

FIRST AMENDMENT TO GROUND LEASE

This first amendment to ground lease (“First Amendment”) is dated _____, 2017, and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California (the “County”) and SHELTER, INC. OF CONTRA COSTA COUNTY, a California nonprofit public benefit corporation (“Lessee”).

RECITALS

- A. The County and Lessee are parties to a ground lease dated as of February 1, 2000, pursuant to which the Lessee is leasing from the County a portion of County-owned land in Antioch, California that (i) has Assessor’s Parcel No. 074-080-033, and (ii) is commonly known as 4553 Delta Fair Boulevard (the “Lease”).
- B. At the time the County and Lessee entered into the Lease, the Land was unimproved. Under the terms of the Lease, Lessee was required to develop, construct, own and operate a facility that would provide transitional housing and various services for those who are homeless or at imminent risk of homelessness. Lessee succeeded in constructing the facility, which was originally known as the East County Family Transitional Center, then the Lyle Morris Family Center. Lessee now desires to convert the facility to residential rental units, available to eligible tenants, and to change the name of the facility to the Lyle Morris Apartments.
- C. Under the terms of the Lease, only transitional (i.e., temporary) housing is permitted at the facility. The County and Lessee desire to amend the Lease to permit the facility to be used to provide affordable, permanent, housing.

The parties therefore agree as follows:

AGREEMENT

- 1. Unless otherwise defined in this First Amendment, all defined terms used in this First Amendment have the meaning ascribed to them in the Lease.
- 2. Section 1.1(e) is deleted in its entirety and replaced with the following:

Section 1.1 Definitions

(e) “Center” shall mean the structures on the Land that consist of twenty (20) residential units and community space and all ancillary parking and landscaping improvements.

- 3. Section 1.1(q) is deleted in its entirety and replaced with the following:

Section 1.1 Definitions

(q) “Regulatory Agreements” shall mean (i) the Amended and Restated HOME Regulatory Agreement and Declaration of Restrictive Covenants dated as of January __, 2017, between the County and Lessee, and (ii) the Regulatory Agreement and Declaration of Restrictive Covenants dated as of January __, 2017, between the County and Lessee, both of which will be recorded against the Land.

4. Section 1.1(r) is deleted in its entirety and replaced with the following:

Section 1.1 Definitions

(r) “Residents” shall mean the residents who are authorized by the Lessee to occupy the Improvements.

5. Section 2.3 is deleted in its entirety and replaced with the following:

Section 2.3 Payment of Rent

Lessee shall pay to the Lessor rent in the amount of One Dollar (\$1.00) per year. The Lessor and Lessee acknowledge that on the date of this Lease, Lessee has paid prepaid rent for the entire 20-year term of the Lease.

6. Section 4.1 is deleted in its entirety and replaced with the following:

Section 4.1 Use of Development

(a) Lessee shall at all times during the Lease Term operate the Development to provide low-income housing. In selecting Residents and establishing the rent payable by Residents, Lessee shall comply with the terms of the Regulatory Agreements.

(b) Lessee shall comply with all applicable and lawful statutes, rules, orders, ordinances, requirements and regulations of the United States, the State of California, and any other governmental authority having jurisdiction over the Development; however, the Lessee may, in good faith and on reasonable grounds, dispute the applicability or the validity of any charge, complaint, or action taken pursuant to or under color of any statutes, rule, order, ordinance, requirement or regulation, defend against same, and in good faith diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of same. Lessee agrees that any such contest shall be prosecuted to a final conclusion as speedily as reasonably possible.

(c) Lessee shall:

(i) not use the Development for any disorderly or unlawful purpose, but only to provide affordable housing and related services;

(ii) use best efforts, including but not limited to seeking legal or equitable relief where appropriate, to prevent any Resident from committing or maintaining any nuisance or unlawful conduct on or about the Development;

(iii) use best efforts to prevent any Resident from violating any of the covenants and conditions of this Lease, the Operating Agreement, or the Approved Financing Documents with respect to the Development;

(iv) use best efforts to abate any violation of this Lease by any Resident upon notice from the County; and

(v) permit the County and its agents to inspect the Development at any reasonable time during the Lease Term.

7. Section 9.2 is deleted in its entirety and replaced with the following:

Section 9.2 Notices

If at any time after the execution of this Lease it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally or by depositing the same in the registered United States mail, return receipt requested, postage prepaid and (1) if intended for County shall be addressed to:

Contra Costa County
Community Development Department
30 Muir Road
Martinez, CA 94553
Attn: Assistant Deputy Director

and (2) if intended for Lessee shall be addressed to:

SHELTER, Inc. of Contra Costa County
1333 Willow Pass Road, Suite 206
Concord, CA 94520
Attn: Chief Executive Officer

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8. All other terms of the Lease remain unchanged.

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

COUNTY:

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

By: _____
Julia R. Bueren
Director of Public Works

LESSEE:

SHELTER, INC. OF CONTRA COSTA COUNTY,
a California non-profit public benefit corporation

By: _____
John Eckstrom
Chief Executive Officer