



**FIRST AMENDMENT TO THE AGREEMENT BETWEEN
COUNTY OF SAN MATEO**

AND

HIP HOUSING DEVELOPMENT CORPORATION

**TO ASSIST IN THE REHABILITATION OF 11 SOUTH
DELAWARE AVE., SAN MATEO**

For the period of

12/2/2003 to 12/1/2033

Contact Person: Yu, Marina
Telephone number: (650) 802-5039

FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND HIP HOUSING DEVELOPMENT CORPORATION, TO ASSIST IN THE REHABILITATION OF 11 SOUTH DELAWARE AVE., SAN MATEO

THIS FIRST AMENDMENT TO THE FOLLOWING AGREEMENT BETWEEN COUNTY AND THE PARTIES NAMED ABOVE: Agreement between County of San Mateo and HIP Housing Development Corporation to Assist in the Rehabilitation of 11 South Delaware Avenue, dated December 2, 2003, Resolution Number 66383, ("Agreement"):

WITNESSETH:

WHEREAS, on May 4, 2004, the County Board of Supervisors approved the FY 2004-05 Action Plan, which provided \$150,000 of additional HOME funds toward the rehabilitation of 11 South Delaware Avenue, San Mateo ("Project"); and

WHEREAS, the Agreement had provided \$300,000 of HOME funds; and

WHEREAS, both parties now wish to amend the Agreement, to Assist in the Rehabilitation of 11 South Delaware Ave., San Mateo, for the period of 12/2/2003 to 12/1/2033, to provide an additional \$150,000 for a total obligation of \$450,000.00.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

- I. All references to the total contract amount are increased to \$450,000;
- II. Exhibit A, Sections C. Security and Section D. Repayment shall be replaced in their entirety by the following:

C. Security

Contractor shall execute and deliver a Promissory Note ("Note") and Deed of Trust in favor of the County in an amount equal to Four Hundred Fifty Thousand Dollars (\$450,000) to secure the performance of all terms and conditions of this Agreement. The Deed of Trust shall be secured by subject Property described in Exhibit G and be recorded in the Office of the Recorder of the County of San Mateo. The term of the Note and Deed of Trust shall begin from the date of recordation of the Deed of Trust and extend for Thirty (30) Years. The Note and Deed of Trust shall be executed prior to any disbursement of funds under this Agreement.

The principal amount under the Note shall bear an interest rate of zero (-0-) percent until the date of Project Completion, evidenced by the recordation of the Notice of Completion or completion sign-off by the City of San Mateo Building Department, at which time the interest shall be three (3) percent simple.

D. Repayment

1. The parties to this Agreement acknowledge that the City of San Mateo ("City") has committed a minimum of \$660,000 for the Project, and as such, repayment shall

be shared on a pro-rata basis from surplus cash defined below and in accordance with the respective amounts of City and County financing. For example, the City and County have respectively invested \$660,000 and \$450,000, for a total of \$1,110,000. Of this amount, the City and County shares would be, respectively: 59.5% and 40.5% of the surplus cash defined below.

2. Unless otherwise agreed to in writing between the Contractor and the Director of Housing, repayment shall be made according to the following terms:

Beginning with Project's first fiscal year following the first year of operations of the Project, Contractor shall make annual payments of principal and interest to County from fifty percent (50%) of the Surplus Cash, which is defined from Project's preceding fiscal year. Payment shall be made within one hundred twenty (120) days of the end of each fiscal year. Payments shall be applied first to interest before making any principal reductions until the Note is paid in full. In the event this payment is less than unpaid accumulated interest plus current interest, any unpaid amount shall carry over to the following year. Interest shall not compound on this interest carry-over. The entire outstanding principal balance plus any unpaid accrued interest shall be due and payable upon maturity of the Note.

Surplus Cash shall be defined as follows: All rents, revenues, consideration or income (of any form but excluding tenants security deposits and interest earned on such deposits, and capital contributions) derived by Contractor in connection with or relating to the ownership or operation of the Project, including any revenue derived from any refinancing of the Project, less the following to the extent consistent with an annual independent financial audit to be provided by Contractor or Project Owners: all customary and reasonable costs and expenses in connection with the operation and maintenance of the Project (including utilities, maintenance expenses, real estate taxes); amounts reasonably reserved for an operating contingency reserve account not to exceed 3% of operating expenses, and for a replacement reserve account for the Project; an annual management fee not to exceed 7.0 % of the gross effective income; principal and interest paid on loans in superior position to the County and City loans; deferred developer fee (if any), partnership management fee, and investor asset management fee; and amounts (previously approved by the County) expended to restore the Project after casualty loss, or condemnation. The annual audit must indicate that the operating and replacement reserves were actually funded before the Project can include these amounts in the calculation to determine Surplus Cash. Depreciation will not be allowed as an operating expense for purposes of calculating Surplus Cash. Any changes in the formula for calculating Surplus Cash shall be agreed upon in writing between County and Contractor.

A copy of the annual independent financial audit shall be delivered to the County not later than 120 days after the end of Project's fiscal year.

- III. Except as herein specified, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their duty authorized representatives, have affixed their hands to this First Amèndment to the Agreement regarding rehabilitation of 11 South Delaware Avenue.

COUNTY OF SAN MATEO

By: _____
President, Board of Supervisors

Date: _____

ATTEST:

By: _____
Clerk of Said Board

HIP Housing Development Corporation

By: Bruce Hamilton
Print Name & Title Executive Director

Bruce Hamilton
Signature

Date: 6-3-04.

**SAN MATEO COUNTY
MEMORANDUM**

DATE: 5/25/2004

TO: Priscilla Harris Morse

FAX: 363-4864 PONY: EPS 163

FROM: Lucho Bravo

FAX: (650) 596-3478 PONY: HSA-210

SUBJECT: Contract Insurance Approval

CONTRACTOR NAME: Human Investment Project (HIP) Housing Development Corporation

DOES THE CONTRACTOR TRAVEL AS A PART OF THE CONTRACT SERVICES?:

NUMBER OF EMPLOYEES WORKING FOR CONTRACTOR:

DUTIES TO BE PERFORMED BY CONTRACTOR FOR COUNTY: County is providing HOME funds for the Rehabilitation of 11 South Delaware Ave., San Mateo.

The following will be completed by Risk Management:

INSURANCE COVERAGE:	Amount	Approve	Waive
Modify			
Comprehensive General Liability	\$ 1m/4m	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Motor Vehicle Liability	\$ _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Professional Liability	\$ _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers' Compensation	statutory	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS/COMMENTS:

Priscilla Morse
Risk Management Signature

5-25-04
Date

JUL-11-2003 13:13

ARGO INSURANCE

1 925 682 7024

P.02/05

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID CO
HUMAN-2

DATE (MM/DD/YY)
07/11/03

PRODUCER
Argo Insurance Group
CA License #0660864
P.O. Box 232017
Pleasant Hill CA 94523-6107
Phone: 925-682-7001 Fax: 925-682-7024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
Human Investment Project, Inc.
HIP Housing Development Corp
HIP Edgewater Isle, Inc
Redwood Oaks Associates, CA LP
364 South Railroad Avenue
San Mateo CA 94401

INSURER A: **Nonprofits' Insurance**
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSTR. TYPE	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Misc Prof Liab GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO. JECT <input type="checkbox"/> LOC	2003-01930NPO	06/30/03	06/30/04	EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 100,000
					MED EXP (Any one person) \$ 10,000
					PERSONAL & ADV INJURY \$ 1,000,000
					GENERAL AGGREGATE \$ 3,000,000
					PRODUCTS - COMPOF AGG \$ 3,000,000
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	2003-01930NPO	06/30/03	06/30/06	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE (Per accident) \$
A	<input type="checkbox"/> GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$
					OTHER THAN AUTO ONLY: FA ACC \$, AGG \$
A	<input checked="" type="checkbox"/> EXCESS LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	2003-01930NPO	06/30/03	06/30/04	EACH OCCURRENCE \$ 1,000,000
					AGGREGATE \$
					\$
A	<input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/>
					E.L. EACH ACCIDENT \$
					E.L. DISEASE - EA EMPLOYEE \$
A	<input type="checkbox"/> OTHER				E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENTS/SPECIAL PROVISIONS
 The certificate holder is named an additional insured with respect to the liability arising out of the operation of the named insured.
 RE GRANT: County REC (Home Equity Conversion), HUD-Home Equity Conversion
 HIP Admin Reimbursement, HOP Rent Assistance, County Self Sufficiency

CERTIFICATE HOLDER: **Y** ADDITIONAL INSURED: INSURER LETTER: CANCELLATION

SANMATEO

 County of San Mateo
 Housing Division
 262 Harbor Blvd, Bldg A
 Belmont CA 94003

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
 AUTHORIZED REPRESENTATIVE: *[Signature]*

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID 215
HUMAN-2
DATE (MM/DD/YYYY)
04/13/04

INSURER
Argo Insurance Group
CA License #0660864
P.O. Box 232017
Pleasant Hill CA 94523-6107
Phone: 925-682-7001 Fax: 925-682-7024

INSURED
Human Investment Project, Inc.
Housing Assn for the Needy and
Dispossessed, Inc.
HIP-Edgewater Isle, Inc.
364 So. Railroad Avenue
San Mateo CA 94401

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INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: State Compensation Ins. Fund	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR. POLICY LTR. INSRD.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GENL. AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> SUBJECT <input type="checkbox"/> LOC.				EACH OCCURRENCE \$ PREMISES (EA OCCUR/LOC) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS COMP/OP ALI \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON OWNED AUTOS				COMBINED SINGLE LIMIT (Per accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below.	1775650-04	04/01/04	04/01/05	<input checked="" type="checkbox"/> WL STATL TORY LIMITS <input type="checkbox"/> OPL ER EL. EACH ACCIDENT \$1,000,000 EL. DISEASE - EA EMPLOYEE \$1,000,000 EL. DISEASE - POLICY LIMIT \$1,000,000
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

10 Day Notice of Cancellation for Non-payment of Premium

CERTIFICATE HOLDER

CANCELLATION

HUMAN-1
County of San Mateo
Human Svc Agency Housing Dev
SCOTT COE, HCD Specialist
262 Harbor Blvd.
Belmont CA 94002

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30th DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
AUTHORIZED REPRESENTATIVE
[Signature]