

LOAN MODIFICATION AGREEMENT FOR COMMERCIAL BUILDING REHABILITATION

This Loan Modification Agreement For Commercial Building Rehabilitation (the "Agreement") is entered into as of _____, by and between the Redevelopment Agency of the City of Pittsburg, a public body, corporate and politic (the "Agency"), and Ron Vincent and Chris Nazir, jointly and severally (collectively, the "Borrower"), with reference to the following facts, understandings and intentions of the parties:

RECITALS

A. The Agency is responsible for implementing the redevelopment program in the Los Medanos Community Development Project Area (the "Project Area") pursuant to the Redevelopment Plan for the Los Medanos Community Development Project Area, as amended (the "Redevelopment Plan").

B. Pursuant to authority set forth in Health and Safety Code Section 33444.5, the Redevelopment Plan, and Agency Resolution No. 03-884 of May 19, 2003, the Agency is authorized to implement a program to provide loans for the rehabilitation of commercial buildings in the Project Area (the "Program").

C. The Borrower has a leasehold interest in that certain real property in the Project Area, located 3841 Railroad Ave, Pittsburg, California (APN 088-072-066-9) (the "Property"). The Property contains a commercial building or structure (the "Improvements"), which the Borrower rehabilitated.

D. The Agency desires to modify Borrower's original loan and the Borrower desires to agree to the new loan terms from the Agency in the amount set forth in Section 2.1 (the "Modified Loan") in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties contained in this Agreement, the Agency and the Borrower agree as follows:

ARTICLE 1 DEFINITIONS AND EXHIBITS

Section 1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following definitions shall apply:

(a) "Agency" means the Redevelopment Agency of the City of Pittsburg, a public body corporate and politic, organized and existing pursuant to the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.).

(b) "Agreement" means this Loan Modification Agreement for Commercial Building Rehabilitation.

(c) "Borrower" means the person or entity set forth as the "Borrower" in the opening paragraph of this Agreement.

(d) "City" means the City of Pittsburg, California, a municipal corporation, operating through its governing body and its various departments.

(e) "Contractor" means the contractor duly licensed by the State of California who will rehabilitate the Improvements pursuant to the Rehabilitation Contract between the Contractor and the Borrower, if any.

(f) "Final Inspection Approval Date" means the date of the Final Inspection Approval by the Agency pursuant to Section 3.2(b).

(g) "Improvements" means the structure or structures on the Property to be rehabilitated in accordance with this Agreement.

(h) "Lease" means the lease between the Borrower and the owner of the Property.

(i) "Loan Disbursement Date" means the first date the Agency disburses any funds to the Borrower pursuant to this Agreement.

(j) "Loan Modification Documents" means this Agreement and the Promissory Note.

(k) "Modified Loan" means the modified loan made by the Agency to the Borrower pursuant to this Agreement in the maximum principal amount set forth in Section 2.1.

(l) "Promissory Note" means the Promissory Note in a form to be provided by the Agency to be signed by the Borrower to evidence the Borrower's obligation to repay the Loan.

(m) "Project Area" has the meaning given in Recital A.

(n) "Property" means the Borrower's leasehold interest in the property described in Recital C.

(o) "Redevelopment Plan" has the meaning given in Recital A.

(p) "Rehabilitation Contract" means the construction contract for rehabilitation of the Improvements to be approved by the Agency pursuant to this Agreement, if any.

(q) "Rehabilitation Plans" means the plans and specifications for rehabilitation of the Improvements to be approved by the Agency pursuant to this Agreement, if any.

(r) "Term" means the term of this Agreement, which shall commence on the date of execution of this Agreement and shall end on April 30, 2017 or the date of full repayment of the Loan.

(s) "Transfer" means any total or partial sale, lease, assignment, encumbrance or other conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to this Agreement or of any part of or interest in the Property or the Improvements, or any agreement to do any of the foregoing, including the sale of the restaurant business currently operating in the Property.

Section 1.2 Exhibits. The following exhibits are attached to and incorporated into this Agreement by this reference:

Exhibit A. Repayment Schedule

ARTICLE 2 LOAN MODIFICATION PROVISIONS

Section 2.1 Modified Loan. The Agency shall provide the Borrower a Modified Loan in the principal amount of Sixty Four Thousand Two Hundred Sixty One Dollars (\$64,261). The Borrower's obligation to repay the Modified Loan shall be evidenced by the Promissory Note.

Section 2.2 Interest. The Modified Loan shall not accrue any interest in the first year of the Term. The Modified Loan, in the second (2nd) year of the Term shall accrue interest at a rate of one percent (1%) per annum. The Modified Loan, in the third (3rd) year of the Term shall accrue interest at a rate of two percent (2%) per annum. The Modified Loan, from the fourth (4th) year through the seventh (7th) year of the Term shall accrue interest at a rate of three percent (3%) per annum. Notwithstanding the foregoing, following an Event of Default interest on the Loan shall commence to accrue as of the date of the Event of Default at the lesser of ten percent (10%) per annum or the maximum rate permitted by law, from the date of expenditure until the date of reimbursement.

Section 2.3 Modified Loan Term and Repayment Schedule.

(a) Payments. Except in the Event of Default (as set forth in Article 7) no interest or other payments shall be due on the Modified Loan prior to May 1, 2010. Thereafter, payments shall commence on May 1, 2010, and on the first (1st) day of each subsequent month during the initial year of the Term, the Borrower shall make twelve (12) equal monthly payments of Seven Hundred Sixty Five Dollars and One Cent (\$765.01). Commencing on May 1, 2011 and on the first (1st) day of each subsequent month during the second (2nd) year of the Term, the Borrower shall make twelve (12) equal monthly payments of Seven Hundred Forty Two Dollars and Sixty One Cents (\$742.61). Commencing on May 1, 2012 and on the first (1st) day of each subsequent month during the third (3rd) year of the Term, the Borrower shall make twelve (12) equal

monthly payments of Six Hundred Seventy Dollars and Forty Four Cents (\$670.44). Commencing on May 1, 2013 and on the first (1st) day of each subsequent month during the fourth (4th) year of the Term, the Borrower shall make twelve (12) equal monthly payments of Five Hundred Ninety Nine Dollars and Thirty Six Cents (\$599.36). Commencing on May 1, 2014 and on the first (1st) day of each subsequent month during the fifth (5th) year of the Term, the Borrower shall make twelve (12) equal monthly payments of Five Hundred Twenty Dollars and Sixty Two Cents (\$520.62). Commencing on May 1, 2015 and on the first (1st) day of each subsequent month during the sixth (6th) year of the Term, the Borrower shall make twelve (12) equal monthly payments of Four Hundred Forty Three Dollars and Sixty Seven Cents (\$443.67). Commencing on May 1, 2016 and on the first (1st) day of each subsequent month during the seventh (7th) year of the Term, the Borrower shall make twelve (12) equal monthly payments of Three Hundred Twenty Dollars and Sixty Two Cents (\$320.62). (The monthly payments made pursuant to this Section are collectively referred to as the "Monthly Payments").

(b) Balance Due. All outstanding principal and accrued interest on the Loan shall be due in full on the earliest to occur of: (1) the expiration of seven (7) years from the date of this Agreement; (2) the date of any unapproved Transfer if the Agency so elects, as provided in Section 5.3; and (3) the date of declaration by the Agency of an Event of Default, as provided in Sections 6.1 and 6.2.

(c) Prepayment. The Borrower shall have the right to prepay the Modified Loan at any time.

Section 2.4 Loan Modification Process. The Agency shall have no obligation to honor the Modified Loan terms unless and until the following conditions have been and continue to be satisfied:

(a) The Borrower has signed and delivered the Promissory Note and any other Agency documents required by the Agency.

(b) The Borrower has delivered a copy of the Lease and the Agency has approved such lease.

(c) The Borrower has furnished the Agency with evidence of insurance coverage satisfying the requirements of Section 4.6(b).

(d) The Agency has received evidence reasonably satisfactory to the Agency that the Borrower or Borrower's business entity, as applicable, exists in good standing at the time of the proposed disbursement, and that the Borrower has duly authorized the entry into and performance under this Agreement.

Section 2.5 Termination. If the Borrower has not satisfied the conditions to the Loan Modification Process set forth in Section 2.4 within two (2) months following the date of this Agreement, then the Agency may terminate this Agreement pursuant to Article 6.

ARTICLE 3 CONTINUING OBLIGATIONS

Section 3.1 Applicability. The Borrower shall comply with this Article 3 throughout the Term.

Section 3.2 Use, Maintenance and Operation. The Borrower shall, during the Term of the Loan Modification:

(a) Maintain the Property and the Improvements in good repair and in a neat clean and orderly condition. If there arises a condition in contravention of this Section 3.2, and if the Borrower has not cured such condition within thirty (30) days after receiving Agency notice of such a condition, then in addition to any other rights available to the Agency, the Agency shall have the right to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Property.

(b) Operate and maintain the Property and the Improvements in full compliance with the Redevelopment Plan and all applicable local, state, and federal laws and regulations.

Section 3.3 Changes. The Borrower shall promptly notify the Agency in writing of any changes in the location of any place of business of the Borrower, and of any other change in fact or circumstance (including the Borrower's assets) that both (a) was represented or warranted at any time by the Borrower to the Agency, and (b) will materially adversely affect the Borrower's capacity to perform its obligations under this Agreement.

Section 3.4 Notification of Litigation. The Borrower shall promptly notify the Agency in writing of (a) any litigation that (1) affects the Borrower or the Property and (2) would materially adversely affect the Borrower's capacity to perform its obligations under this Agreement, and (b) any claims or disputes that involve a material risk of litigation that would materially adversely affect the Borrower's capacity to perform its obligations under this Agreement.

Section 3.5 Indemnity; Insurance.

(a) Indemnity. The Borrower shall indemnify, defend (with counsel reasonably chosen by the Agency, at the Agency's option), and hold the City, the Agency, and their employees, officers, agents, and boardmembers harmless against all claims which arise out of or in connection with the Loan Modification. This indemnity shall not extend to any claim arising solely from the Agency's or City's gross negligence or the Agency's failure to perform its obligations under this Agreement. This Section 3.5(a) shall survive the termination of this Agreement.

(b) Borrower's Insurance. The Borrower shall maintain the following minimum insurance coverage, issued by an insurer and in a form reasonably acceptable to the Agency:

(1) Worker's Compensation insurance, if required by law, including Employer's Liability coverage, with limits not less than required by law.

(2) Comprehensive General Liability insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Broadform Property Damage Projects and Completed Operations.

(3) Property insurance covering the Improvements covering all risks of loss, including flood (if the Property is located within a designated flood zone), for 100% of the replacement value, with deductible, if any, acceptable to the Agency.

(c) Insurance Standards. The required insurance shall be provided under an occurrence form, and the Borrower shall maintain such coverage continuously throughout the Term. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be three times the occurrence limits specified above. Comprehensive General Liability insurance policies shall be endorsed to name as additional insured the City, the Agency and their respective councilmembers, boardmembers, officers, agents, and employees. Property insurance policies shall be endorsed to name as loss payees the City, the Agency and their respective councilmembers, boardmembers, officers, agents, and employees. All policies and bonds shall be endorsed to provide (i) thirty (30) days prior written notice of cancellation, reduction in coverage, intent not to renew or any material change in said policies to the address established for notices to the Agency pursuant to Section 7.3 below; (ii) an agreement that such policies are primary and non contributing with any insurance that may be carried by the Agency; (iii) a provision that no act or omission of the Borrower shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (iv) a waiver by the insurer of all rights of subrogation against the Agency and its authorized parties in connection with any loss or damage thereby insured against. Upon the Agency's request at any time during the Term, the Borrower shall provide certificates of insurance, in a form and with insurers reasonably acceptable to the Agency, evidencing compliance with the requirements of this Section 3.5(b), and shall provide complete copies of such insurance policies, including a separate endorsement naming the Agency and the Agency as additional insureds (unless the Agency notifies the Borrower that a separate endorsement is not required for a particular form of insurance).

Section 3.6 Hazardous Materials.

(a) The Borrower shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of, any federal, state, or local laws, ordinances, or regulations relating to industrial hygiene or to the

environmental conditions on or under the Property, including (but not limited to) soil and ground water conditions. The Borrower shall not use, generate, manufacture, store, or dispose of, on, under, or about the Property, or transport to or from the Property, any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, including (without limitation) any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to as "Hazardous Materials") except such of the foregoing as may be customarily and lawfully kept and used in accordance with the industry standards for the operation of the Property.

(b) The Borrower shall immediately advise the Agency in writing if at any time it receives written notice of (1) any and all enforcement, cleanup, removal, or other governmental or regulatory actions instituted, completed, or threatened against the Borrower or the Property pursuant to any applicable federal, state, or local laws, ordinances, or regulations relating to any Hazardous Materials ("Hazardous Materials Law"); (2) all claims made or threatened by any third party against the Borrower or the Property relating to damage, contribution, cost recovery compensation, loss, or injury resulting from any Hazardous Materials (the matters set forth in clauses (1) and (2) above are referred to as "Hazardous Materials Claims"); and (3) the Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" under California Health and Safety Code Sections 25220 et seq. or corresponding regulations, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability, or use of the Property under any Hazardous Materials Law.

(c) The Borrower shall permit the Agency to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials. The Borrower shall indemnify, defend (with counsel reasonably chosen by the Agency, at the Agency's option), and hold harmless the City, and the Agency, and their respective councilmembers, boardmembers, officers, agents, and employees from and against any loss, damage, cost, expense, or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on or under the Property, including (without limitation): (1) all foreseeable consequential damages; (2) the costs of any required or necessary repair, cleanup, or detoxification of the Property and the preparation and implementation of any closure, remedial, or other required plans; and (3) all reasonable costs and expenses incurred by the City or the Agency in connection with clauses (1) and (2), including (but not limited to) reasonable attorneys' fees. This paragraph shall survive termination of this Agreement.

(d) Without the Agency's prior written consent, the Borrower shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action

settlement, consent decree or compromise might, in the Agency's reasonable judgment, impair the value of the Agency's security hereunder; provided, however, that the Agency's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety, or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the Agency's consent before taking such action, provided that in such event the Borrower shall notify the Agency as soon as practicable of any action so taken. The Agency agrees not to withhold its consent, where such consent is required hereunder, if either (1) a particular remedial action is ordered by a court of competent jurisdiction, (2) the Borrower will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (3) the Borrower establishes to the reasonable satisfaction of the Agency that there is no reasonable alternative to such remedial action which would result in less impairment of the Agency's security hereunder; or (4) the action has been agreed to by the Agency.

(e) The Borrower hereby acknowledges and agrees that (i) this Section 3.6 is intended as the Agency's written request for information (and the Borrower's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (2) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach or any such representation and warranty) with respect to the environmental condition of the Property is intended by the parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

Section 3.7 Non-Discrimination. The Borrower covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Borrower or any person claiming under or through the Borrower establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property. The foregoing covenant shall run with the land and shall survive termination of this Agreement.

Section 3.8 Mandatory Language in All Subsequent Deeds, Leases and Contracts. All deeds, leases or contracts made or entered into by the Borrower, its successors or assigns, as to any portion of the Property shall contain therein the following language:

(a) In Deeds:

"(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of

any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed, nor shall the grantee or any person claiming under or through the grantee, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(b) In Leases:

"(1) Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee or any person claiming under or through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(c) In Contracts:

"(1) There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use,

occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

Section 3.9 Fees and Taxes. The Borrower shall be solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property and the Improvements, and shall pay such charges prior to delinquency. However, the Borrower shall not be required to pay and discharge any such charge so long as (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (b) if requested by the Agency, the Borrower deposits with the Agency any funds or other forms of assurance that the Agency in good faith from time to time determines appropriate to protect the Agency from the consequences of the contest being unsuccessful.

Section 3.10 Loan Modification Records

(a) The Borrower shall promptly comply with all requirements or conditions of the Loan Modification Documents relating to notices, extensions, and other events required to be reported or requested. The Borrower shall promptly supply, upon the request of the Agency, any and all information and documentation.

ARTICLE 4 ASSIGNMENT AND TRANSFERS AND SUBORDINATION

Section 4.1 Purpose of Restrictions on Transfer. This Agreement is entered into for the purpose of the Borrower's loan modification in accordance with the terms of this Agreement. The qualifications and identity of the Borrower are of particular concern to the Agency, in view of:

(a) The public aids that have been made available by law and by the government for the purpose of making such redevelopment possible; and

(b) The importance of timely repayment of the Modified Loan in accordance with the terms of this Agreement so that the repaid funds may be applied by the Agency

for further redevelopment activities of benefit to the Project Area and the City's other redevelopment project areas.

It is because of the qualifications and identity of the Borrower that the Agency is entering into this Agreement and that Transfers are restricted as provided in this Agreement.

Section 4.2 Prohibited Transfers. The Borrower shall not make or create or suffer to be made or created, any Transfer, either voluntarily, involuntarily or by operation of law, without the prior written approval of the Agency until the Modified Loan has been fully repaid.

Section 4.3 Due on Transfer. If any Transfer is made in violation of Section 4.2, then, in addition to any other rights and remedies available to the Agency under this Agreement for an Event of Default, the Agency, at its option, may declare the Modified Loan immediately due and payable, as further provided in Section 4.2.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF BORROWER

Section 5.1 Representations and Warranties. The Borrower hereby represents and warrants to the Agency as follows:

(a) Organization. The Borrower has a validly existing business license issued by the City.

(b) Authority of Borrower. The Borrower has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Loan Modification Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Valid Binding Agreements. This Agreement and the Loan Modification Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of the Borrower enforceable against it in accordance with their respective terms.

(d) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement and the Loan Modification Documents or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation,

or any judgment, decree or order of any court, board, commission or agency whatsoever binding on the Borrower, or any provision of the organizational documents of the Borrower, or will conflict with or constitute a breach of or a default under any agreement to which the Borrower is a party, or will result in the creation or imposition of any lien upon any assets or property of the Borrower, other than liens established pursuant hereto.

(e) Pending Proceedings. The Borrower is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower, or the Property or the Improvements, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to the Borrower, materially affect the Borrower's ability to repay the Modified Loan or impair the security to be given to the Agency pursuant hereto.

(f) Lease. Throughout the Term, the Lease shall remain in full force and effect.

(g) Financial Statements. The financial statements of the Borrower and other financial data and information furnished by the Borrower to the Agency fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of the Borrower from that shown by such financial statements and other data and information.

(h) Not a Consumer Loan. The Borrower represents and agrees that the Modified Loan does not constitute a "consumer" loan for purposes of federal or state consumer protection statutes, and that the Modified Loan being provided is in the Borrower's business capacity as Borrower of the Property and not for personal use.

ARTICLE 6 DEFAULTS AND REMEDIES

Section 6.1 Events of Default. Each of the following shall constitute an "Event of Default" by the Borrower under this Agreement if not cured within any applicable cure period set forth in the last paragraph of this Section 6.1:

(a) A failure by the Borrower to make a payment that is due and payable to the Agency under the Loan Modification Documents within ten (10) calendar days of the date it is due.

(b) A failure by the Borrower to complete all the conditions to the Loan Modification Process set forth in Section 2.4 no later than two (2) months after the date of this Agreement.

(c) A failure by the Borrower to comply with any other provisions of the Loan Modification Documents.

(d) The occurrence of any Transfer prohibited by Section 4.2.

(e) Any Borrower representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the Agency in connection with any of the Loan Modification Documents, proving to have been incorrect in any material respect when made.

(f) Any monetary default by the Borrower with respect to any loan for which the holder has accelerated or has the right to accelerate the repayment obligation.

(g) A court having jurisdiction shall have made or entered any decree or order (1) adjudging the Borrower to be bankrupt or insolvent, (2) approving as properly filed a petition seeking reorganization of the Borrower or seeking any arrangement for the Borrower under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (3) appointing a receiver, trustee, liquidator, or assignee of the Borrower in bankruptcy or insolvency or for any of its properties, or (4) directing the winding up or liquidation of the Borrower; or the Borrower shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (1) to (4), inclusive; or the Borrower shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property; or the Borrower shall have voluntarily suspended its business or, if the Borrower is a partnership, the partnership shall have been dissolved or terminated. The occurrence of any of the Events of Default in this subsection shall act to accelerate automatically, without the need for any action by the Agency, the indebtedness evidenced by the Promissory Note. If the Borrower is a partnership, the occurrence of any of the events described in this subsection (f) with respect to a general partner of Borrower shall be an Event of Default hereunder.

(h) There shall be filed any claim of lien (other than liens approved in writing by the Agency) against the Property or the Improvements or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold the Loan Modification Process and the continued maintenance of said claim of lien or notices to withhold for a period of thirty (30) days without discharge or satisfaction thereof or provision therefore satisfactory to the Agency.

(i) The condemnation, seizure, or appropriation of all or, in the opinion of the Agency, a substantial part of the Property or the Improvements.

(j) Borrower breaches any other material provision of this Agreement.

The Borrower shall have a thirty (30)-day cure period after notice from the Agency before any event set forth in subsections (b) through (j), inclusive, constitutes an Event of Default.

Section 6.2 Remedies. The occurrence of any Event of Default will either at the option of the Agency or automatically where so specified, relieve the Agency of any obligation to honor or continue the Modified Loan and shall give the Agency the right to proceed with any and all remedies set forth in this Agreement and the Loan Modification Documents, including but not limited to the following:

(a) Acceleration of Promissory Note. The Agency shall have the right to cause all indebtedness of the Borrower to the Agency under this Agreement and the Promissory Note, together with any accrued interest thereon, to become immediately due and payable. The Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The Agency may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the Agency as a creditor. The Borrower shall be liable to pay the Agency on demand all expenses, costs and fees (including, without limitation, attorney's fees and expenses) paid or incurred by the Modified Loan in connection with the collection of the Modified Loan.

(b) Specific Performance. The Agency shall have the right to mandamus or other suit, action or proceeding at law or in equity to require the Borrower to perform its obligations and covenants under the Loan Modification Documents or to enjoin acts on things which may be unlawful or in violation of the provisions of the Loan Modification Documents.

(c) Right to Cure at Borrower's Expense. The Agency shall have the right (but not the obligation) to cure any monetary default by the Borrower under a loan other than the Modified Loan; provided, however, that if the Borrower is in good faith contesting a claim of default under a loan and the Agency's interest under the Agency Loan Modification Documents are not imminently threatened by such default, the Agency shall not have the right to cure such default. The Borrower agrees to reimburse the Agency for any funds advanced by the Agency to cure a monetary default by the Borrower upon demand therefore, together with interest thereon at the lesser of ten percent (10%) per annum or the maximum rate permitted by law, from the date of expenditure until the date of reimbursement.

(d) Other Remedies. Any other right or remedy set forth in the Loan Modification Documents or available at law or equity.

Section 6.3 Right of Contest. The Borrower shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute an Event of Default hereunder. Any such contest shall be prosecuted diligently and in a manner unprejudicial to the Agency or the rights of the Agency hereunder.

Section 6.4 Remedies Cumulative. No right, power, or remedy given to a party by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the party. Neither the failure nor

any delay on the part of a party to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by a party of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

Section 6.5 Waiver of Terms and Conditions. A party may at its discretion waive in writing any of the terms and conditions of this Agreement, without completing an amendment to this Agreement. No waiver of any default or breach shall be implied from any omission by the non-breaching party to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver, and such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval by a party to or of any act by the other party requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act. The exercise of any right, power, or remedy shall in no event constitute a cure or a waiver of any default under this Agreement, nor shall it invalidate any act done pursuant to notice of default, or prejudice the exercising party in the exercise of any right, power, or remedy hereunder.

ARTICLE 7 GENERAL PROVISIONS

Section 7.1 Relationship of Parties. Nothing contained in this Agreement or the other Loan Modification Documents shall be interpreted or understood by either of the parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the Agency and the Borrower or its agents, employees or contractors, and the Borrower shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement and the other Loan Modification Documents for the rehabilitation of the Improvements. The Borrower has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In connection with the rehabilitation of the Improvements, the Borrower shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and shall include requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees. The Borrower shall be solely responsible for its own acts and those of its agents and employees.

Section 7.2 No Claims. Nothing contained in this Agreement shall create or justify any claim against the City or the Agency by any person that the Borrower may have employed or with whom the Borrower may have contracted relative to the

purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the purchase of the Property, or the rehabilitation of the Improvements, and the Borrower shall include similar requirements in any contracts entered into for the rehabilitation of the Improvements.

Section 7.3 Notices, Demands and Communications. Formal notices, demands, and communications between the Agency and the Borrower shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, return receipt requested, or delivered by an express delivery service with a receipt showing date of delivery, or hand delivered with a receipt showing date of delivery, to the principal offices of the parties as follows:

Agency: Redevelopment Agency of the City of Pittsburg
65 Civic Avenue
Pittsburg, CA 94565
Attn: Executive Director

Borrower: Ron Vincent and Chris Nazir
3841 Railroad Ave
Pittsburg, CA 94565

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section. Delivery shall be deemed to have occurred at the time indicated on the receipt for delivery or refusal of delivery.

Section 7.4 Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the City or the Agency shall be personally liable to the Borrower, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Borrower or any successor or on any obligation under the terms of this Agreement.

Section 7.5 Enforced Delay. In addition to specific provisions of this Agreement, performance by either party shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; quarantine restrictions; freight embargoes; lack of transportation; or court order; or any other similar causes (other than lack of funds of the Borrower or the Borrower's inability to finance the rehabilitation of the Improvements) beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any cause will be deemed granted if notice by the Party claiming such extension is sent to the other within ten (10) days from the commencement of the cause and such extension of time is not rejected in writing by the other party within ten (10) days of receipt of the notice. In no event shall the Agency be required to agree to cumulative delays in excess of one hundred twenty (120) days.

Section 7.6 Title of Parts and Sections. Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting this Agreement.

Section 7.7 Applicable Law. This Agreement shall be interpreted under and pursuant to the laws of the State of California.

Section 7.8 Severability. If any term, provision, covenant or condition of this Agreement is held in a final disposition by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 7.9 Legal Actions. In the event any legal action is commenced to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach thereof, the party prevailing in any such action shall be entitled to recover against the party not prevailing all reasonable attorneys' fees and costs incurred in such action (and any subsequent action or proceeding to enforce any judgment entered pursuant to an action on this Agreement).

Section 7.10 Binding Upon Successors. This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors, and assigns of each of the parties. However, there shall be no Transfer except pursuant to the terms of this Agreement. Any reference in this Agreement to a specifically named party shall be deemed to apply to any successor, heir, administrator, executor, or assign of such party who has acquired an interest in compliance with the terms of this Agreement, or under law.

Section 7.11 Entire Understanding of the Parties. This Agreement constitutes the entire understanding and agreement of the parties.

Section 7.12 Approval. Whenever this Agreement calls for Agency approval, consent, or waiver, the approval, consent, or waiver of the Executive Director of the Agency shall constitute the approval, consent, or waiver of the Agency, without further authorization required from the Agency Board. The Agency hereby authorizes the Executive Director of the Agency to deliver such approvals or consents as are required by this Agreement, to extend time deadlines, or to waive requirements under this Agreement, on behalf of the Agency, and to take such actions and execute such documents on behalf of the Agency as may be necessary to carry out this Agreement. Any consents or approvals required under this Agreement shall not be unreasonably withheld or made, except where it is specifically provided that a sole discretion standard applies. Nothing in this Agreement limits the discretion of the City in granting or withholding any approval in connection with rehabilitation or operation of the Improvements.

Section 7.13 Counterparts; Multiple Originals. This Agreement may be executed in counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original.

Section 7.14 Amendments. The parties can amend this Agreement, including any deadlines provided in this Agreement, only by means of a writing signed by both parties.

Section 7.15 Joint and Several Liability. If there is more than one individual signing this Agreement on behalf of the Borrower, the obligations of each signatory under this Agreement are joint and several and independent of the obligations of any other person or entity.

BY SIGNING BELOW, the parties agree to this Agreement as of the date first written above.

AGENCY:

REDEVELOPMENT AGENCY OF
THE CITY OF PITTSBURG, a public
body, corporate and politic

By: _____
Marc S. Grisham
Executive Director

BORROWER:

By: _____
Ron Vincent

CONSENT OF SPOUSE:

By: _____
Printed Name: _____

By: _____
Chris Nazir

CONSENT OF SPOUSE:

By: _____
Printed Name: _____

EXHIBIT A

REPAYMENT SCHEDULE

Payment Date	Amount of Payment
May 1, 2010	\$765.01
June 1, 2010	\$765.01
July 1, 2010	\$765.01
August 1, 2010	\$765.01
September 1, 2010	\$765.01
October 1, 2010	\$765.01
November 1, 2010	\$765.01
December 1, 2010	\$765.01
January 1, 2011	\$765.01
February 1, 2011	\$765.01
March 1, 2011	\$765.01
April 1, 2011	\$765.01
May 1, 2011	\$742.61
June 1, 2011	\$742.61
July 1, 2011	\$742.61
August 1, 2011	\$742.61
September 1, 2011	\$742.61
October 1, 2011	\$742.61
November 1, 2011	\$742.61
December 1, 2011	\$742.61
January 1, 2012	\$742.61
February 1, 2012	\$742.61
March 1, 2012	\$742.61
April 1, 2012	\$742.61
May 1, 2012	\$670.44
June 1, 2012	\$670.44
July 1, 2012	\$670.44
August 1, 2012	\$670.44
September 1, 2012	\$670.44
October 1, 2012	\$670.44
November 1, 2012	\$670.44
December 1, 2012	\$670.44
January 1, 2013	\$670.44

February 1, 2013	\$670.44
March 1, 2013	\$670.44
April 1, 2013	\$670.44
May 1, 2013	\$599.36
June 1, 2013	\$599.36
July 1, 2013	\$599.36
August 1, 2013	\$599.36
September 1, 2013	\$599.36
October 1, 2013	\$599.36
November 1, 2013	\$599.36
December 1, 2013	\$599.36
January 1, 2014	\$599.36
February 1, 2014	\$599.36
March 1, 2014	\$599.36
April 1, 2014	\$599.36
May 1, 2014	\$520.62
June 1, 2014	\$520.62
July 1, 2014	\$520.62
August 1, 2014	\$520.62
September 1, 2014	\$520.62
October 1, 2014	\$520.62
November 1, 2014	\$520.62
December 1, 2014	\$520.62
January 1, 2015	\$520.62
February 1, 2015	\$520.62
March 1, 2015	\$520.62
April 1, 2015	\$520.62
May 1, 2015	\$443.67
June 1, 2015	\$443.67
July 1, 2015	\$443.67
August 1, 2015	\$443.67
September 1, 2015	\$443.67
October 1, 2015	\$443.67
November 1, 2015	\$443.67
December 1, 2015	\$443.67
January 1, 2016	\$443.67
February 1, 2016	\$443.67
March 1, 2016	\$443.67

April 1, 2016	\$443.67
May 1, 2016	\$320.62
June 1, 2016	\$320.62
July 1, 2016	\$320.62
August 1, 2016	\$320.62
September 1, 2016	\$320.62
October 1, 2016	\$320.62
November 1, 2016	\$320.62
December 1, 2016	\$320.62
January 1, 2017	\$320.62
February 1, 2017	\$320.62
March 1, 2017	\$320.62
April 1, 2017	\$320.62

LOAN MODIFICATION AGREEMENT
FOR COMMERCIAL
LOAN

By and Between

Redevelopment Agency of the City of Pittsburgh

and

Ron Vincent and
Chris Nazir

Dated as of _____

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 DEFINITIONS AND EXHIBITS	1
Section 1.1 Definitions.....	1
Section 1.2 Exhibits.....	3
ARTICLE 2 LOAN PROVISIONS	3
Section 2.1 Modified Loan.....	3
Section 2.2 Interest	3
Section 2.3 Modified Loan Term and Repayment Schedule.	3
Section 2.4 Loan Modification Process	4
Section 2.6 Termination	4
ARTICLE 3 CONTINUING OBLIGATIONS	5
Section 3.1 Applicability.	5
Section 3.2 Use, Maintenance and Operation.....	5
Section 3.3 Changes.....	5
Section 3.4 Notification of Litigation.	5
Section 3.5 Indemnity; Insurance.	5
Section 3.6 Hazardous Materials.	6
Section 3.7 Non-Discrimination.....	8
Section 3.8 Mandatory Language in All Subsequent Deeds, Leases and Contracts.	8
Section 3.9 Fees and Taxes.....	10
Section 3.10 Loan Modification Records.....	10
ARTICLE 4 ASSIGNMENT AND TRANSFERS AND SUBORDINATION	10
Section 4.1 Purpose of Restrictions on Transfer.....	10
Section 4.2 Prohibited Transfers.....	11
Section 4.3 Due on Transfer.	11
ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF BORROWER	11
Section 5.1 Representations and Warranties.....	11
ARTICLE 6 DEFAULTS AND REMEDIES	12
Section 6.1 Events of Default.....	12
Section 6.2 Remedies.....	14
Section 6.3 Right of Contest.....	14
Section 6.4 Remedies Cumulative.	14
Section 6.5 Waiver of Terms and Conditions.....	15
ARTICLE 7 GENERAL PROVISIONS	15
Section 7.1 Relationship of Parties.	15
Section 7.2 No Claims.....	15
Section 7.3 Notices, Demands and Communications.....	16

Section 7.4	Non-Liability of Officials, Employees and Agents.	16
Section 7.5	Enforced Delay.	16
Section 7.6	Title of Parts and Sections.....	17
Section 7.7	Applicable Law.	17
Section 7.8	Severability.....	17
Section 7.9	Legal Actions.....	17
Section 7.10	Binding Upon Successors.	17
Section 7.11	Entire Understanding of the Parties.....	17
Section 7.12	Approval.	17
Section 7.13	Counterparts; Multiple Originals.	18
Section 7.14	Amendments.	18
Section 8.15	Joint and Several Liability.....	18
Exhibit A:	Repayment Schedule	