

FOURTH AMENDMENT TO HOME LOAN AGREEMENT
(522 E. Granger)

THIS FOURTH AMENDMENT TO HOME LOAN AGREEMENT (this “**Amendment**”) is entered into as of _____, 2019 (the “**Effective Date**”), by and between the City of Modesto, a California charter city (the “**City**”) and Stanislaus County Affordable Housing Corporation (the “**Developer**”). The City and the Developer are collectively referred to herein as the “**Parties**.” Capitalized terms used in this Amendment and not defined herein have the meaning ascribed to them in the HOME Loan Agreement.

RECITALS

A. The City has received HOME Investment Partnership Act funds from the United States Department of Housing and Urban Development (“**HUD**”) pursuant to the Cranston-Gonzales National Housing Act of 1990 (“**HOME Funds**”). The HOME funds must be used by the City in accordance with 24. C.F.R. Part 92.

B. City and Developer entered into that certain HOME Loan Agreement dated September 22, 2015 as amended from time to time (the “**HOME Loan Agreement**”), whereby the City agreed to provide HOME Funds to the Developer in connection with the construction of approximately four (4) units of permanent, supportive housing in the City of Modesto (the “**Improvements**”).

C. The Home Loan Agreement is evidenced by that certain Amended and Restated Promissory Note Secured by Deed of Trust dated July 26, 2016, and secured by that certain Deed of Trust with Assignment of Rents, Security Agreement, and Fixture Filing recorded on September 16, 2016 in the Official Records of Stanislaus County as Document No. 2016-71323 (the “**Deed of Trust**”).

D. Due to unforeseen circumstances, and the Developer has determined that it needs additional funds in order to complete the construction of the Improvements.

E. There is a critical needs for permanent, supportive housing in the City of Modesto, and the City desires to provide additional HOME Funds to Developer in order to ensure that the Improvements are completed.

F. Pursuant to Section 8.3 of the HOME Loan Agreement, the City and the Developer now desire to amend the HOME Loan Agreement to increase the amount of the Loan by up to Forty Seven Thousand Five Hundred Fifty Seven Dollars (\$47,557), for a total Loan of not to exceed Six Hundred Ten Thousand Five Hundred Fifty Seven Dollars (\$610,557).

G. Developer shall execute a new Amended and Restated Promissory Note Secured by Deed of Trust to reflect the increased amount of the Loan, which shall be secured by the Deed of Trust.

H. The total amount of the HOME Funds to be provided to Developer for the Improvement does not exceed the current maximum per-unit HOME loan subsidy, as established by applicable regulations.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Amendment agree as follows:

Section 1. Recitals. The above recitals are true and are incorporated into this Amendment by this reference.

Section 2. Amendment to Section 2.1 Loan. Section 2.1 of the HOME Loan Agreement is hereby amended as read as follows (~~strikethrough~~ is delete, *italics* is addition):

“Section 2.1 Loan.

(a) Subject to satisfaction of the conditions set forth in Article 2, as applicable, the City shall lend to the Developer the HOME Loan for the purposes set forth in Section 2.3 of this Agreement. The obligation to repay the HOME Loan shall be evidenced by the Note, in the form to be provided by the City. For the purposes of this Article 2, the HOME Loan will be disbursed in three (3) components:

(1) the “Acquisition Component” shall be a portion of the HOME Loan in the approximate amount of Two Hundred Thirty-Three Thousand Dollars (\$233,000) which shall be disbursed in accordance with the requirements of Section 2.6 below.

(2) the “Construction Component” shall be a portion of the HOME Loan in the approximate amount of *Three Hundred Sixteen Thousand Five Hundred Two Dollars (\$316,502)* ~~Two Hundred Seventy-Three Thousand Seven Hundred Dollars (\$273,700)~~ which shall be disbursed in accordance with the requirements of Section 2.6 below.

(3) the “Retention Component” shall be a portion of the HOME Loan in the approximate amount of *Sixty One Thousand Fifty Five Dollars (\$61,055)* ~~Fifty-Six Thousand Three Hundred Dollars (\$56,300)~~ or the balance of the HOME Loan, which shall be disbursed in accordance with the requirements of Section 2.7 below.

(b) The division of the HOME Loan between the Acquisition Component, the Construction Component, and the Retention Component may be readjusted by the City Manager, or the City Manager’s designee, without the need for formal amendment of this Agreement.”

Section 3. Subsection 2.7(a) of the HOME Loan Agreement is hereby amended as read as follows (~~strikethrough~~ is delete, *italics* is addition):

“Section 2.7 Conditions Precedent to Disbursement of Retention Component.

(a) The City shall not be obligated to disburse the final *Sixty One Thousand Fifty Five Dollars (\$61,055)* ~~Fifty Four Thousand Dollars (\$54,000)~~ of HOME Loan Funds which comprise the Retention Component of the HOME Loan unless the following conditions precedents are satisfied:”

Section 4. Subsection 5.1 of the HOME Loan Agreement is hereby amended as read as follows (~~strike through~~ is delete, *italics* is addition):

“Section 5.1 Match Requirement.

The Developer shall ensure that the HOME Loan is matched with a minimum of 25% of the loan amount which is equal to *One Hundred Fifty One Thousand Six Hundred Thirty Nine Dollars (\$152,639)* ~~One Hundred Thirty Five Thousands Dollars (\$135,000)~~, in other, non-federal sources, pursuant to and eligible under 24 CFR 92.220.”

Section 5. Except as set forth in this Amendment, the terms and conditions of the HOME Loan Agreement shall remain unchanged and in full force and effect.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, City and Borrower have executed this Amendment as of the date first above written.

CITY OF MODESTO

By: _____
Joseph Lopez, City Manager

ATTEST:

By: _____
Stephanie Lopez, City Clerk

APPROVED AS TO FORM

By: _____
Adam U. Lindgren, City Attorney

STANISLAUS COUNTY AFFORDABLE HOUSING CORPORATION

By: _____

Title: _____