



**BELOVIDA SENIOR APARTMENTS – TERM SHEET
AMENDMENT TO THE CITY LOAN**

Date: December 17, 2024

OWNER REQUEST: Belovida Santa Clara, L.P., a California limited partnership (“Borrower”), hereby requests the City to consider the following items (“Transactions”):

1. Increase the existing City Loan by up to \$90,000, from \$4,955,000 to \$5,045,000.
2. Consent to a new loan refinance transaction in the total principal amount of up to \$1,310,500 to be made by the County of Santa Clara to pay off the existing senior debt and provide funds to rehabilitate Belovida Senior Apartments; and
3. Consent to the exits/substitution of the limited partner and general partner.

SUMMARY OF CITY ACTIONS:

The summary below describes the City requirements as part of the Transaction.

- A. *Amendment of Loan Terms:* Associated with the Transaction, the terms and conditions of the existing City loan will be amended, and the loan documents will be modified to reflect the requested changes as set forth herein. See **Exhibit A** for details of the amendments to the terms of the City Loan.

PROJECT DESCRIPTION & FINANCING OVERVIEW

1. **PROJECT DESCRIPTION:** The Property is a low-income apartment building consisting of 28 units located at 1420 Main Street, Santa Clara. The Property has 27 rent-restricted units restricted by the City’s existing Agreement Containing Covenants to 9 Extremely Low-Income and 18 Very Low-Income senior households.
2. **EXISTING CITY LOAN:** The Project currently has a \$4,955,000 permanent loan from the City of Santa Clara (“City Loan”). The City Loan is evidenced by a Promissory Note dated August 1, 2008, that bears 2.75% simple interest and secured by a leasehold deed of trust. The City Loan is scheduled to mature on June 30, 2065 (“Maturity Date”). The City receives 50% Residual Receipt payments. As of November 30, 2024, the outstanding unpaid principal balance of the City Loan is \$4,955,000 and \$2,140,552.16 in accrued unpaid interest.
3. **SPONSOR:** Charities Housing Development Corporation of Santa Clara County

4. AMENDED AND RESTATED CITY LOAN

The revised Loan terms are set forth in Exhibit A “Amended Terms and Conditions to the Existing City Loan,” attached hereto.

5. DOCUMENTATION

- a. This Term Sheet is not intended to set all of the terms, conditions and documents required by the City for this Transaction, which shall include customary provisions and documents to be approved by City (including, but not limited to, all such documents mentioned in this Term Sheet and all City documents evidencing, securing or related to City documents related to this Project, shall in all respects be satisfactory to City (collectively, “City Documents”).
- b. Borrower shall promptly deliver to City any further documentation which may be required by City.
- c. Changes or Amendments: No Project loan documents which are subject to City’s review or approval shall be modified in any material aspect or terminated without the prior written approval of the City. Such approval will be focused on whether such changes are consistent with the long-term viability and financial projections for the Project.
- d. Conflict: If a conflict arises between terms herein and terms in the City Documents, the City Documents shall prevail.
- e. Expiration: The subject Term Sheet expires 10 days from the date written above. Please return a fully executed copy to the City by January 9, 2025.

ATTACHMENT

Exhibit A: Amended Terms and Conditions to the Existing City Loan

ACCEPTED BY:

“BORROWER”

Belovida Santa Clara, L.P., a California limited partnership

By: Charities Belovida LLC, a California limited liability company
its Managing General Partner

By: Charities Housing Development Corporation of Santa Clara County
a California nonprofit public benefit corporation
its sole member

By: _____
Mark J. Miki
Executive Director

Date: _____

By: CORE Belovida, LLC, a California limited liability company
Its Co-General Partner

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

AMENDED TERMS AND CONDITIONS TO THE EXISTING CITY LOAN

1. **AMENDED LOAN AMOUNT:** The City Loan shall be increased by up to \$90,000, from \$4,955,000 to \$5,045,000. Any accrued unpaid interest shall not be capitalized into the principal amount of the Loan but will remain payable as a separate obligation.
2. **INTEREST RATE:** No change.
3. **MATURITY DATE:** No change.
4. **LOAN DOCUMENTS:** The Borrower will enter into an Amended and Restated City Loan Documents which shall evidence the City Loan terms as set forth in this Term Sheet.
5. **PAYMENTS:** Payable from City's proportionate share of the Residual Receipts. City's "Proportionate Share" shall mean the City's pro-rata share of the total outstanding principal amount due under the proposed County PLHA loan in the amount of \$319,550, which is .95%, so long as the County PLHA loan is outstanding at the time of determination of City's Proportionate Share.
6. **RESIDUAL RECEIPTS SPLIT:** 50% to Borrower and 50% to lenders listed in #5 above.
7. **NO SUBORDINATION:** The City shall not subordinate its deed of trust and the Covenants to any lenders' deed of trust or regulatory agreement.
8. **PROFORMA BUDGET:** Borrower shall submit for City approval a financial pro forma (the "Pro forma") reflecting Borrower's sources and uses of funds and projections of estimated income and operating expense cash flow for the Project.
9. **SCOPE OF WORK:** Borrower shall submit a scope of work for the proposed rehab work.
10. **ORGANIZATIONAL AGREEMENTS:** Borrower shall submit to City, Articles of Incorporation /By-Laws, Corporate Resolutions and Incumbency Certificate, LLC documents, limited partnership agreement with all exhibits and amendments thereto and related filings or recorded documents, a current good status certificate and such related documentation as City may request.
11. **COMPLIANCE:** Prior to closing, the Sponsor must be in compliance on all of its projects with the City including, but not limited to, rent and income compliance and document submission compliance.