

FIRST AMENDMENT TO
DISPOSITION, DEVELOPMENT AND FUNDING AGREEMENT

(Roseland Village Neighborhood Center Redevelopment- Phase I)

BY AND AMONG

SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION

AND

MIDPEN HOUSING CORPORATION

AND

URBANMIX DEVELOPMENT, LLC

This First Amendment to Disposition, Development and Funding Agreement (the "First Amendment") is entered into as of _____, 2025 (the "Effective Date"), by and among the Sonoma County Community Development Commission, a public body corporate and politic (the "Commission") acting in its capacity as housing successor pursuant to Health and Safety Code Section 34176(b), and MidPen Housing Corporation, a California nonprofit public benefit corporation (the "Affordable Developer" and also referred to as the "Master Developer"), or and UrbanMix Development, LLC, a California limited liability company (the "Market Rate Developer"), with reference to the following facts, understandings and intentions of the parties:

RECITALS

A. Commission, Affordable Developer and Market Rate Developer are parties to that certain Disposition, Development and Funding Agreement entered into on _____ 2019 ("DDA").

B. The parties wish to update the DDA in accordance with Section 17.20 of the DDA and as authorized by the Commission Board of Commissioners on _____.

C. The purpose of this First Amendment of the DDA is related solely to the Phase 1 Affordable Housing Development of the Project.

D. This First Amendment does not authorize or guarantee the granting of the Governmental Approvals, closing of any additional loans or grants, or the construction of the Project. Such actions may be authorized and will become possible only upon subsequent action of the City and the parties performance under the DDA.

E. Except as expressly amended hereby, the DDA remains valid, unmodified, and in full force and effect.

THEREFORE, and in consideration of the foregoing recitals which are hereby incorporated into this Agreement by this reference, and for other good and valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, the Commission, the Market Rate Developer and the Affordable Developer do hereby agree that the DDA is amended as follows:

AGREEMENT

1. Definitions. All capitalized terms used but not defined in this First Amendment shall have the same meaning given to them in the DDA. From and after the Effective Date of the First Amendment, all references to the DDA or this First Amendment shall mean and refer to the DDA as amended by this First Amendment.
2. Exhibit E of Section 1.2 of the DDA is hereby replaced with the attached Exhibit E Development Schedule which shall be attached and incorporated into the DDA.
3. Amendment to Section 5.8(c) of the DDA is hereby amended and restated and replaced with the following:

The Affordable Developer and the Commission agree that Project Based Housing Vouchers are no longer required for the Project. The Commission and Affordable Developer have conferred in good faith and agree the attached the Alternative Financing Structure Agreement attached as Exhibit "A" is mutually acceptable to finance the development of the Affordable Development Improvements. The Parties agree any change to the attached Alternative Financing Structure Agreement shall be memorialized in an implementation agreement amendment to the DDA.

4. Section 6.8(a)(3) of the DDA is hereby amended and restated and replaced with the following:

If Interim Response Actions are required and completed under the Response Plan, the Water Board has issued a Letter of Completion of Interim response Actions and has made the finding that no unreasonable risk to human health and safety for the anticipated mixed use development of the Site have been achieved; or if the Response Plan includes long-term obligations that have not been completed, including operation and maintenance (O&M) requirements or monitoring, Water Board has determined that all response action other than the long-term O&M requirements and monitoring in the Response Plan have been completed, and the Commission has submitted an adequate long-term O&M plan (the "O&M Plan") to the Water Board; provided that the Commission may complete compliance with the O&M Plan after commencement of Construction of Infrastructure Improvements.

5. Section 6.8(d) of the DDA is hereby amended and restated and replaced with the following:

6.8 (d) Termination prior to Completion of Construction of Infrastructure Improvements. In the event the conditions in Section 6.8(a) are satisfied and or waived by the Commission and Affordable Developer and the Commission commences construction of the Infrastructure Improvements but fails to complete the construction of the Infrastructure Improvements by the time set forth in the Development Schedule, then Affordable Developer, at its option, may terminate this Agreement by providing written

notice to the Commission. Nothing herein waives any Parties' obligations under the Affordable Development Financing Plan, including without limitation with respect to the AHSC and IIG funds.

6. Section 8.4(a)(8) of the DDA is hereby amended and restated and replaced with the following:

The Commission has completed the Active Remediation Work and delivered to the Affordable Developer a Clarification of Responsibilities, issued by the Water Board under the Response Plan, CLRRRA Agreement and SCAP Grant Agreement, as applicable, and to the extent required by the Water Board, the Commission and Water Board have entered into an O&M Plan governing the long-term operation and maintenance monitoring activities for the Affordable Development Parcel. The Affordable Developer hereby agrees to accept the Affordable Development Parcel with the Commission's ongoing monitoring obligation as required in the DDA and subject to the Commission's O&M Plan. The Affordable Developer hereby agrees to provide the Commission a right of entry to complete the Commission's obligations under the Commission's O&M Plan, including but not limited to the ongoing monitoring and any further agrees to cooperate with the Commission on providing any further information required by the Water Board.

Nothing in this amendment revises Sections 8.5 and 8.6 of the DDA and the Affordable Developer accepting the Affordable Development Parcel "As Is." The Parties agree that as of the Effective Date no further action is required for the Active Remediation Work.

7. Section 8.6(e) of the DDA is hereby amended and restated and replaced with the following:

Prior to the Close of Escrow, the Commission has entered into the O&M Plan with the Water Board that governs, in part, long-term operation and maintenance monitoring activities for the Affordable Development Parcel and provides adequate financial assurance as required under the O&M Plan. Subject to the Water Board's approval, the Commission's O&M Plan may be assigned to the Affordable Developer and terminated as to the Commission's operation and maintenance monitoring obligations, if the Affordable Developer: (1) agrees to assume the long-term operation and maintenance monitoring activities that are included in the O&M Plan; (2) provides the Water Board with satisfactory evidence of financial assurance for such obligations; and (3) executes an acceptable assignment or new O&M Plan with Water Board governing these activities. Except for the Commission's ongoing monitoring obligation under the Commission's O&M Plan and Section 8.4.(a)(8) as modified by this First Amendment, the Commission has no responsibility for the conduct of Affordable Developer's duties and obligations or implementation of any other operation and maintenance monitoring activities on the Affordable Development Parcel.

8. Section 11.4 Course of Construction of the DDA is hereby amended and restated and replaced with the following:

11.4 Once the Affordable Developer commences construction of the Affordable Development Improvements, the Affordable Developer shall not halt or cease construction for a period of more than thirty (30) days, subject to Section 4.4.”

9. Section 11.5(a) is hereby amended and restated and replaced in its entirety with the following language:

If the Affordable Developer desires to make any material change in the Affordable Development Improvements which are not substantially consistent with the Final Construction Drawings the Affordable Developer must submit the proposed change to the Commission for its approval. No change which is required for compliance with building codes or other government health and safety regulation will be deemed material. If the Affordable Development Improvements, as modified by any such proposed change, will conform to the requirements of this Agreement, the Commission will approve the change by notifying the Affordable Developer in writing. For purposes of this Section, a material change means any change which is expected to substantially alter the external appearance of the Affordable Development Improvements (including any color change), reduce, or otherwise alter, the number of units in the Affordable Development Improvements, or which is expected to result in an individual change of One Hundred Fifty Thousand Dollars (\$150,000) or a cumulative change of Three Hundred Thousand Dollars (\$300,000), or more, in the cost of construction of the Affordable Development Improvements. In addition, any change order that will materially reduce the costs of construction of the Affordable Development Improvements (due to value engineering, or any other cause) must be submitted to the Commission for approval. The Commission will approve such change order provided that the Commission has determined (in the Commission's reasonable discretion) that such change order will not substantially change the quality of the Affordable Development Improvements and provided further that the Affordable Developer provides the Commission information, reasonably requested by the Commission, to document the effect of such change order (including, but not limited to any cost savings, and the effect on the quality of the Improvements). Notwithstanding the provisions of this Section, with the exception of proposed material changes, the Commission will not require additional review of proposed change orders if the Commission receives a reliance letter from the senior lender's construction monitor confirming that a proposed change order will not substantially change the quality of the Affordable Development Improvements.

10. Section 13.4(a)(2) is hereby amended and restated and replaced in its entirety with the following:

13.4 (a)(2) Any Transfer directly resulting from the foreclosure of a Security Financing Interest or the granting of a deed in lieu of foreclosure of a Security Financing Interest (a "Foreclosure Action") or as otherwise permitted under Article 15 or (ii) the first subsequent transfer following such Foreclosure Action by the holder of any such Security Financing Interest (or its nominee or designee) (and any acquisition financing in connection with such first subsequent transfer shall not require the consent of Commission).

11. Section 13.4(b) is hereby amended and restated and replaced in its entirety with the following

The Commission hereby approves a Transfer of limited partner interests in the Affordable Developer to the Tax Credit Investor, or to an affiliate of the Tax Credit Investor (provided such affiliate provides documentation reasonably acceptable to the Commission that the affiliate has sufficient financial capability to provide the capital contributions set forth in the Affordable Development Financing Plan), and future transfers of such interests provided that such transfers are made in accordance with the Affordable Developer's Partnership Agreement.

12. Section 13.4(c) is hereby amended and restated and replaced in its entirety with the following:

The Commission approves the removal of the Affordable Developer's general partner by the limited partner of Affordable Developer for a default under the Partnership Agreement, provided that the replacement general partner is an entity reasonably satisfactory to Commission or is an affiliate of a limited partner of Affordable Developer that will serve as general partner for an interim period of no more than 180 days during which time a permanent replacement general partner reasonably satisfactory to Commission shall be identified and admitted;

The Commission approves the transfer of the general partner's interest to a nonprofit entity that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended or to a limited liability company whose sole member is a nonprofit entity that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended, provided such replacement general partner is reasonably satisfactory to Commission;

13. Section 14.2(e) is hereby amended and restated and replaced in its entirety with the following:

14.2(e)Default Under Other Loans. There shall occur any default declared by any lender under any loan document related to any loans secured by a deed of trust on the Development Parcel, and all cure periods provided by such loan document have expired without a remedy of the default and the default has not been waived by the lender. Consistent with the Partial Assignment and Assumption of Disposition and Development Agreement and following the disposition of the Affordable Development Improvements to Affordable Developer, this provision shall not apply to the Affordable Development Parcel with respect to loan documents related to loans secured by deeds of trust recorded against any Development Parcel other than the Affordable Development Parcel. Further and notwithstanding anything to the contrary set forth herein, as to the Affordable Development, the Commission hereby agrees that it will not terminate this Agreement as to the Affordable Development as a result of a default under this Section 14.2(e) as to loans affecting the Affordable Development and shall solely look to its remedies under its

loan documents relating to the Affordable Development in the event of such a default (and no mortgagee of the Affordable Development shall be required to cure any such default in order to prevent the termination of this Agreement as to the Affordable Development).

14. Section 14.2(k) is hereby amended and restated and replaced in its entirety with the following:

Unauthorized Transfer. Any Transfer other than as permitted by Article 13; and/or

15. The following sentence is hereby added to the end of Section 14.3:

Following the Disposition of the Affordable Development Improvements to Affordable Developer, Commission shall not terminate the DDA as it relates to the Infrastructure Improvements or Remediation Work of Phase I Parcels due to any of the reasons specified in Section 14.3 of the DDA.

16. The following sentence is hereby added to the end of Section 14.6:

The Commission agrees that it will subordinate its rights to exercise the remedies set forth in sections 14.6(a)(3) through 14.6(a)(5), 14.6(a)(7), and 14.6(b) through 14.6(c) to the deed of trust recorded for the benefit of the construction lender for the Affordable Development. In addition, Commission agrees that in lieu of exercising the remedies described in sections 14.6(a)(3), 14.6(a)(4), and 14.6(a)(7) with respect to any default regarding the Affordable Development, it shall rely upon the remedies set forth in Commission loan documents pertaining to the Affordable Development. Furthermore, as set forth in section 14.8 (as modified by this Amendment), the Commission's right to exercise the remedy described in section 14.6(a)(5) shall terminate upon the issuance of a Certificate of Completion for the Affordable Development.

17. The following sentence is hereby added to the end of Section 14.8:

The Commission's issuance of a Certificate of Completion shall be conclusive evidence of the termination of the Commission's right of reverter pursuant to this Section 14.8 and, effective upon such issuance of a Certificate of Completion, this Section 14.8 shall have no further force and effect.

18. The second sentence of Section 15.3 is hereby amended and restated and replaced with the following:

Each such holder (insofar as the rights of the Commission are concerned) and the Tax Credit Investor (in the case of the Affordable Development only) each has the right, but not the obligation, at its option within ninety (90) days after the later of (i) receipt of notice, and (ii) the expiration of said Developer's notice and cure period hereunder, to cure or remedy or commence to cure or remedy any such default or breach affecting the Affordable Development Parcel which is subject to the lien of the Security Financing Interest held by such holder and to add the cost thereof to the security interest debt and the lien on its security interest (in the case of such holder); and to the extent any such cure or remedy reasonably requires such holder to first acquire the Property or the Tax Credit Investor to remove the general partner of the Affordable Developer, then such cure period shall be extended during any period of time after when such holder commences foreclosure proceedings or the Tax Credit Investor commences such removal proceedings, as applicable, and is actively pursuing the same.

19. Section 17.1 is hereby amended by replacing the notice address for the Affordable Developer with the following:

“Affordable Developer: MP Roseland Village Associates LP
 c/o MidPen Housing Corporation
 303 Vintage Park Drive, #250
 Foster City, CA 94404
 Attention: Senior Vice President of Housing Development

With a copy to the Tax U.S. Bancorp Community Development Corporation
Credit Investor: 1307 Washington Ave., Suite 300
 Mail Code: SL MO RMCD
 St. Louis, MO 63103
 USB Project No. 30900
 Attention: Director of LIHTC Asset Management

With a copy to: Kutak Rock LLP
 1650 Farnam Street
 Omaha, NE 68102
 Attention: Jill Goldstein

20. Section 10.10 is hereby amended and restated and replaced with the following:

During the Negotiation Period, the Commission and the Master Developer shall determine whether the Plaza Parcel will be retained by the Commission or conveyed to a third-party developer or another public entity. In addition, the Affordable Developer, Market Rate Developer, Master Developer (and all permitted successors and assigns) agree to negotiate in good faith: (a) any easement agreement grant access rights and easements over the Plaza Parcel; (b) any necessary agreement to govern the use and allocate the obligations for maintenance and operation of the Plaza Improvements, including potential contributions to pay common area maintenance charges for the improvements on the Plaza Parcel; provided

however, annual maintenance charges assessed to the Affordable Developer, Market Rate Developer, for the improvements on the Plaza Parcel shall be determined and agreed to by the Parties as part of the Plaza Financing Plan; provided, however, in no event shall the annual maintenance charges assessed to each of the Affordable Developer, Market Rate Developer, for the improvements on the Plaza Parcel exceed Twenty-Five Thousand Dollars (\$25,000) unless approved by the Parties.

This First Amendment may be executed in counterparts, each of which is deemed to be an original.

[Signature Page Follows]

IN WITNESS WHEREOF, the Commission and the Developer have executed this Agreement as of the Effective Date.

AFFORDABLE DEVELOPER AND MASTER DEVELOPER:

MIDPEN HOUSING CORPORATION, a California nonprofit public benefit corporation

By: _____

Name: _____

Its: _____

Date: _____

MARKET RATE DEVELOPER:

URBANMIX DEVELOPMENT, LLC, a California limited liability company

By: _____

Name: _____

Its: _____

Date: _____

COMMISSION:

SONOMA COUNTY COMMUNITY DEVELOPMENT
COMMISSION, a public body corporate and politic

By: _____
Michelle Whitman, Executive Director

Date: _____

APPROVED AS TO FORM:

By: _____
Commission Counsel

EXHIBIT A

Alternative Financing Structure Agreement

