

## FUNDING LOAN MODIFICATION AGREEMENT

THIS FUNDING LOAN MODIFICATION AGREEMENT, dated as of December 1, 2017 (the "Modification Agreement"), is by and between MUFGE UNION BANK, N.A. (together with any successor to its rights, duties and obligations hereunder, the "Bank"), and the COUNTY OF CONTRA COSTA, CALIFORNIA (together with any successor to its rights, duties and obligations hereunder, the "Governmental Lender").

### RECITALS:

WHEREAS, the Bank and the Governmental Lender are parties to a Funding Loan Agreement, dated as of September 1, 2016 (the "Original Funding Loan Agreement"), pursuant to which the Governmental Lender has issued its County of Contra Costa Multifamily Housing Revenues Notes (Riviera Family Apartments), Series 2016C, consisting of its \$16,152,951 County of Contra Costa Multifamily Housing Revenue Note (Riviera Family Apartments), Series 2016C, Promissory Note C-1 (Multifamily Housing Back to Back Loan Program) (the "C-1 Note"), its \$3,047,049 County of Contra Costa Multifamily Housing Revenue Note (Riviera Family Apartments), Series 2016C, Promissory Note C-2 (Multifamily Housing Back to Back Loan Program) (the "C-2 Note" and, together with the C-1 Note, the "C-1 and C-2 Notes"), and its \$1,529,702 County of Contra Costa Multifamily Housing Revenue Note (Riviera Family Apartments), Series 2016C, Promissory Note C-3 (Multifamily Housing Back to Back Loan Program) (the "C-3 Note"); and

WHEREAS, the proceeds of the C-1 and C-2 Notes and the C-3 Note were loaned to Riviera Family Apartments, L.P., a California limited partnership (the "Borrower"), pursuant to the terms of a Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program), dated as of September 1, 2016 (the "Original Borrower Loan Agreement"), among the Governmental Lender, the Bank and the Borrower; and

WHEREAS, the Borrower has requested that the Governmental Lender now issue its County of Contra Costa Multifamily Housing Revenue Note (Riviera Family Apartments), Series 2017D, Promissory Note D (the "Note D"), and to substitute the new Note D for the C-3 Note; and

WHEREAS, in order to accommodate the Borrower, the Governmental Lender and the Bank are now entering into this Modification Agreement amending and supplementing the Original Funding Loan Agreement as provided herein, and the Governmental Lender, the Bank and the Borrower are entering into a First Modification Agreement (Long Form), dated December 1, 2017 (the "Borrower Loan Modification Agreement"), in order to amend and supplement the provisions of the Original Borrower Loan Agreement.

### AGREEMENT:

For and in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

Section 1. The following defined terms in Section 1.1 of the Original Funding Loan Agreement are hereby amended and restated in whole to read as follows:

“Borrower Loan Agreement” means that certain Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program), dated September 1, 2016, by and among the Borrower, the Governmental Lender and Bank, as amended and supplemented by the First Modification Agreement (Long Form), dated December 1, 2017, by and among the Borrower, the Governmental Lender and the Bank, and as it may be further amended and supplemented from time to time, pursuant to which the Borrower Loan is being made.

“Borrower Notes” means, collectively, (a) that certain Promissory Note A-1-Tax-Exempt (Multifamily Housing Back to Back Loan Program), dated September 1, 2016, in the initial principal amount of \$16,152,951, (b) that certain Promissory Note A-2-Tax-Exempt (Multifamily Housing Back to Back Loan Program), dated September 1, 2016, in the initial principal amount of \$3,047,049, and (c) that certain Promissory Note A-3 (Multifamily Housing Back to Back Loan Program), dated as of December 1, 2017, in the initial principal amount of \$1,529,702, together evidencing the Borrower Loan, each executed by the Borrower in favor of Governmental Lender.

“Funding Loan Agreement” means this Funding Loan Agreement, dated as of September 1, 2016, between the Governmental Lender and the Bank, as amended and supplemented by the Funding Loan Modification Agreement, dated as of December 1, 2017, between the Governmental Lender and the Bank, and as it may be further amended and supplemented from time to time.

“Funding Loan Documents” means this Funding Loan Agreement, the Funding Loan Notes, the Borrower Loan Agreement, the Regulatory Agreements, the Tax Certificate and the Assignment of Deed of Trust.

“Funding Loan Notes” means, collectively, Promissory Note C-1, Promissory Note C-2 and Promissory Note D.

“Regulatory Agreements” means, collectively (a) that Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, dated as of December 1, 2017, by and between the Governmental Lender and the Borrower, pertaining to the 30 rental housing units to be located at 1515 Riviera Avenue, as it may be amended and supplemented from time to time in accordance with its terms, and (b) that Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, dated as of December 1, 2017, by and between the Governmental Lender and the Borrower, pertaining to the 28 rental housing units to be located at 1738 Riviera Avenue, as it may be amended and supplemented from time to time in accordance with its terms.

“Tax Certificate” means (a) the Certificate as to Arbitrage of the Borrower and the Governmental Lender dated the Closing Date, together with (b) the Certificate as to Arbitrage of the Borrower and the Governmental Lender dated the Note D Closing Date.

“Tax-Exempt Notes” means, collectively, Promissory Note C-1, Promissory Note C-2 and Promissory Note D.

Section 2. The following defined terms are hereby added to Section 1.1 of the Original Funding Loan Agreement:

“Note D” means the County of Contra Costa Multifamily Housing Revenue Note (Riviera Family Apartments), Series 2017D, evidenced by Promissory Note D.

“Note D Closing Date” means the date of issuance of Note D.

“Note D Tax Certificate” means the Tax Certificate as defined in clause (b) of the definition of Tax Certificate in this Funding Loan Agreement.

“Promissory Note D” means the promissory note executed by the Governmental Lender in favor of the Bank, in the principal amount of \$1,529,702 in the form attached to the Funding Loan Agreement as Exhibit C.

Section 3. The Original Funding Loan Agreement is hereby further amended as follows: From and after the Note D Closing Date: (a) all references in this Funding Loan Agreement to “Promissory Note A-T-Taxable (Multifamily Housing Back to Back Loan Program)” shall instead be “Borrower Note A-3,” as defined in the First Modification Agreement (Long Form), dated December 1, 2017, by and among the Governmental Lender, the Bank and the Borrower; and (b) all references in this Funding Loan Agreement to “Promissory Note C-3” shall instead be to “Promissory D.”

Section 4. There is hereby added to the Original Funding Loan Agreement a new Exhibit C, which shall be as set forth in Exhibit A hereto.

Section 5. This Modification Agreement shall become effective upon the later of (a) the date on which the First Modification Agreement (Long Form), dated December 1, 2017, by and among the Governmental Lender, the Bank and the Borrower becomes effective, and (b) the Promissory Note D is delivered by the Governmental Lender to the Bank in exchange for Promissory Note C-3. Upon the effective date of this Modification Agreement, Promissory Note C-3 shall be deemed terminated and of no further force and effect.

Section 6. Except as amended and supplemented by this Modification Agreement, the Original Funding Loan Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Modification Agreement all as of the date first above written.

COUNTY OF CONTRA COSTA,  
CALIFORNIA

By: \_\_\_\_\_  
John Kopchik,  
Director, Department of  
Conservation and Development

MUFG UNION BANK, N.A.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

[Riviera Family Apartments - Signature Page to Modification Agreement]

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**EXHIBIT A TO MODIFICATION AGREEMENT**  
(Exhibit C to the Original Funding Loan Agreement)

**COUNTY OF CONTRA COSTA**  
**MULTIFAMILY HOUSING REVENUE NOTE**  
**(RIVIERA FAMILY APARTMENTS), SERIES 2017D, PROMISSORY NOTE D**  
**(MULTIFAMILY HOUSING BACK TO BACK LOAN PROGRAM)**

dated December 1, 2017

FOR VALUE RECEIVED, the County of Contra Costa (the "Governmental Lender"), acknowledges itself indebted and hereby promises to pay to the order of MUFG Union Bank, N.A. (the "Bank"), or its successors and assigns, the sum of up to one million five hundred twenty-nine thousand seven hundred two dollars (\$1,529,702.00), together with interest on the advanced and unpaid principal amount of this Promissory Note D at the same interest rate as the applicable interest rate specified in the Borrower Loan Agreement with respect to the corresponding Borrower Note, until the Governmental Lender's obligation to pay the Outstanding Balance (as hereinafter defined) shall be discharged. The Outstanding Balance shall mean the principal balance of the Funding Loan which has been advanced by the Bank under Section 3.4 of the Funding Loan Agreement described below in respect of this Promissory Note D, and that has not been repaid by the Governmental Lender to the Bank as of the date of calculation of the Outstanding Balance. This Promissory Note D shall be governed by and be payable in accordance with the terms and conditions of the Funding Loan Agreement dated as of September 1, 2016, between the Bank and the Governmental Lender, as amended and supplemented by the Funding Loan Modification Agreement, dated as of December 1, 2017, between the Bank and the Funding Lender (together, the "Funding Loan Agreement"), pursuant to which the Bank has made the Funding Loan to the Governmental Lender.

This Promissory Note D is issued to evidence a portion of the Funding Loan by the Bank to the Governmental Lender and the obligation of the Governmental Lender to repay the same, but only from amounts received by or on behalf of the Governmental Lender from Riviera Family Apartments, L.P., a California limited partnership (the "Borrower"), pursuant to a Construction and Permanent Loan Agreement (Multifamily Housing Back to Back Loan Program) dated September 1, 2016, by and among the Governmental Lender, the Bank and the Borrower, as amended and supplemented by the First Modification Agreement (Long Form), dated December 1, 2017, by and among the Governmental Lender, the Bank and the Borrower (together, the "Borrower Loan Agreement"), and the other Borrower Loan Documents (as defined in the Borrower Loan Agreement).

Monthly payments of principal and interest shall be payable under this Promissory Note D to the same extent as payments of principal and interest are due and payable on the corresponding Borrower Note, as provided in the Borrower Loan Agreement. The Outstanding Balance of this Promissory Note D shall be due and payable in its entirety on August 1, 2019.

The Funding Loan and this Promissory Note D are pass-through obligations relating to the Borrower Loan made by Governmental Lender from the proceeds of the Funding Loan to the Borrower under the Borrower Loan Agreement. Reference is made to the Borrower Loan

Agreement and to the Borrower Notes for complete payment and prepayment terms of the Borrower Notes.

In the event the Governmental Lender fails to make the timely payment of any monthly payment due on this Promissory Note D, and such payment remains unpaid for a period of ten (10) days subsequent to the established payment date, the Governmental Lender shall pay (solely from amounts received from the Borrower as late charges under the Borrower Loan Agreement) to the Bank a late charge in the amount specified in Section 3.6 of the Borrower Loan Agreement. If the principal balance of this Promissory Note D is accelerated following an Event of Default (as defined in the Funding Loan Agreement), the Bank may increase the interest rate on the portion of the Funding Loan evidenced by this Promissory Note D to the Default Rate (as defined in the Borrower Loan Agreement).

The Governmental Lender may, at any time, prepay the principal amount of this Promissory Note D to the same extent and subject to the terms and conditions set forth in the Borrower Loan Agreement for the prepayment of the corresponding Borrower Note.

All sums due hereunder shall be paid in lawful money of the United States of America. Interest on this Promissory Note D shall be computed as provided for the corresponding Borrower Note in the Borrower Loan Agreement. All payments made hereunder shall be credited and applied as provided in the Funding Loan Agreement.

THIS PROMISSORY NOTE D IS A LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER, PAYABLE SOLELY FROM AND SECURED SOLELY BY THE PLEDGE AND ASSIGNMENT OF CERTAIN PAYMENTS ON THE CORRESPONDING BORROWER NOTE OR FUNDS OTHERWISE PROVIDED UNDER THE BORROWER LOAN DOCUMENTS. NEITHER OF THE GOVERNMENTAL LENDER NOR THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS SHALL BE DIRECTLY, INDIRECTLY, CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS TO PAY ALL OR ANY PORTION OF THE DEBT SERVICE DUE ON THIS PROMISSORY NOTE D, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THIS PROMISSORY NOTE D. THIS PROMISSORY NOTE D IS NOT SECURED BY A PLEDGE OF THE FAITH AND CREDIT OF THE GOVERNMENTAL LENDER OR THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS, NOR DOES THE FUNDING LOAN CONSTITUTE INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION.

THIS PROMISSORY NOTE D AND THE REPAYMENT PROVISIONS CONTAINED HEREIN ARE SUBJECT TO THE PROVISIONS AND LIMITATIONS CONTAINED IN SECTIONS 4.1, 5.2 AND 6.14 OF THE FUNDING LOAN AGREEMENT.

No delay or omission on the part of Bank in exercising any remedy, right or option under this Promissory Note D or the Funding Loan Documents shall operate as a waiver of such remedy, right or option. In any event a wavier on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of Bank under this Promissory Note D and the Funding Loan Documents

are and shall be cumulative and are in addition to all the rights, remedies and options of the Bank at law or in equity or under any other agreement.

Presentment for payment, notice of dishonor, protest or notice of protest are hereby waived. The acceptance by Bank of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the owner hereof any sum and amount less than the amount then due shall be deemed an acceptance on account only and upon condition of the acceptance shall not constitute a waiver of the obligation of Governmental Lender to pay the entire sum then due, and Governmental Lender's failure to pay such amount then due shall be and continue to be at default notwithstanding such acceptance of such amount on account thereof. Consent by the Bank to any action of Governmental Lender which is subject to approval of the Bank hereunder shall not be deemed a waiver of the right to require such consent or approval to future successive actions, waives the right to assert the defense of any statute of limitations to any debt or obligation hereunder and consents to renewals and extensions of time for payment of any amounts due under this Promissory Note D.

This Promissory Note D may only be transferred in accordance with the requirements of Section 4.3 of the Funding Loan Agreement, and any such transfer shall be recorded in the Note Register maintained by the Bank.

This Promissory Note D is being issued in exchange for Promissory Note C-3, and upon the issuance of this Promissory Note D, Promissory Note C-3 shall be deemed to be terminated and of no further force and effect.

Capitalized terms used herein which are not defined herein shall have the meanings ascribed to them in the Funding Loan Agreement.

IN WITNESS WHEREOF, the County of Contra Costa, California has caused this Promissory Note D to be executed in its name and on its behalf all as of the date first written above.

COUNTY OF CONTRA COSTA,  
CALIFORNIA

By: \_\_\_\_\_  
John Kopchik,  
Director, Department of  
Conservation and Development

[Riviera Family Apartments - Signature Page to Promissory Note D]