

FIRST AMENDMENT TO ENHANCED – USE LEASE

**of Certain Real Property and Facilities
at the Sepulveda Ambulatory Care Center
in Sepulveda, California
(Building 4)**

Date: August, 7 2009

FIRST AMENDMENT TO ENHANCED-USE LEASE

of Certain Real Property and Facilities at the Sepulveda Ambulatory Care Center,
Sepulveda, California

This **First Amendment to Enhanced-Use Lease** (hereinafter referred to as the "Amendment"), is made and entered into this the 7 day of August, 2009, by and between the Secretary of Veterans Affairs ("Secretary"), an officer of the United States on behalf of the Department of Veterans Affairs (hereinafter "Department"), and ND Sepulveda I L.P., a limited partnership, comprised of New Directions Sepulveda LLC, a California Limited Liability Company, New Directions Inc. of Los Angeles, California, a nonprofit public benefit corporation, and A Community of Friends, of Los Angeles California, a nonprofit public benefit corporation (hereinafter "ND Sepulveda I" or "Lessee") and amends the Enhanced-use Lease entered into by the same parties on December 21, 2007 as more fully described below.

RECITALS

WHEREAS, the Department is the owner of certain real property and facilities located at the Sepulveda Ambulatory Care Center, Sepulveda, California (the "VAMC") that provides health care services to the nation's veterans; and

WHEREAS, on December 21, 2007, VA and ND Sepulveda I entered into an Enhanced-Use Lease ("Lease") of certain VAMC property as described in the Lease; and

WHEREAS, the Lease provides that ND Sepulveda I shall develop, finance, renovate, construct, operate, repair and maintain "Supportive Housing" as defined in the Lease, consisting of no more than seventy-three (73) units in Building 4 located on the property.

WHEREAS, the Lease currently provides that ND Sepulveda I shall provide the pertinent "Supportive Housing" services to eligible "Veterans" on a priority basis, and non-Veterans on a non-priority basis.

WHEREAS, the Department and ND Sepulveda I now desire to amend the Lease to provide that "Supportive Housing" and all other services provided under the Lease shall, subject to applicable Federal, State, and local law, be limited to Veterans.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, receipt of which is hereby acknowledged and accepted, the parties hereby agree that the Lease is amended as follows:

1. The fifth "Whereas" paragraph in the Recitals shall be replaced in its entirety with the following paragraph:

"WHEREAS, the Department and Lessee agree that the Supportive Housing and all other services and programs provided pursuant to the Lease shall, subject to

applicable Federal, State, and local law, be limited to eligible Veterans in accordance with this Lease, to include the "Tenant Selection Plan" (attached as Exhibit "G"); and"

2. Article 2 of the Lease, paragraph A.6, shall be replaced in its entirety with the following paragraph:

"6. Provide Supportive Housing and all other services and programs pursuant to this Lease solely to eligible Veterans subject to applicable Federal, State and local law, and in accordance with the Tenant Selection Plan at Exhibit G."

3. Article 2 of the Lease, paragraph A.9.(c), is hereby deleted in its entirety.

4. Article 8 of the Lease, last sentence, beginning with the words "All tenants on the Property who are Veterans" and ending with the words "otherwise available to Veterans"..., is hereby deleted in its entirety.

5. Exhibit "G," Tenant Selection Plan, Section I, Selection For Occupancy, last paragraph, beginning with the words: "A Veteran applicant" and ending with the words "qualified non-Veteran applicants." is hereby deleted in its entirety.

6. Exhibit "G," Tenant Selection Plan, Section I, shall include a new paragraph (d) as follows:

"(d) be a Veteran, as defined in this Lease"

7. Exhibit "G," Tenant Selection Plan, Section II. Outreach and Marketing Activity, is hereby amended to delete the first sentence, comprised of the following words: "Special marketing outreach consideration will be given to Veterans eligible for VA services."

8. Exhibit "G" Tenant Selection Plan, Section V, Waiting List, first paragraph, is hereby amended to delete the last sentence, comprised of the following words: "Waiting list applicants who are veterans will be offered occupancy in units as they become vacant on a first-come, first-served basis before non-Veterans are otherwise eligible for such occupancy."

9. Exhibit "G," Tenant Selection Plan, Section V, Waiting List, last paragraph, is hereby amended to delete the last sentence, comprised of the following words: "However, in the event that a qualified veteran cannot be found and a unit remains vacant for sixty (60) days, the application of a non-Veteran who meets all other requirements of Section I may be processed and an apartment may be offered."

10. Exhibit "H," Management Plan, Section III, Occupancy, paragraph A, is hereby amended to delete the following words: "PLEASE SEE VETERANS PRIORITY PLACEMENT PLAN."

All other terms and conditions of the Enhanced-Use Lease shall remain in effect as executed on December 21, 2007.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

ND SEPULVEDA I, L.P.
A California Limited Partnership
The Enhanced-Use Lessee

By: A Community of Friends, a California nonprofit
Public benefit corporation, its co-managing
General partner

By: *Dora Leong Gallo* CEO

Title: Dora Leong Gallo
Chief Executive Officer

_____)
_____)
_____)

The foregoing instrument was acknowledged before me in _____,
this ____ day of _____, 2009 by _____ of
_____.

Notary Public

My commission expires: _____

see attached

notary
DF

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of LOS ANGELES

On 8/6/09 before me, DINDE R. PATRICK,
Date Here Insert Name and Title of the Officer
 personally appeared DORA LEONG GALLO
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature *Dinde R. Patrick*
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

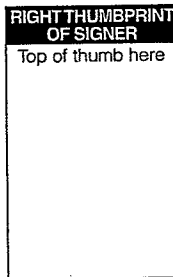
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

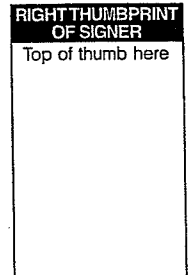
Signer Is Representing: _____



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



ND SEPULVEDA I , L.P.
A California Limited Partnership
The Enhanced-Use Lessee

By: New Directions Sepulveda LLC.
A California limited liability company,
Its co-managing general partner

By: Joni Reinis _____

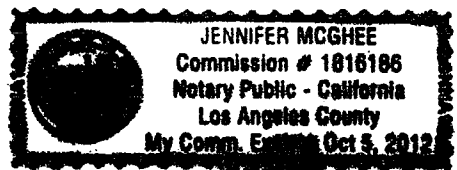
Title: Toni Reinis
Executive Director

_____)
_____)
_____)

The foregoing instrument was acknowledged before me in Los Angeles, California,
this 5 day of August, 2009 by Jennifer McGhee of _____.

Jennifer McGhee
Notary Public

My commission expires: 10/5/2012



THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS
The Enhanced-Use Lessor

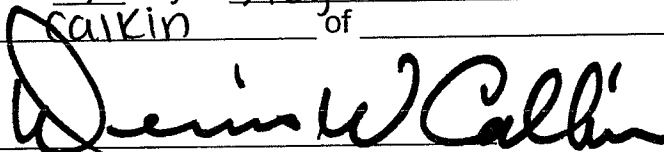
By: 

Name: Rita A. Reed

Title: Acting Assistant Secretary for Management

By delegation of Authority Dated September 10, 2004.

The foregoing instrument was acknowledged before me in washington,
DC, this 7 day of August, 2009 by
Dennis W. Calkin of _____.


Notary Public

My commission expires: _____
DENNIS W. CALKIN
NOTARY PUBLIC DISTRICT OF COLUMBIA
MY COMMISSION EXPIRES: FEB 20, 2011