

**FIRST AMENDMENT TO  
HOME PARTNERSHIP INVESTMENT LOAN AGREEMENT**

THIS FIRST AMENDMENT TO HOME PARTNERSHIP INVESTMENT LOAN AGREEMENT (the "**Amendment**") is made effective and executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2021, between the CITY OF RIVERSIDE, a charter city and municipal corporation ("**City**") and GOLDWARE SENIOR HOUSING LIMITED PARTNERSHIP, a California limited partnership ("**Developer**"), modifies and amends that certain agreement entitled "Home Partnership Investment Loan Agreement" by and between the City and Developer and dated November 7, 2000 (the "**Loan Agreement**"), in connection with the real property legally described in Exhibit A attached hereto (the "**Site**") thereupon which located those improvements comprising a 162-unit senior housing complex known as "Goldware Senior Housing" and having an address at 6730 Streeter Avenue, Riverside, Riverside County, California (the "**Improvements**") and together with the Site are collectively, the "**Project**").

**RECITALS**

A. In connection with the Developer's acquisition of the Site and development of the Project, the City agreed to provide financial assistance to the Developer in the amount of One Million Dollars (\$1,000,000) to assist with Eligible Project Costs (as defined in the Loan Agreement) (the "**HOME Loan**") and financial assistance in the amount of Five Hundred Fifty Thousand Dollars (\$550,000) for certain development impact fees to be paid by the Developer as part of the development of the Project (the "**Fee Deferral**") and together with the HOME Loan are collectively, the "**Loans**"), with the terms and conditions of both financial assistance documented by the Loan Agreement;

B. The Loans were evidenced by two promissory notes and secured with two deeds of trust granted by the Developer for the benefit of the City in their respective amounts of One Million Dollars (\$1,000,000) and Five Hundred Fifty Thousand Dollars (\$550,000) and which deeds of trust were recorded in the Official Records of Riverside County, California;

C. Pursuant to the terms of the Loan Agreement, the Developer covenanted with the City to comply with use restrictions and, more specifically, as to affordability restrictions contained therein in order to ensure certain units within the Project are available for rental to very low and qualified low income seniors for a period specified therein (collectively the "**Affordability Restrictions**");

D. Developer 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 ("**HUD**") pursuant to Section 207, pursuant to Section 223(f) of the National Housing Act of 1934, as amended, and to be secured by a Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement ("**Security Instrument**") and HUD's form of Regulatory Agreement ("**Regulatory Agreement**") and all other documents required by

HUD or Lender in connection with the FHA Loan (collectively, the "**Mortgage Loan Documents**");

E. As a condition of insuring the FHA Loan, HUD requires that the Loan Agreement be amended to subordinate the Affordability Restrictions to the Mortgage Loan Documents as required by HUD;

F. The Fee Deferral has now been fully repaid and satisfied and the corresponding deed of trust ("**Fee Deferral Deed of Trust**") has been or will be re-conveyed by the City to the Developer;

G. The City and Developer wish to amend the terms of the Home Loan on condition that the Affordability Restrictions shall remain as a continuing covenant charging the Property until such time as set forth in the Loan Agreement;

H. The City and Developer have agreed to modify the Loan Agreement in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Unless specifically defined herein, all other capitalized terms not defined in this Amendment shall have the same meaning as set out in the Loan Agreement.

2. In Article I (INTRODUCTORY SECTIONS), Section A (Definitions), the definition of "Affordable Rent" is hereby amended as follows:

"1. '**Affordable Rent**' shall mean, with respect to the HOME Assisted Units, the amount of monthly rent, including a reasonable utility allowance, to be charged by Developer and paid by a tenant household which does not exceed the Low HOME Rent for a Very Low Income Household; and with respect to the remaining Affordable Units, the amount of monthly rent, including a reasonable utility allowance, to be charged by Developer and paid by a tenant household in the Project as determined and calculated pursuant to Section 50053 of the California Health & Safety Code, except that for purposes of this Agreement it shall be assumed that Affordable Rent for all Affordable Units (i) occupied by Very Low Income Households in the Project shall not exceed the product of thirty percent (30%) times fifty percent (50%) of area median income adjusted for family size appropriate to the Unit, and (ii) occupied by Qualified Low Income Households in the Project shall not exceed the Qualified Tenant Rent adjusted for family size appropriate to the Unit. For greater certainty, in the event of any discrepancy between the Qualified Tenant Rent and Section 50053 of the California Health and Safety Code rent calculations, for purposes of the Affordable Rent for the Affordable Units

occupied by Qualified Low Income Households, the Qualified Tenant Rent shall prevail.”

3. In Article I (INTRODUCTORY SECTIONS), Section A (Definitions), the definition of “Affordable Units” is hereby deleted in its entirety and replaced with the following:

“2. **‘Affordable Units’** shall mean the one hundred forty-six (146) Units, including the eleven (11) HOME Assisted Units, required to be available to, occupied by, or held vacant for occupancy exclusively to Senior Citizen Households of Very Low Income and Qualified Low Income and rented at an Affordable Rent, as set forth in this Agreement.”

4. In Article I (INTRODUCTORY SECTIONS), Section A (Definitions), the definition of “HOME Assisted Units” is hereby deleted in its entirety and replaced with the following:

“23. **‘HOME Assisted Units’** shall mean the nine (9) two-bedroom and two (2) one-bedroom Affordable Units in the Project available to, occupied by, or held vacant for occupancy, exclusively to Very Low Income Senior Citizen Households, for which HOME Regulations apply, including without limitation, HOME rent, occupancy and monitoring requirements. Pursuant to Section 92.252(j) of the HOME Regulations, the HOME Assisted Units shall be a “floating” designation such that the requirements of this Agreement will be satisfied so long as the total number of Affordable Units meeting the requirements of a HOME Assisted Unit remains the same throughout the Term and each substituted Affordable Unit is comparable in terms of size, features, and number of bedrooms to the originally designated HOME Assisted Units.”

5. In Article I (INTRODUCTORY SECTIONS), Section A (Definitions), the definition of “Qualified Low Income,” “Qualified Low Income Household” or “Qualified Low Income Tenant” is hereby deleted in its entirety and replaced with the following:

“42. **‘Qualified Low Income,’ ‘Qualified Low Income Household,’ or ‘Qualified Low Income Tenant’** shall mean those person(s) or households whose annual incomes do not exceed sixty percent (60%) of the Riverside County median income adjusted for family size as determined by HUD.”

6. In Article I (INTRODUCTORY SECTIONS), Section A (Definitions), the definitions of “Low HOME Rent,” “Qualified Tenant Rent,” and “TCAC” are hereby added:

“53. **‘Low HOME Rent’** shall mean tenant-paid rent that is in accordance with Section 92.252(a) of the HOME Regulations.

54. **‘Qualified Tenant Rent’** shall mean tenant-paid rent that is in accordance

with rent adjusted for bedroom count published at least annually by TCAC, which TCAC has determined is affordable for individuals and families earning sixty percent (60%) of area median income for Riverside County, California.

55. 'TCAC' shall mean the California Tax Credit Allocation Committee, or its successors and/or assigns."

7. In Article I (INTRODUCTORY SECTIONS), Section C (Limitation Upon Change In Ownership, Management and Control of the Developer), sub-paragraph 2 (Permitted Transfers), sub-subparagraph "a.," is hereby deleted and replaced with the following:

"a. the assignment of Thomas L. Safran's general partner interest in the Developer entity to a limited liability company in which Thomas L. Safran is a manager or has a controlling interest therein;"

8. Article IV (USES), Section B (Permitted Uses) is hereby deleted in its entirety and replaced with the following:

"B. **Permitted Uses.** The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that the Developer, and such successors and assigns, shall use, maintain and operate the Property as a senior citizen housing development containing one hundred sixty-two (162) Units, including one (1) three-bedroom Unit, fifteen (15) two-bedroom Units, and one hundred forty-six (146) one-bedroom Units in accordance with and as specified in the Regulatory Agreement. All of the Units shall be restricted for occupancy by Senior Citizen Households in perpetuity and one hundred forty-six (146) of the Units shall be maintained as Affordable Units, including eleven (11) HOME Assisted Units, throughout the Term. During the Term, all uses undertaken by the Developer on the Property shall conform to all applicable provisions of the Riverside Municipal Code and Governmental Regulations. None of the Units on the Property shall at any time be utilized on a transient basis, nor shall the Property or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, or rest home. Developer shall not convert the Property to condominium ownership during the Term without the prior written approval of the City, which approval the City may grant, withhold or deny in their sole and absolute discretion. The foregoing covenants shall run with the land."

9. The Loan Agreement is hereby amended to add a new Article VIII as follows:

"VIII. HUD-REQUIRED PROVISIONS

A. HUD Provisions. The Rider to HOME Partnership Investment Loan Agreement, attached hereto as Exhibit 'H' is incorporated by reference into this

Agreement for such time as the Project is subject to a mortgage, deed of trust or security instrument insured or held by the U.S. Department of Housing and Urban Development by and through the Secretary, his or her successors, assigns or designates ('HUD')."

10. The HUD Rider to HOME Partnership Investment Loan Agreement ("**HUD Restrictive Covenants Rider**") attached to this Amendment as Exhibit "B" is hereby adopted as Exhibit "H" to the Loan Agreement, which may not be amended or revised without the prior written consent of HUD and the Lender.

11. The Loan Agreement, as hereby amended, is hereby ratified and approved, and remains in full force and effect.

12. Current Tenants. Notwithstanding any provisions of this Amendment to the contrary, any existing tenants who, prior to the effective date of this Amendment, qualified for occupancy under the former definition of Qualified Low Income Household (i.e., those tenants whose income at initial occupancy did not exceed eighty-five percent (85%) of the Riverside County median income adjusted for family size as determined by HUD) shall continue to be considered a qualified tenant of the Project.

13. Governing Law. This Amendment shall be construed in accordance with the laws of the State of California and the United States of America.

14. Severability. If any provision of this Amendment is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

15. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above described.

[SIGNATURE PAGES FOLLOW]

SIGNATURE PAGE TO  
FIRST AMENDMENT TO HOME PARTNERSHIP INVESTMENT LOAN AGREEMENT

**CITY:**


**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 \_\_\_\_\_

SIGNATURE PAGE TO  
FIRST AMENDMENT TO HOME PARTNERSHIP INVESTMENT LOAN AGREEMENT

**DEVELOPER:**

**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

SIGNATURE PAGE TO  
FIRST AMENDMENT TO HOME PARTNERSHIP INVESTMENT LOAN AGREEMENT

**DEVELOPER:**

**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



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

APN: 226-131-016  
Address: 6730 Streeter Avenue

That certain real property located in the City of Riverside, County of Riverside, State of California, described as follows:

That portion of the Northwest Quarter of the Southwest Quarter of Section 33, Township 2 South, Range 5 West, San Bernardino Meridian, as shown by United States Government Survey, described as follows:

**COMMENCING** at the intersection of the centerline of Sierra Street with the centerline of Streeter Avenue as shown on Record of Survey on file in Book 43, Page 99 of Records of Survey, Records of Riverside County, California;

Thence North 0°00'09" West, along said centerline of Streeter Avenue, a distance of 315.01 feet to a line which is parallel with and distant 315.00 feet northerly, as measured at right angles, from said centerline of Sierra Street;

Thence North 89°26'30" East, along said parallel line, a distance of 44.00 feet to a line which is parallel with and distant 44.00 feet easterly, as measured at right angles, from said centerline of Streeter Avenue, and the **POINT OF BEGINNING** of the parcel of land being described;

Thence North 89°26'30" East, continuing along said parallel line, a distance of 248.00 feet;

Thence North 59°26'30" East, a distance of 62.00 feet;

Thence South 30°33'30" East, at right angle to the previous course, a distance of 70.44 feet to a line which is parallel with and distant 285.00 feet northerly, as measured at right angles, from said centerline of Sierra Street;

Thence North 89°26'30" East, along said last mentioned parallel line, a distance of 384.79 feet to the northerly prolongation of the westerly line of the South 228.00 feet of the East 66.00 feet of the West One-Half of the West One-Half of the Southeast Quarter of the Northwest Quarter of the Southwest Quarter of said Section 33;

Thence South 0°01'19" West, along said northerly prolongation of said westerly line, a distance of 57.00 feet to the North line of said South 228.00 feet of the East 66.00 feet of the West One-Half of the West One-Half of the Southeast Quarter of the Northwest Quarter of the Southwest Quarter of said Section 33;

Thence North 89°26'30" East, along said last mentioned North line, a distance of 66.00 feet to the westerly line of Hardman Tract No. 2, as shown by map on file Book 23, Page 24 of Maps, Records of said Riverside County;

Thence North 0°01'19" East, along said westerly line and along the westerly line of Parcels 1, 2 and 3 of Record of Survey on file in Book 23, Page 41 of Record of Surveys, Records of said Riverside County, a distance of 435.81 feet to the northwest corner of said Parcel 3;

Thence South 89°30'23" West, along the easterly prolongation of the northerly line of said Parcel 1 of said Record of Survey on file in Book 43, Page 99 of Record of Surveys, Records of said Riverside County, a distance of 629.12 feet to the northeast corner of said Parcel 1;

Thence South 0°01'41" West along the east line of said Parcel 1, a distance of 85.97 feet to the southeast corner of said Parcel 1;

Thence South 89°29'18" West, along the south line of said Parcel 1, a distance of 158.98 feet to said line which is parallel with and distant 44.00 feet easterly, as measured at right angles, from the centerline of Streeter Avenue;

Thence South 0°00'09" East, along said last mentioned parallel line, a distance of 263.67 feet to the **POINT OF BEGINNING**; the preceding eleven courses being along the boundary of that certain parcel of land described in deed to the Redevelopment Agency of the City of Riverside, by document recorded March 13, 2000, per Document No. 2000-090788 of Official Records of said Riverside County.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Curtis C. Stephens 4/2/21 Prep. @  
Curtis C. Stephens, L.S. 7519 Date



EXHIBIT B  
(to First Amendment to HOME Partnership Investment Loan Agreement)

"EXHIBIT "H"  
(to HOME Partnership Investment Loan Agreement)

**HUD RIDER TO HOME PARTNERSHIP INVESTMENT LOAN AGREEMENT**

This HUD RIDER TO HOME PARTNERSHIP INVESTMENT LOAN AGREEMENT ("Rider") is made as of \_\_\_\_\_, 2021, by Goldware Senior Housing Limited Partnership, a California limited partnership ("Developer"), and City of Riverside, a California charter city and municipal corporation ("City").

WHEREAS, Developer has obtained financing from Wells Fargo Bank, National Association, a national banking association ("Lender"), for the benefit of the project known as Goldware Senior Housing ("Project"), which loan is secured by a Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement ("Security Instrument") dated as of \_\_\_\_\_, 2021, and recorded in the Official Records of Riverside County, California ("Records") concurrently with this Rider, and is insured by the United States Department of Housing and Urban Development ("HUD");

WHEREAS, Developer has received HOME funds from the City, which City has required certain restrictions be recorded against the Project;

WHEREAS, Developer and City entered into that certain agreement entitled HOME Partnership Investment Loan Agreement, dated November 7, 2000 ("Loan Agreement");

WHEREAS, the Loan Agreement contains certain affordability restrictions with respect to the Project, including Article IV (USES), Section A (titled: HOME Program) and Section B (titled "Permitted Uses) (collectively, the "Restrictive Covenants"). For greater certainty and avoidance of doubt, the application of this Rider shall be limited only against Article IV (USES), Section A (titled: HOME Program) and Section B (titled "Permitted Uses) of the Loan Agreement and this Rider shall not apply against all other remaining terms and conditions of the Loan Agreement;

WHEREAS, HUD requires as a condition of its insuring Lender's financing to the Project, that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, the City has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan in accordance with the terms of this Rider.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

- (a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Rider, the provision

contained in this Rider shall govern and be controlling in all respects as set forth more fully herein.

(b) The following terms shall have the following definitions:

“Code” means the Internal Revenue Code of 1986, as amended.

“HUD” means the United States Department of Housing and Urban Development.

“HUD Regulatory Agreement” means the Regulatory Agreement between Developer and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

“Lender” means Wells Fargo Bank, National Association, a national banking association, its successors and assigns.

“Mortgage Loan” means the mortgage loan made by Lender to the Developer pursuant to the Mortgage Loan Documents with respect to the Project.

“Mortgage Loan Documents” means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

“National Housing Act” means the National Housing Act, 12 USC § 1701 et seq., as amended.

“Program Obligations” has the meaning set forth in the Security Instrument.

“Residual Receipts” has the meaning specified in the HUD Regulatory Agreement.

“Security Instrument” means the Leasehold Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement from Developer in favor of Lender, as the same may be supplemented, amended or modified.

“Surplus Cash” has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the “HUD Requirements”). Developer covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the City’s ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations

related thereto. The Developer represents and warrants that to the best of Developer's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

- (d) In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate.
- (e) Developer and the City acknowledge that Developer's failure to comply with the covenants provided in the Restrictive Covenants does not and will not serve as a basis for default under the HUD Requirements, unless a separate default also arises under the HUD Requirements.
- (f) Except for the City's reporting requirements, in enforcing the Restrictive Covenants, the City will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:
  - i. Available Surplus Cash, if the Developer is a for-profit entity;
  - ii. Available distributions of Surplus Cash and Residual Receipts authorized for release by HUD, if the Developer is a limited distribution entity;
  - iii. Available Residual Receipts authorized for release by HUD, if the Developer is a non-profit entity; or
  - iv. A HUD-approved collateral assignment of any HAP contract.
- (g) For so long as the Mortgage Loan is outstanding, Developer and City shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.
- (h) Subject to the HUD Regulatory Agreement, the City may require the Developer to indemnify and hold the City harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against City relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Developer's obligation to indemnify and hold the City harmless shall be limited to available Surplus Cash and/or Residual Receipts of the Developer.
- (i) Intentionally omitted.

The statements and representations contained in this rider and all supporting documentation thereto are true, accurate, and complete. This certification has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring a multifamily loan, and may be relied upon by HUD as a true statement of the facts contained therein.

**Warning: Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424."**