousand Twenty Two Dollars and Sixty One Cents (\$890,022.61) (the “2017 Note”), and (ii) the County is cancelling the 2016 Note.

The parties therefore agree to amend the Agreement as follows:

AGREEMENT

1. Unless defined in this Third Amendment, all defined terms used in this Third Amendment have the meaning ascribed to them in the Agreement.
2. Section 1.1(w) is deleted in its entirety and replaced with the following:
 - (w) “Loan” means the loan made by the County to Borrower in the amount of Eight Hundred Ninety Thousand Twenty Two Dollars and Sixty One Cents (\$890,022.61) .
3. Section 1.1(y) is deleted in its entirety and replaced with the following:
 - (y) “Note” means the 2017 Note.
4. Section 1.1(aa) is deleted in its entirety and replaced with the following:
 - (aa) “Predevelopment Budget” means the proforma predevelopment budget, including sources and uses of funds, attached hereto and incorporated herein as

Exhibit B-3, which may be amended with the approval of the County as set forth in this Agreement.

5. Section 1.2 – Exhibits is deleted in its entirety and replaced with the following:

Section 1.2 Exhibits

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

EXHIBIT A: Legal Description of the Property
EXHIBIT B-3: Predevelopment Budget
EXHIBIT C: Predevelopment Schedule

6. Section 2.1 – Loan is deleted in its entirety and replaced with the following:

Section 2.1 Loan

On and subject to the terms and conditions of this Agreement, the County shall lend to Borrower the 2017 Loan Amount, which is the unfunded balance of the Loan. The Loan may only be used for the purposes set forth in Section 2.3. Borrower's obligation to repay the Loan is evidenced by the Note.

7. Section 2.6 – Conditions Precedent to Disbursement of Predevelopment Loan Funds is deleted in its entirety and replaced with the following:

Section 2.6 Conditions Precedent to Disbursement of Predevelopment Loan Funds

The disbursements made pursuant to this Section 2.6 may not exceed the amount of the Loan. The County is not obligated to disburse any portion of the Loan or the 2017 Loan Amount, or take any other action under this Agreement, unless the following conditions have been and continue to be satisfied:

- (a) There exists no Event of Default nor any act, failure, omission or condition that would constitute an Event of Default under this Agreement.
- (b) Borrower has delivered to the County all of Borrower's organizational documents and a copy of a corporate resolution authorizing Borrower's execution of this Agreement, as amended.
- (c) There exists no material adverse change in the financial condition of Borrower from that shown by the financial statements and other data and information furnished by Borrower to the County prior to the date of this Agreement.

(d) Borrower has furnished the County with evidence of the insurance coverage meeting the requirements of Section 4.5 below.

(e) Borrower has executed and delivered the Loan Documents to the County and has caused all other documents, instruments, and policies required by the Loan Documents to be delivered to the County.

(f) The County has determined that the undisbursed proceeds of the Loan, together with other funds or firm commitments for funds that the Borrower has obtained in connection with assessing the feasibility of the Development, are not less than the amount that is necessary to pay the Predevelopment Costs and to satisfy all of the covenants contained in this Agreement.

(g) The County has received a written draw request from Borrower, including certification that the condition set forth in Section 2.6(a) continues to be satisfied, and setting forth the proposed uses of funds consistent with the Predevelopment Budget, the amount of funds needed, and, where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred.

Notwithstanding any other provisions of this Agreement, the County has no obligation to disburse any portion of the Loan to Borrower following: (i) termination of this Agreement; or (ii) the occurrence of an Event of Default.

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8. All other terms of the Agreement remain unchanged.

The parties are signing this Third Amendment as of the date set forth in the introductory paragraph.

COUNTY:

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

By: _____
John Kopchik, Director
Department of Conservation and Development

Approved as to form:

Sharon L. Anderson
County Counsel

By: _____
Kathleen Andrus
Deputy County Counsel

BORROWER:

COMMUNITY HOUSING DEVELOPMENT
CORPORATION OF NORTH RICHMOND,
a California nonprofit public benefit corporation

By: _____

Name: _____

Its: _____

EXHIBIT B-3

Predevelopment Budget