

**FIRST AMENDMENT TO
AFFORDABLE HOUSING, FINANCING &
DISPOSITION AND DEVELOPMENT AGREEMENT**

This First Amendment to Affordable Housing, Financing and Disposition and Development Agreement (the "Amendment") is made this 12th day of December, 2017, by and between THE RIALTO HOUSING AUTHORITY, a California public body, corporate and politic ("**Authority**"), and RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership ("**Developer**"). Authority and Developer are occasionally referred to herein as a "**party**" or collectively as the "**parties**".

RECITALS

A. Authority and Developer entered into that certain Affordable Housing, Financing and Disposition and Development Agreement, dated as of June 28, 2017 (the "**Original Agreement**"), pursuant to which, among other things, Authority agreed to sell certain real property located in the City of Rialto, County of San Bernardino, State of California (the "**Site**") to Developer for the development of a 64-unit family affordable rental housing project (the "**Project**"), and to make a purchase money loan and a hard money loan to the Developer.

B. Authority and Developer desire to amend the Agreement to subdivide the Site to create a new parcel to operate a public parking lot consisting of 0.97 acres and a reduced Project size consisting of 1.59 acres, as more fully set forth herein.

C. Authority and Developer further desire to amend the Original Agreement to increase the amount of the Pre-Development Loan and make corresponding amendments to the amount referenced in the form of the Unsecured Promissory Note attached to the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows

A G R E E M E N T:

1. Full Force and Effect; Capitalized Terms. Except as amended hereby, the Original Agreement remains unmodified and in full force and effect. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Original Agreement.

2. Pre-Development Loan. The original principal amount of the Pre-Development Loan, as that term is defined in Recital E, I of the Original Agreement, shall be increased to Four Hundred and Fifty Thousand Dollars (\$450,000). All references to the Pre-Development Loan in the Original Agreement shall now refer to a loan in the amount of Four Hundred and Fifty Thousand Dollars (\$450,000).

3. Unsecured Note. All references to the Unsecured Note in the Original Agreement now refer to the Unsecured Note, as amended by that certain Amendment to Unsecured Note reflecting the increased Pre-Development Loan, which Amendment to the Unsecured Note shall be executed on or about the date of this Amendment by Authority and Developer and in the form attached hereto as Exhibit C.

4. Pré-Development Budget. Attached hereto as Exhibit D is a Pre-Development Budget reflecting the use of the additional Pre-Development Loan proceeds of Two Hundred Thousand Dollars (\$200,000) loaned pursuant to this Amendment. Notwithstanding the terms of the Predevelopment Budget, the Developer shall have the authority to allocate the Pre-Development funds in the Developer's discretion among the various line items in the Pre-Development Budget. The Authority shall reimburse the Developer for costs incurred of items in the Pre-Development Budget based upon evidence submitted by the Developer of incurred costs. The Authority shall not pay the Developer in advance of future costs.

5. Definition of Site.

a. The Original Agreement contemplated that the two (2) parcels comprising the Site would be merged into a single parcel through the processing of a Parcel Map. The Authority and Developer hereby agree not to cause the recordation of the Parcel Map. Instead, Authority and Developer hereby agree that Developer will process a lot line adjustment along the lot line connecting the two (2) existing parcels. The lot line adjustment approved by the Authority and Developer is depicted on Exhibit B hereto (the "**Lot Line Adjustment**").

b. In connection with the Lot Line Adjustment, Recital B of the Original Agreement is hereby deleted in its entirety and replaced with the following, and in accordance with Exhibit A attached hereto:

"*The Site.* This Agreement pertains to the conveyance to Developer of two certain vacant properties located in the City of Rialto, County of San Bernardino, State of California, along Bonnie View Drive, west of Riverside Avenue, Parcel Nos. 0131-021-33 and 0131-021-40, in the aggregate size of approximately 1.59 acres and more particularly described in Exhibit A attached hereto ("**Modified Site**"). Authority is the fee owner of the Site."

c. In connection with the Lot Line Adjustment, the description of the Project and the Scope of Development will be revised. Developer and Authority agree to negotiate a new Scope of Development ("**Revised Scope of Development**") including fewer units on the Site (as such term is revised by this Amendment), which negotiations will be memorialized in a second amendment to the Original Agreement to be approved by Authority and Developer within sixty calendar (60) days of the City's Development Review Committee approval of the revised Precise Plan of Design ("**Revised PPD**") related to the Revised Scope of Development. If Authority and Developer by July 1, 2018 ("**Termination Date**"), are unable to approve the second amendment ("Second Amendment") to the Original Agreement or the Developer fails to obtain the Revised PPD approval by the Termination Date, then the Original Agreement and this Amendment shall terminate pursuant to Section 708 of the Original Agreement. If the Developer requests additional time to secure the Second Amendment or Revised PPD approval, the Authority's Executive Director may extend the Termination Date a maximum of one hundred (180) calendar days; provided Developer can show good faith for such request.

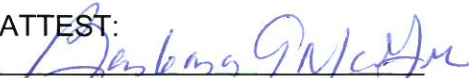
6. Financing Milestones. Notwithstanding anything to the contrary contained in Section 301 of the Original Agreement, Authority hereby agrees to allow Developer four (4) additional rounds in which to apply to TCAC for LIHTC, specifically the two rounds in 2018 and 2019. Thereafter, if Developer is unsuccessful in securing LIHTC Tax Credits, the Original Agreement shall be subject to termination pursuant to Section 300 therein.

7. Governing Laws. This Amendment shall be governed by, and construed in accordance with, the laws of the State of California.

8. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

[signatures on following page]

Dated: June 19, 2018

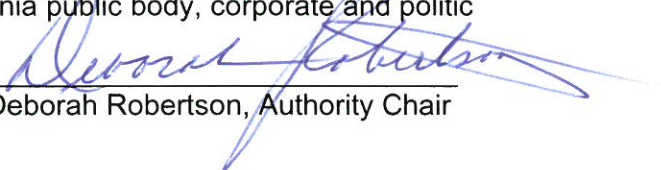
ATTEST: 
Barbara A. McGee, Authority Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

By: 
Fred Galante, Authority Attorney

AUTHORITY:

RIALTO HOUSING AUTHORITY,
a California public body, corporate and politic

By: 
Deborah Robertson, Authority Chair

DEVELOPER:

RELATED METROLINK SOUTH HOUSING
PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH
DEVELOPMENT CO., LLC, a California
limited liability company, its administrative
general partner

By: Frank Cardone
Frank Cardone, President

By: CORE RIALTO METRO SOUTH MGP,
LLC, a California limited liability company,
its managing general partner

By: National Community Renaissance of
California, a California nonprofit
public benefit corporation, its sole
member and manager

By: [Signature]
Name: _____
Title: _____

By: HPI RIALTO, LLC, a California limited
liability company, its co-general partner

By: Housing Partners I, Inc.,
a California nonprofit public benefit
corporation, its sole member

By: Lee McDougall
Name: Lee McDougall
Title: President

By: LABARGE INDUSTRIES, INC.,
a California corporation, its co-general
partner

By: [Signature]
Josh LaBarge, President

EXHIBIT A

**LOT LINE ADJUSTMENT
LEGAL DESCRIPTION**

EXHIBIT "A"
LOT LINE ADJUSTMENT

LEGAL DESCRIPTIONS PRIOR TO LOT LINE ADJUSTMENT

PARCEL 2

PARCEL 2 OF PARCEL MAP NO. 8173, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 88 OF PARCEL MAPS, PAGES 67 AND 68, RECORDS OF SAID COUNTY;

EXCEPT THE EAST 50 FEET OF PARCEL 2 OF SAID PARCEL MAP NO. 8173. SAID EAST 50 FEET SHOWN ON CERTIFICATE OF COMPLIANCE NO. 57, RECORDED ON SEPTEMBER 7, 1988 AS INSTRUMENT NO. 83-298796, OFFICIAL RECORDS;

AND FURTHER EXCEPTING THEREFROM ALL MINERALS CONTAINED IN THE ABOVE DESCRIBED LAND, INCLUDING, WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF, FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING, ANY OF SAID MINERALS. SANTA FE MAY, HOWEVER, REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS, OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON, AS RESERVED AND EXCEPTED IN THE DEED FROM THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A CORPORATION, RECORDED MAY 10, 1982.

PARCEL 3

PARCEL 3 OF PARCEL MAP NO. 8173, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 88 OF PARCEL MAPS, PAGES 67 AND 68, RECORDS OF SAID COUNTY.

EXHIBIT "A"
LOT LINE ADJUSTMENT

LEGAL DESCRIPTIONS AFTER LOT LINE ADJUSTMENT

PARCEL "A" AS SHOWN ON EXHIBIT "B"

PARCEL 2 OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 88 OF PARCEL MAPS, PAGES 67 AND 68, RECORDS OF SAID COUNTY;

EXCEPTING THEREFROM THE EASTERLY 50.00 FEET OF SAID PARCEL 2, AS SHOWN ON CERTIFICATE OF COMPLIANCE NO. 57, RECORDED SEPTEMBER 7, 1988 AS INSTRUMENT NO. 88-298796, RECORDS OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF PARCEL 3, OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 88 OF PARCEL MAPS, PAGES 67 AND 68, RECORDS OF SAID COUNTY, LYING EASTERLY OF A LINE THAT IS PARALLEL WITH, AND DISTANT EASTERLY 156.00 FEET, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF SAID PARCEL.

PARCEL "B" AS SHOWN OF EXHIBIT "B"

THAT PORTION OF PARCEL 3, OF PARCEL MAP NO. 8173, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 88 OF PARCEL MAPS, PAGES 67 AND 68, RECORDS OF SAID COUNTY, LYING WESTERLY OF A LINE THAT IS PARALLEL WITH, AND DISTANT EASTERLY 156.00 FEET, MEASURED AT RIGHT ANGLES, FROM THE WESTERLY LINE OF SAID PARCEL.

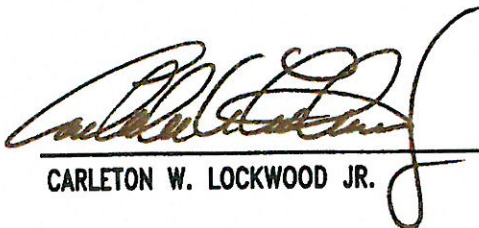

CARLETON W. LOCKWOOD JR. 3/7/18
DATE

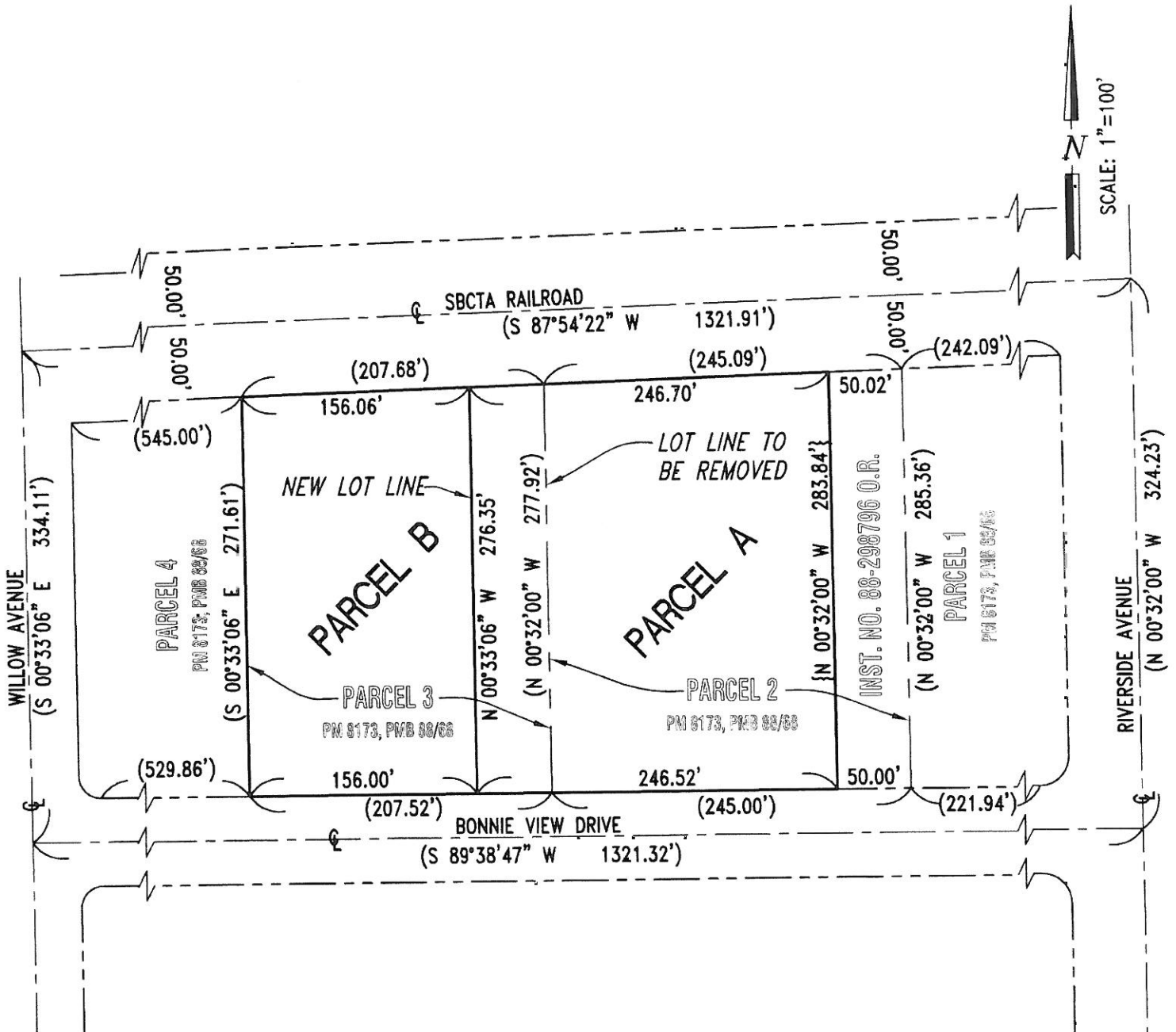


EXHIBIT B

LOT LINE ADJUSTMENT
PARCELS AFTER LOT LINE ADJUSTMENT

EXHIBIT "B"

LOT LINE ADJUSTMENT SHOWING PARCELS AFTER LOT LINE ADJUSTMENT CITY OF RIALTO



(XXX) INDICATES RECORD DATA PER PARCEL MAP NO. 8173, BOOK 88, PAGES 67-68
{XXX} INDICATES RECORD DATA PER CERTIFICATE OF COMPLIANCE NO. 57, RECORDED ON
SEPTEMBER 7, 1988 AS INSTRUMENT NO. 88-298796

AREA SUMMARY:

PROPOSED PARCEL "A" = 69,060.92 SF
PROPOSED PARCEL "B" = 42,740.63 SF

EXHIBIT C

UNSECURED NOTE

AMENDMENT TO UNSECURED PROMISSORY NOTE

This AMENDMENT TO UNSECURED PROMISSORY NOTE (this "Amendment") is made as of DECEMBER 12TH, 2017, by RIALTO METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership ("Maker") and RIALTO HOUSING AUTHORITY, a public body, corporate and politic ("Holder").

WHEREAS, Holder previously made a loan to Maker for an affordable housing project in the City of Rialto, County of San Bernardino, State of California along Bonnie View Drive, west of Riverside Avenue (the "Loan").

WHEREAS, the Loan, is evidenced by an Unsecured Promissory Note dated June 28, 2016 in the original principal amount equal to Two Hundred Fifty Thousand Dollars (\$250,000) (the "Original Note").

WHEREAS, the Maker and Holder desire to amend the Original Note to increase the principal loan amount to Four Hundred Fifty Thousand Dollars (\$450,000).

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree that the Original Note is hereby amended as set forth herein and shall be subject to the following terms and conditions:

1. The principal amount of the Loan is hereby increased to Four Hundred Fifty Thousand Dollars (\$450,000).
2. Except as amended by this Amendment, the Original Note shall remain unmodified and in full force and effect.
3. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment to Promissory Note on this ~~1st day of October, 2017.~~

12TH DAY OF DECEMBER, 2017.

DEVELOPER:

RELATED METROLINK SOUTH HOUSING PARTNERS, L.P., a California limited partnership

By: RELATED/RIALTO METROLINK SOUTH DEVELOPMENT CO., LLC, a California limited liability company, its administrative general partner

By: Frank Cardone
Frank Cardone, President

By: CORE RIALTO METRO SOUTH MGP, LLC, a California limited liability company, its managing general partner

By: National Community Renaissance of California, a California nonprofit public benefit corporation, its sole member and manager

By: Michael Ruane
Name: Michael Ruane
Title: Executive Vice President

By: HPI RIALTO, LLC, a California limited liability company, its co-general partner

By: Housing Partners I, Inc., a California nonprofit public benefit corporation, its sole member

By: Lee McDougall
Name: Lee McDougall
Title: President

By: LABARGE INDUSTRIES, INC., a California corporation, its co-general partner

By: Josh LaBarge
Josh LaBarge, President

[signatures continue on next page]

Dated: June 19, 2018

ATTEST:
Barbara A. McGee
Barbara A. McGee, Authority Clerk

APPROVED AS TO FORM:
ALESHERE & WYNDER, LLP

By: Fred Galante
Fred Galante, Authority Attorney

AUTHORITY:

RIALTO HOUSING AUTHORITY,
a California public body, corporate and politic

By: Deborah Robertson
Deborah Robertson, Authority Chair

EXHIBIT D

PRE-DEVELOPMENT BUDGET

RIALTO METROLINK SOUTH PREDEVELOPMENT BUDGET

Architecture			
	Architecture	\$	50,000
	Structural	\$	10,000
	MEP	\$	5,000
	Title 24	\$	5,000
	Landscape Architecture	\$	5,000
	Total Architecture	\$	75,000
Engineering			
	Civil Engineering	\$	25,000
	Geotechnical Engineering	\$	30,000
	Utility Consultant	\$	10,000
	Other Architects & Engineers	\$	10,000
	Total Engineering	\$	75,000
	Blueprinting / Printing / Copying	\$	5,000
Fees and Permits			
	Planning / Zoning Applications + Processing Fees	\$	10,000
	Parcel Map Processing	\$	10,000
	Total Fees and Permits	\$	20,000
Legal Fees			
	Legal Fees - General	\$	10,000
	Total Legal Fees	\$	10,000
Other Fees			
	Misc.	\$	15,000
		\$	15,000
	TOTAL PREDEVELOPMENT LOAN COST	\$	200,000