AGENDA

Oversight Board

Thursday, October 29, 2015
4:00 p.m. - 5:00 p.m.

City Hall
1017 Middlefield Road
Redwood City, CA 94063
Conference Room 2B – Second Floor

Members:
Mike Roberts, Chair
Alicia Aguirre, Vice Chair
Steve Abbors
Michael Callagy
Barbara Christensen
Deanna La Croix
Enrique Navas

City Staff as Successor Agency Attendees:
Aaron Aknin, Community Development Director
Alison Freeman, Financial Services Manager
Carolyne Kerans, Senior Accountant
Audrey Ramberg, Finance Director
Veronica Ramirez, Assistant City Attorney
Pamela Thompson, City Attorney
Silvia Vonderlinden, City Clerk
Craig Labadie, Counsel to the Oversight Board

1. Call to Order
Chair

2. Roll Call
Chair

3. Public Comments
Chair

NOTE: Speakers are limited to three minutes, unless modified by the Chairperson. The Board cannot take action on any matter raised under this item.

4. Approval of Minutes - September 24, 2015 Meeting
Chair

5. MidPen - potential City Center Loan Modification
Resolution
Rhonda Coffman

8. Oral Communications from the Successor Agency Contact
Audrey Ramberg

9. Set Date and Agenda for Next Board Meetings
Annual ROPS 16-17 due to the DOF by February 1, 2016
Audrey Ramberg

Adjourn
Chair

Alternate Agenda Formats: The City Council will provide materials in appropriate alternative formats to comply with the Americans with Disabilities Act. Please send a written request to Silvia Vonderlinden, City Clerk, at 1017 Middlefield Road, Redwood City, CA 94063 or e-mail address svonderlinden@redwoodcity.org including your name, address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least seven calendar days before the meeting.
### Oversight Board

**Thursday, September 24, 2015**

4:00 p.m. - 5:00 p.m.

City Hall
1017 Middlefield Road
Redwood City, CA  94063

Conference Room 2B – Second Floor

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<th>Members:</th>
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<tr>
<td>Mike Roberts, Chair - Present</td>
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<td>Alicia Aguirre, Vice Chair - Present</td>
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<td>Steve Abbors – Absent</td>
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<td>Michael Callagy – Present</td>
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<td>Barbara Christensen – Present</td>
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<td>Deanna La Croix - Present</td>
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<td>Enrique Navas - Present</td>
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<td>Craig Labadie, Counsel to the Oversight Board</td>
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<td>Steven Turner – Planning Manager</td>
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<td>Rhonda Coffman – Housing Specialist</td>
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#### 1. Call to Order - Chair Roberts called the meeting to order at 4:04 p.m. He also welcomed Ms. Ramberg as the new official Finance Director and shared his support.

Ms. Ramberg noted that two members of the public will be coming in to observe and listen to agenda item #7.

#### 2. Roll Call - Those present are noted above.

#### 3. Public Comments - there was no public comment

*NOTE: Speakers are limited to three minutes, unless modified by the Chairperson. The Board cannot take action on any matter raised under this item.*

#### 4. Approval of Minutes - February 19, 2015 Meeting

M/S Christensen/Callagy to approve the minutes. **Motion carries by unanimous voice vote with Member Abbors absent.**

#### 5. Approval of the Administrative Budget for 15-16B Period (January – June 2016)

- Resolution 15-03

Finance Director Ramberg provided a brief report on this semi-annual budget and how the administrative budget was unchanged since the 15-16A period.

M/S Aguirre/Navas to approve the administrative report. **Motion carries by unanimous voice vote with Member Abbors absent.**

#### 6. Approval of ROPS for 15-16B (January – June 2016)

- Resolution 15-04

Finance Director Ramberg provided a report on the ROPS before the Board. She noted that there are a few items listed for which no ROPS payments are requested. Ms. Christensen asked about the timing for the resolution of the outstanding items with the Department of Finance (DOF). Ms. Ramberg said that this is dependent on the City's appeal of the DOF's determination regarding the funds obligated in the Legal Aid Society agreement.

Attorney Ramirez said the City is waiting for the court to calendar the hearing.

M/S Christensen/Callagy to approve the ROPS as presented. **Motion carries by unanimous voice vote with Member Abbors absent.**

#### 7. MidPen - potential City Center Loan Modification - oral report

Rhonda Coffman
Chair Roberts said this is an opportunity to hear about the loan situation. Ms. Coffman stated that MidPen is requesting to prepay the City Center loan it owes to the Successor Agency and restructure the part of the loan owed to the Housing Successor. She reported on the loan sources, amounts and timing as well as what happens as the loan is repaid. She said the prepayment will enable MidPen to apply for a new tax credit, refinance its debt and fund needed capital projects for this affordable housing development. She said the tax credit application is due in November.

Member Christensen asked about the amounts and approval process. Ms. Ramberg stated that the revised loan documents would be submitted to the Successor Agency and the City Council acting as the Housing Successor on November 9, 2015. She added that the request would include a waiver of the pre-payment fee.

Chair Roberts inquired about the restructured debt and who will be the holder and Ms. Coffman confirmed it was the City’s Housing Successor. Ms. Ramberg said this is an interest of the City Council in meeting its goals for affordable housing and invited Council Member Aguirre’s perspective. Council Member Aguirre confirmed that affordable housing is a priority of the City Council.

Chair Roberts wanted to understand how the proposed loan modification would impact the City. Ms. Ramirez said that this will have some financial implications for the City as one of the taxing entities and as Housing Successor. Member Christensen said that one benefit of prepayment of the loan is to wind down the obligations of the Successor Agency.

Chair Roberts said that the role of this board is Oversight and he would like to understand the City’s perspective to give this body an opportunity to provide its oversight. Ms. Ramberg said staff can discuss this when the item comes back. She said that the next step will also include the DOF approving the loan modification.

No action was taken.

8. Oral Communications from the Successor Agency Contact

Ms. Ramberg raised two items: 1) the status of the Legal Aid Society lawsuit and 2) new legislation that just passed this week regarding RDA dissolution that will have impacts on certain obligations of the Agency.

Attorney Labadie provided an update on these matters especially SB107, the RDA dissolution bill. He said that starting next year the ROPS will cover the entire year. He said local Oversight Boards have been extended to July 2018 after which they will be merged into a countywide Oversight Board. He provided various legal updates pertinent to the Oversight Board.

9. Set Date and Agenda for Next Board Meetings

- Annual ROPS 16-17 due to the DOF by February 1, 2016

By general consensus the next Oversight Board meeting was scheduled for October 29, 2015.

Adjournment - the meeting adjourned at 4:35 p.m.

Respectfully submitted,

Silvia Vonderlinden
City Clerk

Submitted for approval at the October 29, 2015 Oversight Board meeting.
Agenda Report

To: Oversight Board Members
From: Rhonda Coffman, CDBG/HOME Administrator
CC: Audrey Seymour Ramberg, Finance Director
Date: October 29, 2015
Re: Mezes Court Associates - MidPen Housing City Center Plaza Apartments Loan Prepayment Request

RECOMMENDATION
Adopt resolution approving a loan modification, including prepayment of the RDA General outstanding principal and accrued interest, by that certain Omnibus Amendment to Loan Documents by and among the City of Redwood City as housing successor agency to the Redwood City Redevelopment Agency (RDA), the Successor Agency, Mezes Court Associates, a California Limited Partnership (“Original Borrower”) and a To Be Formed Limited Partnership.

BACKGROUND
The former Redwood City Redevelopment Agency (“RDA”) entered into a Disposition and Development Agreement (“DDA”) with J.H.R. Trust (“JHR”) and Mezes Court Associates, a California Limited Partnership (“MCA”), the general partner of which is controlled by MidPen Housing, in 1996 to develop 81 units of multifamily rental housing and approximately 18,000 square feet of ground floor retail space. Specifically, MCA developed the City Center Plaza Apartments and JHR developed the ground floor commercial space.

The RDA provided financial assistance to both MCA and JHR through separate Developer Notes (Notes) and Developer Deeds of Trust in accordance with the terms and conditions of the DDA. The Developer Notes and Developer Deeds of Trust are dated June 18, 1996, with MCA in the amount of $1,445,000 and JHR in the amount of $255,000 (for a total of $1,700,000).
The fund sources used by the RDA to provide the financial assistance for both Notes were from approximately 74% RDA General and 26% RDA Low Mod Set Aside. As a result, loan repayments of principal and interest are distributed to each receivable account according to these percentages.

In addition to the RDA assistance, the project financing for the development of City Center Plaza included 9% Federal Low Income Housing Tax Credits (“Tax Credits”), provided through the California Tax Credit Allocation Committee and Program.

**Current Status of Loan**
The existing MCA Note is due and payable in full on January 17, 2028. Annual payments of principal and interest are due on May 1 of each year, which began in the year following receipt of certificate of occupancy, payable exclusively from residual receipts of the Project for the preceding calendar year. The loan bears simple interest at the rate of three percent (3%) per year. The current principal balance of the MCA Note is $1,445,000 and the accrued interest as of June 30, 2015 is $467,641 for a total outstanding balance of $1,912,641. Of this total amount, the RDA General portion is $1,073,924 in principal and $347,551 in accrued interest for a total of $1,421,475.

The loan terms state the Note may not be prepaid in whole or in part without prior consent of the Payee. The Note states that any transfer of the Site within fifteen (15) years of the Certificate or Completion of the Project without the consent of the Payee or as otherwise permitted under the DDA or the Deed of Trust shall result in the Payee’s imposition of a prepayment penalty in the amount of twenty percent (20%) of the original principal amount of the Note. The Certificate of Completion was recorded on June 28, 1996 therefore the 15 year penalty period terminated on June 28, 2011 and the prepayment penalty on acceleration of the Note is no longer applicable.

The JHR Note was due and payable in full on January 1, 2028; however it was prepaid in full in April 2012.

**Purpose For Loan Prepayment Request**
MCA is requesting approval to prepay the existing RDA General portion of the Note including outstanding principal and accrued interest. MCA’s primary purpose of the prepayment request is to re-syndicate the Project in order to generate funds necessary to complete capital repairs to the buildings to preserve the existing affordable housing, repay a $1.46 million dollar loan from its affiliate and to pay off the existing senior lender.

MidPen identified capital repairs necessary to preserve and maintain the property including substantial dry rot repair to the buildings structural framing, exterior stucco replacement, exterior painting, various building envelope waterproofing and several other essential items. Based on the scope of work MidPen estimates the total hard costs will be $4.3 million dollars. These repairs are critical to the long term preservation of this existing affordable housing.
MCA intends to submit a new Tax Credit program application in November, 2015 to re-syndicate the Project to generate tax credit equity. In order to favorably position the Project to facilitate a successful re-syndication they need to reduce or eliminate existing debt or need existing lien holders to subordinate to new mortgage financing and modified loan terms, resulting in an extension of existing loan maturity dates. To accomplish this MidPen proposes prepayment of the RDA General portion of the Note.

If the Oversight Board approves this recommendation for the RDA General portion, staff will bring the same recommendation to the Redwood City Successor Agency. In addition, staff will also recommend that the Housing Successor Agency approve the modification of the terms of its remaining balance of the Note, or the 26% Low Mod Fund portion. The terms of the Housing Successor Agency portion of the loan modification request will primarily include an extension of the loan maturity date from 2028 to 2072. (MidPen is also proposing to prepay the accrued interest on the Low Mod portion in order to simplify the modified loan documents.) Staff will be recommending support of this extension when considered together with the prepayment of the RDA General portion of the loan under the proposed terms described in this staff report.

**ANALYSIS**

The annual interest rate is three percent (3%) simple interest. Based on this interest rate the annual interest accrual is $43,350. Approximately 26% of this amount or $11,132 is the Low Mod portion and 74% or $32,218 is the RDA General portion. If the RDA General portion of the loan is prepaid, the amount of foregone interest that would have accrued to the Successor Agency over the remaining 13 years of the Note is $418,830. In exchange for this foregone interest, the taxing entities will receive the principal payment and interest accrued to-date now rather than over the remaining 13 years of the loan.

**Oversight Board:** Repayment of the loan will be reflected on the ROPs as available cash balance, reducing the amount of Redevelopment Property Tax Trust Fund (RPTTF) needed to satisfy ROPs obligations by the same amount, thus increasing the distribution to the taxing entities through the RPTTF process. If prepayment of the Note is approved as recommended, the additional amount that will flow through to the local taxing entities is $1,421,475 for the outstanding RDA General portion of the principal ($1,073,924) and accrued interest ($347,551) which would occur now, rather than over the next thirteen (13) years.

**Successor Agency:** By approving the prepayment the Successor Agency would be able to meet the DOF requirement to “wind down” outstanding assets. Further, by accepting prepayment the Successor Agency would be supporting MCA’s re-syndication and long term preservation of affordable housing.

**Housing Successor Agency:** If the Housing Successor Agency approves the prepayment they will receive the unpaid accrued interest on the Low Mod portion of the Note earlier than expected. If the Housing Successor Agency approves the modified Note terms the loan repayment of the principal and interest would be extended by forty four (44)
years. The additional interest accrual would increase by $345,101. The Affordability Covenants would also be extended by the same number of years as the Note. Further, the Housing Successor Agency would be supporting MCA’s re-syndication and long term preservation of affordable housing.

NEXT STEPS
If the prepayment is approved by the Oversight Board the proposed loan modification will be forwarded to the Department of Finance. The request is also scheduled to go to the Successor Agency and Housing Successor Agency on November 9, 2015.

MCA intends to submit their Tax Credit application on November 11, 2015 and needs to provide a disposition on this matter with their application.

If the proposed modification is approved, the Successor Agency, Housing Successor Agency, and MCA would be required to execute new loan documents, which are attached for the Oversight Board’s review.

ATTACHMENTS
1. Resolution of the Oversight Board, including Loan Documents
RESOLUTION NO. OB-__

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDWOOD CITY REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING AN OMNIBUS AMENDMENT TO LOAN MODIFICATION BY AND AMONG THE CITY OF REDWOOD CITY AS HOUSING SUCCESSOR AGENCY TO THE REDWOOD CITY REDEVELOPMENT AGENCY, THE SUCCESSOR AGENCY, MEZES COURT ASSOCIATES AND A TO BE FORMED LIMITED PARTNERSHIP

WHEREAS, under AB 1X 26, enacted by the California State Legislature and signed by the Governor as part of the 2011-2012 State budget, a new Part 1.85 was added to Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 et seq., as may be amended, the “Dissolution Act”) and, in accordance therewith, all redevelopment agencies in the State of California, including the Redwood City Redevelopment Agency (“Redevelopment Agency”), were dissolved as of February 1, 2012; and

WHEREAS, in compliance with the Dissolution Act, the City of Redwood City (“City”) determined it would serve as the Successor Agency to the Redwood City Redevelopment Agency (“Successor Agency”) effective February 1, 2012; and

WHEREAS, the Oversight Board of the Successor Agency to the Redwood City Redevelopment Agency (“Oversight Board”) has been established to oversee the Successor Agency’s actions in winding down the affairs of the Redevelopment Agency in accordance with the Dissolution Act; and

WHEREAS, Mezes Court Associates, a California Limited Partnership (“Borrower”) has requested a modification to the loan by and between Borrower and the City of Redwood City as Successor Agency to the Redwood City Redevelopment Agency (“RDA”); and
WHEREAS, pursuant to a Developer Note dated as of June 18, 1996 (the "Note"), Borrower agreed to pay the former RDA $1,445,000 (the "Loan"), being the purchase price for Original Borrower’s acquisition of certain real property located in the City of Redwood City, California (the "Property") described in Exhibit A attached hereto; and,

WHEREAS, the Loan is comprised of funds from the RDA’s general fund in the original principal amount of $1,073,924, which were transferred to the Successor Agency (the “General Portion”) and from the RDA’s low and moderate income fund in the original principal amount of $371,076 which were transferred to the Housing Successor Agency (the “Low-Mod Portion”). As a result of the division and transfer of assets required by Assembly Bill X1 26, the Successor Agency and Housing Successor Agency became co-payees under the Loan; and

WHEREAS, the Loan is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by Original Borrower for the benefit of RDA, dated June 18, 1996, which was recorded in the Official Records against the Property on June 28, 1996, as instrument number 96-079146 (the "Deed of Trust" and, together with the Note, the “Loan Documents”). Concurrently with the closing of the Loan, the RDA and Original Borrower entered into and recorded in the Official Records of San Mateo County (the “Official Records”) as Instrument No. 96-079147 on June 28, 1996 an Affordable Housing Covenant (the “Covenant”); and

WHEREAS, concurrently herewith, the Original Borrower is repaying the General Portion of the Loan and all accrued and unpaid interest on the entire Loan, and transferring the Property and assigning all of its right, title and interest in, and remaining obligations under, the Loan and each of the Loan Documents and Covenant to
Borrower, the Successor Agency is acknowledging the repayment of the General Portion of the Loan (including all accrued and unpaid interest thereon) and terminating its right, title and interest in the Loan Documents and Covenant, and acknowledging that the Housing Successor Agency is the holder and assignee of all of the former RDA’s remaining right, title and interest in the Loan and each of the Loan Documents and Covenant; and

WHEREAS, the Oversight Board held a public meeting on October 29, 2015 on the proposed Loan Modification following the notice required by law.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDWOOD CITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The recitals set forth above are true and correct and incorporated herein.

Section 2. The Oversight Board hereby approves the Omnibus Amendment to Loan Documents attached hereto as Exhibit A, and hereby authorizes Successor Agency to execute the Loan Documents on behalf of the Successor Agency, subject to any minor, technical or clarifying changes that may be approved by the Successor Agency’s counsel.

Section 3. This resolution takes effect upon adoption.

* * *


OMNIBUS AMENDMENT TO LOAN DOCUMENTS
(City Center Plaza)

THIS OMNIBUS AMENDMENT TO LOAN DOCUMENTS (the “Amendment”) is dated ______________, 2016, by and among the City of Redwood City, a municipal corporation, as housing successor agency to The Redevelopment Agency of the City of Redwood City, a public agency (“Housing Successor Agency”), Successor Agency to the Redwood City Redevelopment Agency (“Successor Agency”), Mezes Court Associates, a California Limited Partnership (“Original Borrower”) and [TO BE FORMED LIMITED PARTNERSHIP] [City to approve general partner], a California limited partnership (“Borrower”).

RECITALS

A. Pursuant to a Developer Note dated as of June 18, 1996 (the “Note”), Original Borrower agreed to pay the former Redevelopment Agency of the City of Redwood City (“RDA”) $1,445,000 (the “Loan”), being the purchase price for Original Borrower’s acquisition of certain real property located in the City of Redwood City, California (the “Property”) described in Exhibit A attached hereto. All capitalized terms used but not defined in this Amendment have the meanings set forth in the Note.

B. The RDA dissolved on February 1, 2012, as required by Assembly Bill X1 26 signed into law as part of the State of California’s budget package on June 29, 2011, and its assets and functions were transferred to the Successor Agency and Housing Successor Agency.

C. The Loan is comprised of funds from the RDA’s general fund in the original principal amount of $1,073,924, which were transferred to the Successor Agency (the “General Portion”) and from the RDA’s low and moderate income fund in the original principal amount of $371,076 which were transferred to the Housing Successor Agency (the “Low-Mod Fund Portion”). As a result of the division and transfer of assets required by Assembly Bill X1 26, the Successor Agency and Housing Successor Agency became co-payees under the Loan.

D. The Loan is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed by Original Borrower for the benefit of RDA, dated June 18, 1996, which was recorded in the Official Records against the Property on June 28, 1996, as instrument number 96-079146 (the “Deed of Trust” and, together with the Note, the “Loan Documents”). Concurrently with the closing of the Loan, the RDA and Original Borrower entered into and recorded in the Official Records of San Mateo County (the “Official Records”) as Instrument No. 96-079147 on June 28, 1996 an Affordable Housing Covenant (the “Covenant”).

E. Concurrently herewith, the Original Borrower is repaying the General Portion of the Loan and all accrued and unpaid interest on the entire Loan, and transferring the Property and assigning all of its right, title and interest in, and remaining obligations under, the Loan and each of the Loan Documents and Covenant to Borrower, the Successor Agency is acknowledging the repayment of the General Portion of the Loan (including all accrued and unpaid interest thereon) and terminating its right, title and interest in the Loan Documents and Covenant, and the
Housing Successor Agency is acknowledging that it is the holder and assignee of all of the former RDA’s remaining right, title and interest in the Loan and each of the Loan Documents and Covenant.

F. To assist in Borrower’s rehabilitation of the Property, Borrower and Housing Successor Agency desire to amend the Loan Documents and Covenant to extend the Maturity Date of the Loan and Covenant, reflect the outstanding principal balance of the Loan following repayment of the General Funds Portion and make certain other modifications, as set forth herein.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood and agreed as follows:

1. Assignments and Assumptions. Each of the Successor Agency and Housing Successor Agency hereby acknowledges that it has succeeded to all of the former RDA’s right, title and interest in and to the General Portion and Low-Mod Housing Funds Portion of the Loan, respectively. Effective on payment of the General Portion of the RDA Loan, plus accrued and unpaid interest on the Loan, and delivery of the “New Note” (as defined below), (a) the Successor Agency hereby releases and terminates all of its right, title and interest in and to the Loan and Covenant, the Housing Successor Agency hereby (b) acknowledges that it is the sole holder and transferee of the former RDA’s remaining right, title and interest in and to the Loan and Covenant, and (c) the Successor Agency and Housing Successor Agency will surrender for cancellation the original Note. Original Borrower hereby assigns all of its right, title and interest in and to, and remaining obligations under, the Loan and Covenant to Borrower, and Borrower hereby accepts the foregoing assignment and assumes all of the right, title and interest in and to, and remaining obligations under, the Loan and Covenant from Original Borrower.

2. Loan Amount. The outstanding principal amount of the Loan as of the date of this Amendment (taking into account payment of the General Funds Portion of the RDA Loan, plus accrued and unpaid interest on the Loan) is $371,076, which amount consists solely of the Low-Mod Fund Portion. The remaining portion of the Loan shall be paid as provided in the amended and restated promissory note from Borrower to the Housing Successor Agency, substantially in form attached hereto as Exhibit B (“New Note”), and all references in the Loan Documents to the principal amount of the Loan shall henceforth be deemed to refer to the amount of $371,076.

3. Maturity Date. As provided in the New Note, the Maturity Date of the Loan is hereby extended from January 17, 2028 to the later of (i) the date which is 57 years from the date of recordation of the deed of trust securing a senior construction loan, on terms consistent with those described in Section 4 below (the “Senior Loan”) to Borrower, and (ii) December 1, 2072.

4. Subordination of Loan to Senior Loan. Housing Successor Agency hereby agrees to subordinate the Loan and Loan Documents to the Senior Loan, when made, pursuant to one or more subordination agreements to be recorded in the Official Records, in form and substance acceptable to the Housing Successor Agency, provided the Senior Loan is consistent with the following:
(a) **Maximum Senior Indebtedness:** Not to exceed $20 million in the aggregate, the proceeds of which shall be used for (i) hard and soft costs for the current rehabilitation of the Property, (ii) repayment of the original Citibank loan on the Property; (iii) repayment of the General Portion of the Loan and accrued and unpaid interest on the Loan, (iv) financing costs, and (v) repayment of loans or advances of proceeds described in Section 8 below.

(b) The Housing Successor Agency shall have been provided with copies of all Senior Loan documents, including notes and deeds of trust, and had the right to comment upon and approve such documentation, the approval of which shall not be unreasonably withheld.

5. **Tax Credit Regulatory Agreement.** Housing Successor Agency hereby further agrees to subordinate the Covenant to a Tax Credit Regulatory Agreement (or similar agreement) reasonably required by Original Borrowers or Borrower.

6. **Housing Successor Agency Approval of Rehabilitation Matters.** Housing Successor Agency shall be provided with copies of all plans, drawings, construction contracts and related documents in connection with the rehabilitation of the Project, all of which are subject to its reasonable approval.

7. **Transfers.** Notwithstanding anything to the contrary in the Loan Documents, the following transfers shall be permitted without the consent of the Housing Successor Agency: (i) the transfer of limited partner interests in Borrower to an investor limited partner and subsequent transfers of limited partner interests by the investor limited partner for the purpose of syndicating low income housing tax credits for the Project; (ii) the removal of the Borrower’s general partner and replacement with an affiliate of the investor limited partner or a nonprofit public benefit corporation acceptable to the Housing Successor Agency in its reasonable discretion; and (iii) the grant and exercise of an option and/or right of first refusal by the general partner of the Borrower, provided the general partner is acceptable to the Housing Successor Agency in its reasonable discretion.

8. **Repayment of Affiliate Loan.** Notwithstanding anything to the contrary in the Loan Documents, concurrently with the closing of the Senior Loan, subject to Section 4 above, Original Borrower and/or Borrower shall be permitted to repay all or a portion of any loan or advance of proceeds made by MidPen Housing Corporation, or an affiliate thereof.

9. **Amendments to Other Loan Documents and Covenant; Conflicts.** The Deed of Trust shall be amended pursuant to the assignment and amendment to deed of trust substantially in form attached hereto as Exhibit C (the “Deed of Trust Amendment”). The Covenant will be extended to the later of (i) the date which is 57 years from the date of recordation of the deed of trust securing the Senior Loan, and (ii) [December 1, 2072] by a recorded assignment and amendment of Affordable Housing Covenant substantially in form attached hereto as Exhibit D (the “Covenant Amendment”). Any conflict between this Amendment, and the New Note, Deed of Trust (as amended by the Amendment of Deed of Trust, the “Amended Deed of Trust”) or Covenant (as amended by the Covenant Amendment, the “Amended Covenant”) shall be governed by the Note, Amended Deed of Trust, or Amended Covenant, as applicable.
10. Escrow Instructions. The parties shall deliver subordination agreements and any other documents reasonably required to carry out the terms of this Amendment.

11. Full Force and Effect. Except as set forth in this Amendment, the Deed of Trust and Covenant remain unmodified and in full force and effect.

12. Effectuation Through Escrow. The transactions contemplated through this Amendment are expected to close through an escrow with North American Title Company (or other title and escrow company reasonably satisfactory to the parties), at no cost or expense to either the Successor Agency or Housing Successor Agency. Each party shall sign appropriate escrow instructions consistent with this Amendment to carry out the closing.

13. Successors and Assigns. This Amendment is binding on and inures to the benefit of the legal representatives, heirs, successors and assigns of the parties.

14. California Law. This Amendment is governed by and construed in accordance with the laws of the State of California.

15. Counterparts. This Amendment may be signed by the different parties hereto in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

ORIGINAL BORROWER:

MEZES COURT ASSOCIATES,
a California Limited Partnership

By: MP Mezes, Inc.,
a California nonprofit public benefit corporation, its general partner

By: _________________________________

Matthew O. Franklin, Assistant Secretary

BORROWER:

[TO BE FORMED LIMITED PARTNERSHIP]
5. Resolution - Loan Documents

ATTEST:

By: __________________________
Silvia Vonderlinden, Agency Secretary

SUCCESSOR AGENCY:

SUCCESSOR AGENCY TO THE REDWOOD CITY REDEVELOPMENT AGENCY

By: __________________________
Melissa Stevenson Diaz, Executive Director

HOUSING SUCCESSOR AGENCY:

CITY OF REDWOOD CITY, a municipal corporation, as housing successor agency to The Redevelopment Agency of the City of Redwood City, a public agency

By: __________________________
Melissa Stevenson Diaz, City Manager
EXHIBIT A

LEGAL DESCRIPTION

The land referred to is situated in the County of San Mateo, City of Redwood City, State of California, and is described as follows:

Parcel One;
Lot 3 as shown on that certain map entitled “City Center Plaza Being a Resubdivision of Parcel 1, as said Parcel 1 in shown on the Parcel Map Entitled “Parcel Map No. 94-1”, recorded in Volume 69 of Parcel Maps, at pages 23 and 24 of San Mateo County Records, and lying entirely within the City of Redwood City, County of San Mateo-California”, filed in the Office of the County Recorder of San Mateo County, State of California on June 27, 1996 in Volume 126 of Maps at Pages 72 through 75.

Parcel Two:
Easements over Lots 1 and 2 of Map of City Center Plaza filed June 28, 1996, Map Book 126, Pages 72 through 75, for the purposes set forth in Sections 3.1, 3.2, 3.3, 3.4 & 3.5 of the City Center Plaza Declaration Establishing Reciprocal Easements and Covenants Running With the Land, dated June 18, 1996, by and between Mezes Court Associates, a California limited partnership and J.H.R. Trust created by Trust Agreement dated October 2, 1996, as amended, Recorded June 28, 1996, Series No 96079142, San Mateo County Records.

APN: 053-400-030-2
JPN: 126-072-0003T
EXHIBIT B

AMENDED AND RESTATED DEVELOPER NOTE

$371,076 __________________, 2016
Redwood City, California

FOR VALUE RECEIVED, [insert name of approved new Owner], a California Limited Partnership (“Maker”), whose principal address is _________________, California ______, promises to pay the CITY OF REDWOOD CITY, a municipal corporation, as housing successor agency to The Redevelopment Agency of the City of Redwood City (“Payee”), at Box 391, Redwood City, California 94064, or at such other place as Payee may from time to time designate, the principal sum of Three Hundred Seventy One Thousand - Seventy Six Dollars ($371,076) (the “Balance”), being the unpaid balance of what was originally a One Million Four Hundred Forty-Five Thousand Dollars ($1,445,000) loan (the “Original Loan”), with simple interest at the rate of three percent (3%) per annum.

1. The Original Loan was made pursuant to Section 201 of that certain Disposition and Development Agreement (the “DDA”), originally between Mezes Court Associates, a California Limited Partnership (“Original Maker”), Payee and J.H.R. Trust, dated February 5, 1996. This is a purchase money note for the remaining portion of the purchase price of the Site sold to the Original Maker pursuant to the DDA. Maker and Payee have succeeded to the interests of Original Maker and The Redevelopment Agency of the City of Redwood City (“Original Payee”) in the Balance.

2. Payment of this Note is secured by a deed of trust, assignment of rents, security agreement and fixture filing, which was recorded in the Official Records of San Mateo County on June 28, 1996 as instrument number 96-079146 (as amended, the “Deed of Trust”) from Maker to Payee upon the Site.

3. Maker will continue ownership of the affordable housing project on the Site (“Project”), consisting of approximately eighty-one (81) residential units, one hundred nineteen (119) underground parking spaces, and a child care facility. The Site will continue to be used for affordable housing as described in the DDA and in accordance with and subject to the provisions of the Affordable Housing Covenant (Attachment No: 8 to the DDA), recorded against the Site as Instrument No. 96-079147 on June 28, 1996, as amended.

4. This Note shall be due and payable in full on [insert later of (i) the date which is 57 years from the date of recordation of the deed of trust securing the approved Senior Loan, and (ii) December 1, 2072]. Annual payments of principal and interest shall be due on May 1 of each year, and shall be payable exclusively from residual receipts of the Project for the preceding calendar year. For purposes of this Note, residual receipts shall be the excess of operating income over operating expenses. Operating income means all income and receipts received by Maker from the operation of the Project, but shall not include capital contributions paid to Maker. Operating expenses shall include all costs and expenses related to ownership and operation of the Project including, but not limited to, deposits into reserves not to exceed 6% of gross rents, utilities, insurance, taxes and other similar charges, debt service currently due on all
loans senior to Payee’s lien (other than the bridge loan), partnership management fee not to exceed [for each of next three blanks, insert new amount consistent with applicable formula under Original Note] $___________ increasing by 3% annually, the property management fee of $______ per unit per month (increasing by a maximum of 5% annually) and other expenses of a manager, the asset management fee of $_______ increasing by 3% annually, payable to an affiliate of the investor limited partner, and the deferred developer’s fee. Payments shall be applied first to interest, then to principal.

On or before May 1 of each year, Maker shall submit to Payee an audited statement of income and expenses for the preceding calendar year for purposes of determining the amount of residual receipts for such year.

5. Payment shall be made in lawful money of the United States to Payee at P.O. Box 391, Redwood City, California 94064. The place of payment may be changed from time to time as the Payee may from time to time designate in writing.

6. Maker may prepay this Note in whole or in part, at any time. Any prepayment will be applied first to any unpaid collection costs, then to accrued and unpaid interest, and then to principal.

7. The occurrence of any of the following shall constitute an event of default under this Note: (i) any failure by Maker to pay any amount due hereunder within fifteen (15) days of its due date; or (ii) any default by Maker under the Deed of Trust, the DDA or the Affordable Housing Covenant after expiration of notice and applicable cure period.

Upon the occurrence of any event of default, or at any time thereafter, at the option of Payee, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of Payee’s option. Payee’s failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Payee’s failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

8. Payee shall not exercise any right or remedy provided for herein because of any default of Maker unless, in the event of a monetary default, Maker shall have failed to pay the outstanding sums within a period of thirty (30) calendar days after notice that payment was due, or in the event of a nonmonetary default, Payee shall have first given written notice thereof to Maker and Maker shall have failed to cure the nonmonetary default within a period of thirty (30) days after the giving of such notice of such default; provided that if the nonmonetary default cannot be cured within thirty (30) days and Maker proceeds diligently with efforts to cure such default until it shall be fully cured within no more than sixty (60) days after the giving of such notice, Payee shall not exercise any right or remedy provided for herein until such sixty (60) day period shall expire; provided, however, Payee shall not be required to give any such notice or to allow any part of the grace period if Maker shall have filed a petition in bankruptcy or for reorganization or a bill in equity or otherwise initiated proceedings for the appointment of a
receiver of its or their assets, or if Maker or any partner of Maker shall have made an assignment for the benefit of creditors, or if a receiver or trustee is appointed for Maker and such appointment or such receivership is not terminated within forty-five (45) days. With respect to any right to cure or cure period provided in this paragraph 8, performance of a cure by any entity or partner of Maker shall have the same effect as would like performance by Maker.

9. At all times when Maker is in default hereunder by reason of Maker’s failure to pay amounts due under this Note or any amounts due under any loan documents securing this Note, the interest rate on the sums as to which Maker is in default (including principal, if Payee has elected to declare it immediately due and payable), shall be the lower of the highest rate then allowed by law or five percent (5%) over the prime interest rate announced by Wells Fargo Bank, N.A., as of the date of the default.

10. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

11. Maker agrees to pay immediately upon demand all costs and expenses of Payee including reasonable attorneys’ fees if (i) after default, this Note be placed in the hands of an attorney or attorneys for collection, (ii) after a default hereunder or under the Deed of Trust, the DDA, the Affordable Housing Covenant, or under any loan document referred to herein, Payee finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefor or to the protection of its rights under this Note, the Deed of Trust, the DDA, the Affordable Housing Covenant, or other loan document, or (iii) Payee seeks to have the Property abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

12. If Payee shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, affecting the Property or the title thereto or the interest of the Payee under the Deed of Trust, including, without limitation, any form of condemnation or eminent domain proceeding, Payee shall be reimbursed by Maker immediately upon demand for all costs, charges and attorneys’ fees incurred by Payee in any such case, and the same shall be secured by the Deed of Trust as a further charge and lien upon the Property.

13. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested at the address stated in the DDA or at such address as either party may designate by written notice. Payee shall mail notices to any limited partner of Maker provided Payee has received written notice of the name and address of such partner(s).

14. This Note shall be binding upon Maker, its successors and assigns.
15. This Note is a nonrecourse Note whereby Maker has no personal liability for repayment of the sums evidenced hereby, and the Payee must resort only to income, profits or other funds generated from the Site, including any funds which may result from the sale or disposition of the Site subsequent to a foreclosure of the Deed of Trust or conveyance of a deed to the Site in lieu of such foreclosure, for repayment of any amounts owed hereunder.

16. This Note shall be construed in accordance with and be governed by the laws of the State of California.

17. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

________________________, A
CALIFORNIA LIMITED PARTNERSHIP

By: [Name of General Partner]

By: ________________
Name: ________________
Its: ________________
EXHIBIT C
Form of Deed of Trust Amendment

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Redwood City
1017 Middlefield Road,
Redwood City, CA 94063
Attn: City Clerk

ASSIGNMENT AND AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING
(City Center Plaza)

THIS ASSIGNMENT AND AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (the “Amendment”) is dated ______________, 2016, assigns and amends that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing which was recorded in the Official Records of San Mateo County on June 28, 1996 as instrument number 96-079146 (the “Original Deed of Trust” and as assigned and amended by this Amendment, the “Deed of Trust”) and is among Successor Agency to the Redwood City Redevelopment Agency (“Terminating Beneficiary”), the City of Redwood City, a municipal corporation, as housing successor agency to The Redevelopment Agency of the City of Redwood City (“Beneficiary”), Mezes Court Associates, a California Limited Partnership (“Original Trustor”), and [New Owner], a California Limited Partnership (“Trustor”).

RECITALS

A. The Redevelopment Agency of the City of Redwood (“Original Beneficiary”), the “Beneficiary” under the Original Deed of Trust, dissolved on February 1, 2012, as required by Assembly Bill X1 26 signed into law as part of the State of California’s budget package on June 29, 2011, and its assets and functions, including without limitation its rights under the Original Deed of Trust, were transferred to the Beneficiary and Terminating Beneficiary.

B. As provided herein: (i) Original Trustor and Trustor wish to assign Original Trustor’s interest in the Original Deed of Trust to Trustor; (ii) Terminating Beneficiary wishes to acknowledge the termination and release of its interest in the Original Deed of Trust; and (iii) to assist in the rehabilitation of the Mortgaged Property, Trustor and Beneficiary wish to amend the Original Deed of Trust.

C. All capitalized terms used but not defined in this Amendment have the meanings set forth in the Original Deed of Trust.
NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood and agreed as follows:

16. Assignment and Assumption. Original Trustor hereby assigns all of its right, title and interest in and to the Deed of Trust to Trustor, and Trustor hereby assumes and accepts all obligations of Trustor arising on or after the recording.

17. Secured Obligation. The secured “Note” is now that certain Amended and Restated Developer Note from Trustor to Beneficiary, dated ______________, 2016 in the principal amount of Three Hundred Seventy One Thousand Seventy Six Dollars ($371,076), which represents the remaining balance of the One Million Four Hundred Forty Five Thousand Dollars ($1,445,000) promissory note referenced in the Original Deed of Trust. Terminating Beneficiary, which no longer holds any obligation secured by the Deed of Trust, hereby releases and terminates its right, title and interest in, to and under the Deed of Trust.

18. Amendment. The last sentence of Original Deed of Trust Article II is hereby amended to read in full as follows:

Notwithstanding the foregoing, Beneficiary hereby approves the following transfers of interest in Trustor: (i) the transfer of limited partner interests in Beneficiary to an investor limited partner and subsequent transfers of limited partner interests by the investor limited partner for the purpose of syndicating low income housing tax credits for the Mortgaged Property; (ii) the removal of the Trustor’s general partner and replacement with an affiliate of the investor limited partner or a nonprofit public benefit corporation acceptable to the Beneficiary in its reasonable discretion; and (iii) the grant and exercise of an option and/or right of first refusal by the general partner of the Trustor, provided the general partner is acceptable to the Beneficiary in its reasonable discretion.

19. Full Force and Effect. Except as set forth in this Amendment, the Deed of Trust remains unmodified and in full force and effect.

20. Successors and Assigns. This Amendment is binding on and inures to the benefit of the legal representatives, heirs, successors and assigns of the parties.

21. California Law. This Amendment is governed by and construed in accordance with the laws of the State of California.

22. Counterparts. This Amendment may be signed by the different parties hereto in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.
IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

ORIGINAL TRUSTOR:

Mezes Court Associates,
a California Limited Partnership

By: MP Mezes, Inc.,
a California nonprofit public benefit corporation, its general partner

By: ______________________________
Matthew O. Franklin, Assistant Secretary

TRUSTOR:

[New Owner]
a California Limited Partnership

By: ______________________________
a California nonprofit public benefit corporation, its general partner

By: ______________________________
Name: ______________________________
Its: ______________________________

BENEFICIARY:

CITY OF REDWOOD CITY, a municipal corporation, as housing successor agency to The Redevelopment Agency of the City of Redwood City

ATTEST:

By: ______________________________
Silvia Vonderlinden, City Clerk

By: ______________________________
Melissa Stevenson Diaz, City Manager
TERMINATING BENEFICIARY:

SUCCESSOR AGENCY TO THE REDWOOD CITY REDEVELOPMENT AGENCY

ATTEST:

By: _________________________
   Silvia Vonderlinden, Agency Secretary

By: _________________________
   Melissa Stevenson Diaz, Executive Director
ACKNOWLEDGMENT BY NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )
COUNTY OF _____________ ) §

On ____________________, before me, ___________________________, NOTARY PUBLIC, personally appeared ______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ________________________________ (Seal)

My Commission Expires ____________________
ACKNOWLEDGMENT BY NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )
 ) §
COUNTY OF _____________ )

On _________________, before me, ___________________________, NOTARY PUBLIC, personally appeared ____________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature __________________________(Seal)

My Commission Expires ____________________
EXHIBIT A

LEGAL DESCRIPTION

The land referred to is situated in the County of San Mateo, City of Redwood City, State of California, and is described as follows:

Parcel One;
Lot 3 as shown on that certain map entitled “City Center Plaza Being a Resubdivision of Parcel 1, as said Parcel 1 in shown on the Parcel Map Entitled “Parcel Map No. 94-1”, recorded in Volume 69 of Parcel Maps, at pages 23 and 24 of San Mateo County Records, and lying entirely within the City of Redwood City, County of San Mateo-California”, filed in the Office of the County Recorder of San Mateo County, State of California on June 27, 1996 in Volume 126 of Maps at Pages 72 through 75.

Parcel Two:
Easements over Lots 1 and 2 of Map of City Center Plaza filed June 28, 1996, Map Book 126, Pages 72 through 75, for the purposes set forth in Sections 3.1, 3.2, 3.3, 3.4 & 3.5 of the City Center Plaza Declaration Establishing Reciprocal Easements and Covenants Running With the Land, dated June 18, 1996, by and between Mezes Court Associates, a California limited partnership and J.H.R. Trust created by Trust Agreement dated October 2, 1996, as amended, Recorded June 28, 1996, Series No 96079142, San Mateo County Records.

APN: 053-400-030-2
JPN: 126-072-0003T
EXHIBIT D
Form of Assignment and Amendment of Covenant

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Redwood City
1017 Middlefield Road,
Redwood City, CA 94063
Attn: City Clerk

(Space Above This Line for Recorder’s Use Only)
Exempt from recording fee per Gov. Code § 27383.

ASSIGNMENT AND AMENDMENT TO AFFORDABILITY HOUSING COVENANT
(City Center Plaza)

THIS ASSIGNMENT AND AMENDMENT TO AFFORDABILITY HOUSING COVENANT (the “Amendment”) is dated ______________, 2016, assigns and amends that certain Affordability Housing Covenant which was recorded in the Official Records of San Mateo County on June 28, 1996 as instrument number 96-079147 (the “Original Covenant” and as assigned and amended by this Amendment, the “Covenant”) and is among the City of Redwood City, a municipal corporation, as successor agency to The Redevelopment Agency of the City of Redwood City (“Terminating Agency”), the City of Redwood City, a municipal corporation, as housing successor agency to The Redevelopment Agency of the City of Redwood City (“Agency”), Mezes Court Associates, a California Limited Partnership (“Original Owner”), and [New Owner], a California Limited Partnership (“Owner”).

RECITALS

A. The Redevelopment Agency of the City of Redwood (“Original Agency”), the “Agency” under the Original Covenant, dissolved on February 1, 2012, as required by Assembly Bill X1 26 signed into law as part of the State of California’s budget package on June 29, 2011, and its assets and functions, including without limitation its rights under the Original Covenant, were transferred to the Agency and Terminating Agency.

B. As provided herein: (i) Original Owner and Owner wish to assign Original Owner’s interest in the Original Covenant to Owner; (ii) Terminating Agency wishes to acknowledge the termination and release of its interest in the Original Covenant; and (iii) to assist in the rehabilitation of the Mortgaged Property, Owner and Agency wish to amend the Original Covenant.

C. All capitalized terms used but not defined in this Amendment have the meanings set forth in the Original Covenant.
NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood and agreed as follows:

23. Assignment and Assumption. Original Owner hereby assigns all of its right, title and interest in and to the Covenant to Owner, and Owner hereby assumes and accepts all obligations of Owner arising on or after the recording.


a. The last two sentences of Section 3, NO TRANSFER, are hereby amended and restated to read in full as follows:

Notwithstanding the foregoing, Agency hereby approves the following transfers of interest in Owner: (i) the transfer of limited partner interests in Agency to an investor limited partner and subsequent transfers of limited partner interests by the investor limited partner for the purpose of syndicating low income housing tax credits for the Site; (ii) the removal of the Owner’s general partner and replacement with an affiliate of the investor limited partner or a nonprofit public benefit corporation acceptable to the Agency in its reasonable discretion; and (iii) the grant and exercise of an option and/or right of first refusal by the general partner of the Owner, provided the general partner is acceptable to the Agency in its reasonable discretion.

b. Section 8 of the Original Covenant is hereby amended and restated to read in full as follows:

8. DURATION. The covenants contained in paragraph 1 of this Covenant shall be deemed to run with the land in accordance with Section 33334.3(f) of the Health and Safety Code or any successor statute and shall remain in effect until [insert later of (i) the date which is 57 years from the date of recordation of the deed of trust securing the approved Senior Loan, and (ii) December 1, 2072]. The covenants against discrimination contained in paragraphs 5 and 6 of this Covenant shall be deemed to run with the land.

25. Full Force and Effect. Except as set forth in this Amendment, the Covenant remains unmodified and in full force and effect.

26. Successors and Assigns. This Amendment is binding on and inures to the benefit of the legal representatives, heirs, successors and assigns of the parties.

27. California Law. This Amendment is governed by and construed in accordance with the laws of the State of California.

28. Counterparts. This Amendment may be signed by the different parties hereto in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.
IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

ORIGINAL OWNER:

Mezes Court Associates,
a California Limited Partnership

By: MP Mezes, Inc.,
a California nonprofit public benefit corporation, its general partner

By: ______________________________
Matthew O. Franklin, Assistant Secretary

OWNER:

[New Owner]
a California Limited Partnership

By: ______________________________,
a California nonprofit public benefit corporation, its general partner

By: ______________________________
Name: _____________________________
Its: _____________________________

AGENCY:

CITY OF REDWOOD CITY, a municipal corporation, as housing successor agency to The Redevelopment Agency of the City of Redwood City

ATTEST:

By: ______________________________
Silvia Vonderlinden, City Clerk

By: ______________________________
Melissa Stevenson Diaz, City Manager
Terminating Agency:

SUCCESSOR AGENCY TO THE REDWOOD CITY REDEVELOPMENT AGENCY

ATTEST:

By: __________________________
Silvia Vonderlinden, Agency Secretary

By: __________________________
Melissa Stevenson Diaz, Executive Director
ACKNOWLEDGMENT BY NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )
       ) §
COUNTY OF _____________ )

On ________________, before me, ______________________________, NOTARY PUBLIC, personally appeared ______________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ______________________________ (Seal)
My Commission Expires _____________________
ACKNOWLEDGMENT BY NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )
 ) §
COUNTY OF _____________ )

On ________________, before me, __________________________, NOTARY PUBLIC, personally appeared ______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ______________________________ (Seal)
My Commission Expires ___________________
EXHIBIT A

LEGAL DESCRIPTION

The land referred to is situated in the County of San Mateo, City of Redwood City, State of California, and is described as follows:

Parcel One;
Lot 3 as shown on that certain map entitled “City Center Plaza Being a Resubdivision of Parcel 1, as said Parcel 1 in shown on the Parcel Map Entitled “Parcel Map No. 94-1”, recorded in Volume 69 of Parcel Maps, at pages 23 and 24 of San Mateo County Records, and lying entirely within the City of Redwood City, County of San Mateo-California”, filed in the Office of the County Recorder of San Mateo County, State of California on June 27, 1996 in Volume 126 of Maps at Pages 72 through 75.

Parcel Two:
Easements over Lots 1 and 2 of Map of City Center Plaza filed June 28, 1996, Map Book 126, Pages 72 through 75, for the purposes set forth in Sections 3.1, 3.2, 3.3, 3.4 & 3.5 of the City Center Plaza Declaration Establishing Reciprocal Easements and Covenants Running With the Land, dated June 18, 1996, by and between Mezes Court Associates, a California limited partnership and J.H.R. Trust created by Trust Agreement dated October 2, 1996, as amended, Recorded June 28, 1996, Series No 96079142, San Mateo County Records.

APN: 053-400-030-2
JPN: 126-072-0003T