

**AMENDMENT TO THE AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
HILLCREST SENIOR HOUSING CORPORATION TO PROVIDE ADDITIONAL
FUNDING IN THE AMOUNT OF \$457,915 TO ASSIST WITH THE DEVELOPMENT
OF AFFORDABLE SENIOR RENTAL HOUSING IN DALY CITY**

THIS AMENDMENT TO THE AGREEMENT, entered into this ____ day of _____, 20____, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and HILLCREST SENIOR HOUSING CORPORATION hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement to provide funding assistance for the development of affordable senior rental housing on September 19, 2006, Board of Supervisors Resolution No. 068311; and

WHEREAS, construction costs have increased significantly since the project was originally conceived creating a significant funding shortfall; and

WHEREAS, Hillcrest Senior Housing has requested additional funding assistance for the development, and funds are available in the Department of Housing budget for such requests;

WHEREAS, the parties wish to amend the Agreement to provide additional funds for the project.

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

1. Section 1 of said agreement is modified to read as follows:

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein. County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this Agreement exceed Eight Hundred Fifty Three Thousand Two Hundred Sixty Six Dollars (\$853,266).

2. Exhibit B of said agreement is modified in its entirety to read as follows:

In consideration of the services provided by Contractor in Exhibit "A", County shall pay Contractor based on the following terms:

Disbursement of Funds.

A. \$853,266 of County funds shall be disbursed by County in one disbursement into the construction disbursement account prior to close of escrow of the HUD capital advance. Disbursement from the construction disbursement account shall be subject to closing of the HUD capital advance and to HUD approval.

B. A copy of all disbursement requests from the construction disbursement account shall be sent to County prior to disbursement. Each request shall describe the services for which reimbursement or payment is requested and must include a brief narrative description of the progress of the project. Each request must be accompanied by copies of the invoices paid together with together with warrants, canceled checks or other proof that the invoices have been paid.

C. Contractor shall certify in writing that the specific services for which reimbursement or payment is being requested have been satisfactorily completed, that the payments are proper and that all funds to be expended are on behalf of and exclusively for the project. County reserves the right to verify such completion prior to payment.

D. None of the funds shall be used for salary, fringe benefits or other compensation of employees of Contractor or its affiliates.

3. All other terms and conditions of the agreement dated September 19, 2006 between the County and Contractor shall remain in full force and effect.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands to this Amendment to the September 19, 2006 Agreement to provide funding assistance for the development of affordable senior rental housing.

COUNTY OF SAN MATEO

By: _____
President, Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

Hillcrest Senior Housing Corporation

Contractor's Signature

Date: _____