

AGREEMENT CONCERNING USE OF CDBG FUNDS  
AMENDMENT #1  
(Camphora Highlands)

This Amendment # 1 dated \_\_\_\_\_, 2014 to the Agreement Concerning the Use of CDBG Funds (Camphora Highlands) dated March 27, 2012, is entered into by and between the County of Monterey (“COUNTY”) and South County Housing Corporation, a 501(c)(3) non-profit corporation (“BORROWER”).

**RECITALS**

**WHEREAS**, the BORROWER has acquired and rehabilitated the 43-unit Camphora Highlands farm labor housing complex located at 32101 McCoy Road, Soledad, CA 93960 (the “PROPERTY”);

**WHEREAS**, the COUNTY lent \$925,000 to BORROWER for the purpose of refinancing eligible acquisition costs and to install necessary upgrades to the PROPERTY’s existing water storage and distribution system to create a more reliable water system with increased water storage for fire suppression (the “PROJECT”);

**WHEREAS**, the PROJECT costs were higher than originally budgeted by BORROWER;

**WHEREAS**, the California Department of Housing and Community Development (HCD) has notified the COUNTY that it may not use that portion of the grant funds from grant 12-CDBG-8401 which were originally approved for a Planning and Technical Assistance Study Grant (PTAG);

**WHEREAS**, the COUNTY wishes to make the 12-CDBG-8401 grant funds awarded for the PTAG available to the BORROWER for the additional costs of rehabilitation of the PROPERTY; and,

**WHEREAS**, HCD has approved redirection of the use of these PTAG funds for the rehabilitation of the PROPERTY.

**NOW THEREFORE:**

The parties hereby agree to amend the Agreement as follows:

- I. RECITAL E shall be replaced in its entirety as follows:  
BORROWER wishes to borrow from the COUNTY and the COUNTY wishes to extend to BORROWER a loan of Nine Hundred Fifty Nine Thousand Five Hundred Eighty Dollars (\$959,580) (the “Loan”). The Loan will be funded with CDBG Funds that the COUNTY will receive as described in RECITAL A. The Loan will be evidenced by a promissory note executed by BORROWER in favor of COUNTY and secured by a Deed of Trust.

- II. Article 1, Section 1.01 Definitions, (e) shall be replaced in its entirety as follows:  
 “CDBG Funds” shall mean the Nine Hundred Fifty Nine Thousand Five Hundred Eighty Dollars (\$959,580) Loan that is funded with CDBG funds.
- III. Article 1, Section 1.01 Definitions, (o) shall be replaced in its entirety as follows:  
 “Loan” shall mean the COUNTY loan to BORROWER pursuant to this Agreement in the aggregate principal amount of Nine Hundred Fifty Nine Thousand Five Hundred Eighty Dollars (\$959,580) comprised of CDBG Funds.
- IV. Article 2, Section 2.02 Program Delivery, Activity #3 shall be replaced in its entirety as follows:  
 BORROWER will use up to One Hundred Sixty Three Thousand Seven Hundred Thirty Dollars (\$163,730) in CDBG Funds to obtain the necessary permits and make permanent improvements to the Camphora Highlands Farm Labor Camp water storage and distribution facilities.
- V. Exhibit C, Approved Development Budget, shall be replaced in its entirety as follows:

	State CDBG	Stemple LLC	Owner	Total
Owner Acquisition Equity			\$320,000	\$320,000
Seller Acquisition Loan	\$777,000	\$428,000		\$1,205,000
Water System Improvements	\$163,730			\$163,730
Wage Monitoring	\$5,000			\$5,000
Title & Legal	\$2,000			\$2,000
Permits	\$2,000			\$2,000
Activity Delivery	\$9,850			\$9,850
Totals	<u>\$959,580</u>	<u>\$428,000</u>	<u>\$320,000</u>	<u>\$1,707,580</u>

- VI. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment # 1 and shall continue in full force and effect as set forth in the Agreement.
- VII. A copy of this Amendment shall be attached to the original Agreement dated March 27, 2012.

**SIGNATURES ON FOLLOWING PAGE**

IN WITNESS WHEREOF, the parties hereby execute this Amendment # 1 to the Agreement on the day and year first above written.

COUNTY:

COUNTY OF MONTEREY, a political subdivision of the State of California

BORROWER

South County Housing, Corporation,  
a California nonprofit public benefit corporation,  
its sole member

By:

\_\_\_\_\_  
David Spaur, Director, Economic Development

By:

\_\_\_\_\_  
Dennis Lalor, President/CEO

APPROVED AS TO FORM:  
CHARLES MCKEE  
County Counsel

By:

\_\_\_\_\_  
Rebecca Cenicerros, Deputy County Counsel