

**FIRST AMENDMENT TO PROMISSORY NOTE
(HOME Loan)**

Loan Amount: \$1,000,000.00

_____, 2021
Riverside, California

THIS FIRST AMENDMENT TO PROMISSORY NOTE (HOME Loan) (this "**Amendment**") is made and entered into as of this ____ day of _____, 2021 (the "**Effective Date**"), by and between GOLDWARE SENIOR HOUSING LIMITED PARTNERSHIP, a California limited partnership ("**Maker**"), and the CITY OF RIVERSIDE, a California charter city and municipal corporation (the "**Payee**"), or order.

RECITALS

WHEREAS, pursuant to that certain HOME Partnership Investment Loan Agreement dated as of November 7, 2000, as amended by that certain First Amendment to HOME Partnership Investment Loan Agreement dated as of _____, 2021 (collectively, the "**Loan Agreement**"), by and between Payee and Maker, Payee agreed to provide financial assistance using funds received by the Payee pursuant to the Federal HOME Investment Partnership Act and HOME Investment Partnerships Program (the "**HOME Loan**") to assist Maker for certain Eligible Project Costs incurred by Maker for the development of a 162-unit affordable senior housing development known as Goldware Senior Housing (the "**Project**") and located at 6730 Streeter Avenue, Riverside, California (the "**Property**");

WHEREAS, the Loan was evidenced by that certain Promissory Note dated as undated, 2000, by Maker for the benefit of Payee in the original principal amount of One Million and 00/100 Dollars (\$1,000,000.00) (the "**Note**");

WHEREAS, Maker has obtained a loan (the "**FHA Loan**") from Wells Fargo Bank, National Association, a national banking association ("**Lender**"), to be insured by the U.S. Department of Housing and Urban Development by and through the Secretary, his or her successors, assigns or designates ("**HUD**"), under Section 207, pursuant to Section 223(f), of the National Housing Act of 1934, as amended;

WHEREAS, as a condition of insuring the FHA Loan, HUD requires that the Note be amended to contain certain provisions as required by HUD;

WHEREAS, Payee and Maker desire to amend the term and interest rate and to restate the balance owing under the Note; and

WHEREAS, the Payee and Maker have agreed to amend the Note in accordance with the terms of this Amendment.

NOW, THEREFORE, the Payee and Maker desire to amend the Note as follows.

AGREEMENT

1. All capitalized terms not defined herein shall have the same meaning as defined in the Note.

2. As of the date of this Amendment, the outstanding principal balance together with any and all accrued interest owing on the Note is \$810,000.00.

3. Section 2 (Interest Rate) of the Note is hereby deleted in its entirety and replaced with the following:

“2. **Interest Rate.** The HOME Loan shall accrue non-compounding simple interest at the rate of one percent (1.0%) per annum, except upon the Event of Default by Maker as defined in Section 9 of this Note. In the Event of Default, interest shall accrue on the unpaid principal balance of this Note at the rate of ten percent (10%) per annum compounded annually from the date of the Event of Default as determined by the Payee until the Note is paid in full; provided, however, if such rate of interest may not be collected under applicable law, interest shall accrue on the unpaid principal balance of this Note at the highest rate permitted under the laws of the State of California.”

4. Section 5 (Term) of the Note is hereby deleted in its entirety and replaced with the following:

“5. **Term.** The HOME Loan shall mature and all outstanding principal and accrued interest shall be due and payable on July 1, 2057.”

5. A new Section 21 is added to Note as follows:

“21. **HUD Provisions.** As long as the U.S. Department of Housing and Urban Development (“**HUD**”) is the insurer or holder of a loan to Maker by Wells Fargo Bank, National Association, a national banking association (“**Lender**”), as evidenced by a Note (Multistate) (“**Senior Note**”), relating to that certain project known as Goldware Senior Housing (“**Project**”) under FHA Project No. 143-11222, the following provisions (“**HUD Provisions**”) shall be in full force and effect:

a. Any terms not defined within this Section 21 shall have the same meaning as set forth in HUD’s Program Obligations set forth in that certain Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement granted by Maker in favor of Lender, as the same may be supplemented, amended or modified (“**Security Instrument**”), and/or the Regulatory Agreement between Maker and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time (“**HUD Regulatory Agreement**”), as the context so requires;

b. any payments due under this Note shall be payable only (i) from permissible distributions from Surplus Cash of the Project; but in no event greater than seventy-five percent (75%) of the total amount of Surplus Cash; or (ii) from monies received from Non-Project Sources. In no event may payments due under all subordinate debt of Maker cumulatively exceed 75% of available Surplus Cash. The restriction on payment imposed by this paragraph shall not excuse any default caused by the failure of the Maker to pay the indebtedness evidenced by this Note;

c. no prepayment of this Note shall be made until after final endorsement by HUD of the Senior Note, unless such prepayment is made from Non-Project Sources and is approved in writing by HUD.

d. this Note is non-negotiable and may not be sold, transferred, assigned, or pledged by the holder of this Note except with the prior written approval of HUD;

e. interest on this Note shall not be compounded as long as HUD is the insurer or holder of the Senior Note secured by the Security Instrument;

f. Maker hereby waives presentment, demand, protest and notice of demand, protest and nonpayment of this Note;

g. the terms and provisions of this Note are also for the benefit of and are enforceable by HUD against any party hereto, their successors and assigns. This Note may not be modified or amended without the written consent of HUD; and

h. in the event of any conflict between the terms of the Note and the HUD Provisions set forth within this Section 21, the terms of the HUD Provisions shall control."

6. This Amendment is governed by and construed in accordance with the laws of the State of California.

7. This Amendment may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same amendment.

8. Except as modified by this Amendment, the terms of the Note shall remain unchanged and in full force and effect.


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[SIGNATURE PAGES FOLLOW]

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

MAKER:

GOLDWARE SENIOR HOUSING LIMITED PARTNERSHIP,
a California limited partnership

By: Housing Corporation of America,
a Utah nonprofit corporation,
its Managing General Partner

By: 
Carol Cromar, President

By: Goldware TSA Housing LLC,
a California limited liability company,
its Administrative General Partner

By: _____
Renee Groves, Chief Financial Officer

[PAYEE'S SIGNATURE PAGE FOLLOWS]

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

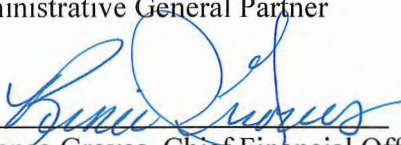
MAKER:

GOLDWARE SENIOR HOUSING LIMITED PARTNERSHIP,
a California limited partnership

By: Housing Corporation of America,
a Utah nonprofit corporation,
its Managing General Partner

By: _____
Carol Cromar, President

By: Goldware TSA Housing LLC,
a California limited liability company,
its Administrative General Partner

By:  _____
Renee Groves, Chief Financial Officer

[PAYEE'S SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO
FIRST AMENDMENT TO PROMISSORY NOTE
(HOME Loan)
Maker: Goldware Senior Housing Limited Partnership
Loan Amount: \$1,000,000.00

PAYEE:


CITY OF RIVERSIDE,
a California charter city and municipal corporation

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____

APPROVED AS TO FORM:

By:  _____
Name: Lauren Sanchez _____
Title: Deputy City Attorney _____