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2017 MAR 22 PM 5 02

Agenda Item: ID#17-434 (9:00 A.M.-3)

Date: 3/23/17



Supplemental Information Packet

Agenda Related Item(s) – ID#17-434 (9:00 A.M.-3)

Contents of Supplement: Existing Neighborhood Stabilization Program (NSP) notes secured by the NSP Properties

Item(s)

Actions pertaining to 532-614 Fulton Street (Fultononia) and seven properties rehabilitated under the Neighborhood Stabilization Program:

1. ***RESOLUTION - Approving the amendment (with a principal reduction payment of \$100,000) of an existing \$600,000 Promissory Note to the Fresno Housing Successor (Revised Note) and substituting security to seven properties rehabilitated under the Neighborhood Stabilization Program (NSP) (APNs: 452-156-19, 460-084-07, 461-052-08, 454-191-05, 460-214-09, 459-036-04, 460-234-18) (NSP Properties);
2. Transfer of fee title of the seven NSP Properties from TFS Investments, LLC. to FRC; and FRC's assumption of NSP obligations on the NSP Properties and the Revised Note;
3. Amend the existing NSP notes secured by the NSP Properties.

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Fresno
Planning & Development Dept.
2600 Fresno Street Room 3070
Fresno, CA 93721
Attn: Bonnie Christian

RECEIVED

2017 MAR 22 PM 5 02

CITY CLERK, FRESNO CA

APN 452-156-19

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

This SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS ("**Deed of Trust**") is made and entered into this ___ day of _____, 2017, by and between FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Trustor**"), in favor of PLACER TITLE COMPANY ("**Trustee**"), for the benefit of the CITY OF FRESNO, a California municipal corporation ("**Beneficiary**").

RECITALS

- A. Beneficiary was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Beneficiary entered into an agreement with TFS Investments, LLC ("**Original Trustor**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Trustor to assist Original Trustor in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Trustor acquired and rehabilitated that certain real property commonly known as 2317 E. Lewis Avenue, Fresno, California 93701 (APN 452-156-19) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Beneficiary provided a loan to Original Trustor in the original amount of Two Hundred Twenty Four Thousand Dollars (\$224,000.00) ("**Loan**") which was evidenced by that certain Promissory Note dated June 28, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on July 3, 2013 against the Property as Instrument No. 2013-0094296-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Beneficiary and Original Trustor by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to Two Hundred Twenty Five Thousand Dollars (\$225,000.00) ("**First Amendment**").

- F. The Original Note and the First Amendment were amended by the Beneficiary and Original Trustor by a Restated Note Amendment dated October 27, 2016 which decreased the amount of the Loan to Two Hundred Twenty Four Thousand Two Hundred Seven Three and 10/100 Dollars (\$224,273.10) which was recorded on October 27, 2016 as Instrument No. 2016-0148145 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".
- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Trustor intends to transfer fee title of the Property to the Successor Trustor which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Beneficiary consents to the transfer as required by the Note and Trust Deed; and (ii) Beneficiary is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Beneficiary and Successor Trustor now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that this Amendment to Trust Deed is recorded in the Official Records.

3. Consents. Beneficiary consents to the transfer of the Property to Successor Trustor. All references in the Note to Borrower shall mean the Successor Trustor. Furthermore, Beneficiary consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Beneficiary confirms the following to Successor Trustor as of the Effective Date:

- a. The principal balance of the Note is Two Hundred Twenty Four Thousand Two Hundred Seventy Three and 10/100 Dollars (\$224,273.10).
- b. The Maturity Date of the Note is June 28, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Deed of Trust is amended as follows:

- 5.3 NSP Agreement.** Successor Trustor shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Trustor shall not be responsible for (i) any default by the Original Trustor under

the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Trustor. At such time as the Note becomes due and payable, Beneficiary agrees to accept the transfer of the Property to Beneficiary as payment in full of the Note provided that Beneficiary shall be able to secure title insurance evidencing that title to the Property is vested in Beneficiary free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Trust Deed, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Beneficiary, Beneficiary will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

BENEFICIARY:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR TRUSTOR:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 201_ before me, _____, a notary public, personally appeared

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

**THIRD AMENDMENT TO PROMISSORY NOTE
Secured by Deed of Trust**

Loan Number: NSP3-13-0009

APN Number: 452-156-19

Property Address: 2317 E. Lewis Avenue, Fresno, California 93701

THIS THIRD AMENDMENT TO PROMISSORY NOTE ("**Amendment**") is made this ___ day of March 2017 ("**Amendment Date**") by and between CITY OF FRESNO, a California municipal corporation ("**Lender**") and FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Borrower**").

RECITALS

- A.** Lender was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B.** In November 2012, Lender entered into an agreement with TFS Investments, LLC ("**Original Borrower**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Borrower to assist Original Borrower in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C.** In 2013, Original Borrower acquired and rehabilitated that certain real property commonly known as 2317 E. Lewis Avenue, Fresno, California 93701 (APN 452-156-19) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D.** In 2013, Lender provided a loan to Original Borrower in the original amount of Two Hundred Twenty Four Thousand Dollars (\$224,000.00) ("**Loan**") which was evidenced by that certain Promissory Note dated June 28, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on July 3, 2013 against the Property as Instrument No. 2013-0094296-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E.** The Original Note was amended by the Lender and Original Borrower by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to Two Hundred Twenty Five Thousand Dollars (\$225,000.00) ("**First Amendment**").
- F.** The Original Note and the First Amendment were amended by the Lender and Original Borrower by a Restated Note Amendment dated October 27, 2016 which decreased the amount of the Loan to Two Hundred Twenty Four Thousand Two Hundred Seven Three and 10/100 Dollars (\$224,273.10) which was recorded on October 27, 2016 as Instrument No. 2016-0148145 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".

- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Borrower intends to transfer fee title of the Property to the Successor Borrower which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Lender consents to the transfer as required by the Note and Trust Deed; and (ii) Lender is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Lender and Successor Borrower now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that the Amendment to Trust Deed executed concurrently herewith is recorded in the Official Records.

3. Consents. Lender consents to the transfer of the Property to Successor Borrower. All references in the Note to Borrower shall mean the Successor Borrower. Furthermore, Lender consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Lender confirms the following to Successor Borrower as of the Effective Date:

- a. The principal balance of the Note is Two Hundred Twenty Four Thousand Two Hundred Seventy Three and 10/100 Dollars (\$224,273.10).
- b. The Maturity Date of the Note is June 28, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Note is amended as follows:

- 5.1 NSP Agreement.** Successor Borrower shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Borrower shall not be responsible for (i) any default by the Original Borrower under the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Borrower. At such time as the Note becomes due and payable, Lender agrees to accept the transfer of the Property to Lender as payment in full of the Note provided that Lender shall be able to secure title insurance evidencing that title to the Property is vested in Lender free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Note, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Lender, Lender will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Trust Deed Amendment. The Trust Deed shall be amended by that certain Second Trust Deed Amendment which shall be recorded against the Property.

7. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

LENDER:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR BORROWER:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Fresno
Planning & Development Dept.
2600 Fresno Street Room 3070
Fresno, CA 93721
Attn: Bonnie Christian

APN 461-052-08

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

This SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS ("**Deed of Trust**") is made and entered into this ___ day of _____, 2017, by and between FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Trustor**"), in favor of PLACER TITLE COMPANY ("**Trustee**"), for the benefit of the CITY OF FRESNO, a California municipal corporation ("**Beneficiary**").

RECITALS

- A. Beneficiary was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Beneficiary entered into an agreement with TFS Investments, LLC ("**Original Trustor**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Trustor to assist Original Trustor in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Trustor acquired and rehabilitated that certain real property commonly known as 3803 E. Verrue Avenue, Fresno, California 93702 (APN 461-052-08) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Beneficiary provided a loan to Original Trustor in the original amount of One Hundred Fifty Eight Thousand Eight Hundred Ninety Nine Dollars (\$158,899.00) ("**Loan**") which was evidenced by that certain Promissory Note dated August 5, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on August 8, 2013 against the Property as Instrument No. 2013-0112449-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Beneficiary and Original Trustor by an Amendment to Promissory Note dated February 23, 2015 which changed the residual receipts distribution ("**First Amendment**").

- F. The Original Note and the First Amendment were amended by the Beneficiary and Original Trustor by a Restated Note Amendment dated October 12, 2016 which decreased the amount of the Loan to One Hundred Fifty Five Thousand Seven Hundred Thirty Four and 19/100 Dollars (\$155,734.19) which was recorded on October 27, 2016 as Instrument No. 2016-0148150 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".
- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Trustor intends to transfer fee title of the Property to the Successor Trustor which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Beneficiary consents to the transfer as required by the Note and Trust Deed; and (ii) Beneficiary is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Beneficiary and Successor Trustor now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that this Amendment to Trust Deed is recorded in the Official Records.

3. Consents. Beneficiary consents to the transfer of the Property to Successor Trustor. All references in the Note to Borrower shall mean the Successor Trustor. Furthermore, Beneficiary consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Beneficiary confirms the following to Successor Trustor as of the Effective Date:

- a. The principal balance of the Note is One Hundred Fifty Five Thousand Seven Hundred Thirty Four and 19/100 Dollars (\$155,734.19).
- b. The Maturity Date of the Note is August 5, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Deed of Trust is amended as follows:

- 5.1 NSP Agreement.** Successor Trustor shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Trustor shall not be responsible for (i) any default by the Original Trustor under

the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Trustor. At such time as the Note becomes due and payable, Beneficiary agrees to accept the transfer of the Property to Beneficiary as payment in full of the Note provided that Beneficiary shall be able to secure title insurance evidencing that title to the Property is vested in Beneficiary free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Trust Deed, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Beneficiary, Beneficiary will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

BENEFICIARY:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR TRUSTOR:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

**THIRD AMENDMENT TO PROMISSORY NOTE
Secured by Deed of Trust**

Loan Number: NSP3-13-0002

APN Number: 461-052-08

Property Address: 3803 E. Verrue Avenue, Fresno, California 93702

THIS THIRD AMENDMENT TO PROMISSORY NOTE ("**Amendment**") is made this ___ day of March 2017 ("**Amendment Date**") by and between CITY OF FRESNO, a California municipal corporation ("**Lender**") and FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Borrower**").

RECITALS

- A. Lender was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Lender entered into an agreement with TFS Investments, LLC ("**Original Borrower**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Borrower to assist Original Borrower in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Borrower acquired and rehabilitated that certain real property commonly known as 3803 E. Verrue Avenue, Fresno, California 93702 (APN 461-052-08) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Lender provided a loan to Original Borrower in the original amount of One Hundred Fifty Eight Thousand Eight Hundred Ninety Nine Dollars (\$158,899.00) ("**Loan**") which was evidenced by that certain Promissory Note dated August 5, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on August 8, 2013 against the Property as Instrument No. 2013-0112449-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Lender and Original Borrower by an Amendment to Promissory Note dated February 23, 2015 which changed the residual receipts distribution ("**First Amendment**").
- F. The Original Note and the First Amendment were amended by the Lender and Original Borrower by a Restated Note Amendment dated October 12, 2016 which decreased the amount of the Loan to One Hundred Fifty Five Thousand Seven Hundred Thirty Four and 19/100 Dollars (\$155,734.19) which was recorded on October 27, 2016 as Instrument No. 2016-0148150 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".

- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Borrower intends to transfer fee title of the Property to the Successor Borrower which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Lender consents to the transfer as required by the Note and Trust Deed; and (ii) Lender is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Lender and Successor Borrower now desire to modify the Note as follows:

AMENDMENTS

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5. Amendment. The Note is amended as follows:

5.1 NSP Agreement. Successor Borrower shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Borrower shall not be responsible for (i) any default by the Original Borrower under the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor

Borrower. At such time as the Note becomes due and payable, Lender agrees to accept the transfer of the Property to Lender as payment in full of the Note provided that Lender shall be able to secure title insurance evidencing that title to the Property is vested in Lender free and clear of any junior liens.

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IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

LENDER:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR BORROWER:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Fresno
Planning & Development Dept.
2600 Fresno Street Room 3070
Fresno, CA 93721
Attn: Bonnie Christian

APN 460-214-09

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

This SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS ("**Deed of Trust**") is made and entered into this ___ day of _____, 2017, by and between FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Trustor**"), in favor of PLACER TITLE COMPANY ("**Trustee**"), for the benefit of the CITY OF FRESNO, a California municipal corporation ("**Beneficiary**").

RECITALS

- A. Beneficiary was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Beneficiary entered into an agreement with TFS Investments, LLC ("**Original Trustor**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Trustor to assist Original Trustor in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Trustor acquired and rehabilitated that certain real property commonly known as 4174 E. Nevada Avenue, Fresno, California 93702 (APN 460-214-09) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Beneficiary provided a loan to Original Trustor in the original amount of One Hundred Forty Seven Thousand Two Hundred Sixteen Dollars (\$147,216.00) ("**Loan**") which was evidenced by that certain Promissory Note dated August 5, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on August 8, 2013 against the Property as Instrument No. 2013-0112453-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Beneficiary and Original Trustor by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to One Hundred Fifty Six Thousand Dollars (\$156,000.00) ("**First Amendment**").

- F. The Original Note and the First Amendment were amended by the Beneficiary and Original Trustor by a Restated Note Amendment dated October 12, 2016 which increased the amount of the Loan to One Hundred Fifty Six Thousand Four Hundred Thirty Five and 07/100 Dollars (\$156,435.07) which was recorded on October 27, 2016 as Instrument No. 2016-0148144 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".
- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Trustor intends to transfer fee title of the Property to the Successor Trustor which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Beneficiary consents to the transfer as required by the Note and Trust Deed; and (ii) Beneficiary is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Beneficiary and Successor Trustor now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that this Amendment to Trust Deed is recorded in the Official Records.

3. Consents. Beneficiary consents to the transfer of the Property to Successor Trustor. All references in the Note to Borrower shall mean the Successor Trustor. Furthermore, Beneficiary consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Beneficiary confirms the following to Successor Trustor as of the Effective Date:

- a. The principal balance of the Note is One Hundred Fifty Six Thousand Four Hundred Thirty Five and 07/100 Dollars (\$156,435.07).
- b. The Maturity Date of the Note is August 5, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Deed of Trust is amended as follows:

5.1 NSP Agreement. Successor Trustor shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor

Trustor shall not be responsible for (i) any default by the Original Trustor under the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Trustor. At such time as the Note becomes due and payable, Beneficiary agrees to accept the transfer of the Property to Beneficiary as payment in full of the Note provided that Beneficiary shall be able to secure title insurance evidencing that title to the Property is vested in Beneficiary free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Trust Deed, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Beneficiary, Beneficiary will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

BENEFICIARY:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR TRUSTOR:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

**THIRD AMENDMENT TO PROMISSORY NOTE
Secured by Deed of Trust**

Loan Number: NSP3-13-0003

APN Number: 460-214-09

Property Address: 4174 E. Nevada Avenue, Fresno, California 93702

THIS THIRD AMENDMENT TO PROMISSORY NOTE ("**Amendment**") is made this ___ day of March 2017 ("**Amendment Date**") by and between CITY OF FRESNO, a California municipal corporation ("**Lender**") and FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Borrower**").

RECITALS

- A. Lender was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Lender entered into an agreement with TFS Investments, LLC ("**Original Borrower**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Borrower to assist Original Borrower in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Borrower acquired and rehabilitated that certain real property commonly known as 4174 E. Nevada Avenue, Fresno, California 93702 (APN 460-214-09) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Lender provided a loan to Original Borrower in the original amount of One Hundred Forty Seven Thousand Two Hundred Sixteen Dollars (\$147,216.00) ("**Loan**") which was evidenced by that certain Promissory Note dated August 5, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on August 8, 2013 against the Property as Instrument No. 2013-0112453-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Lender and Original Borrower by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to One Hundred Fifty Six Thousand Dollars (\$156,000.00) ("**First Amendment**").
- F. The Original Note and the First Amendment were amended by the Lender and Original Borrower by a Restated Note Amendment dated October 12, 2016 which increased the amount of the Loan to One Hundred Fifty Six Thousand Four Hundred Thirty Five and 07/100 Dollars (\$156,435.07) which was recorded on October 27, 2016 as Instrument No. 2016-0148144 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".

- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Borrower intends to transfer fee title of the Property to the Successor Borrower which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Lender consents to the transfer as required by the Note and Trust Deed; and (ii) Lender is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Lender and Successor Borrower now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that the Amendment to Trust Deed executed concurrently herewith is recorded in the Official Records.

3. Consents. Lender consents to the transfer of the Property to Successor Borrower. All references in the Note to Borrower shall mean the Successor Borrower. Furthermore, Lender consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Lender confirms the following to Successor Borrower as of the Effective Date:

- a. The principal balance of the Note is One Hundred Fifty Six Thousand Four Hundred Thirty Five and 07/100 Dollars (\$156,435.07).
- b. The Maturity Date of the Note is August 5, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Note is amended as follows:

5.1 NSP Agreement. Successor Borrower shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Borrower shall not be responsible for (i) any default by the Original Borrower under the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Borrower. At such time as the Note becomes due and payable, Lender agrees to accept the transfer of the Property to Lender as payment in full of the Note provided that Lender shall be able to secure title insurance evidencing that title to the Property is vested in Lender free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Note, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Lender, Lender will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Trust Deed Amendment. The Trust Deed shall be amended by that certain Second Trust Deed Amendment which shall be recorded against the Property.

7. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

LENDER:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR BORROWER:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Fresno
Planning & Development Dept.
2600 Fresno Street Room 3070
Fresno, CA 93721
Attn: Bonnie Christian

APN 460-234-18

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

This SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS ("**Deed of Trust**") is made and entered into this ___ day of _____, 2017, by and between FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Trustor**"), in favor of PLACER TITLE COMPANY ("**Trustee**"), for the benefit of the CITY OF FRESNO, a California municipal corporation ("**Beneficiary**").

RECITALS

- A. Beneficiary was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Beneficiary entered into an agreement with TFS Investments, LLC ("**Original Trustor**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Trustor to assist Original Trustor in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Trustor acquired and rehabilitated that certain real property commonly known as 4575 E. Illinois Avenue Fresno; California 93702 (APN 460-234-18) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Beneficiary provided a loan to Original Trustor in the original amount of One Hundred Seventy Thousand Four Hundred Seventy-Six Dollars (\$170,476) ("**Loan**") which was evidenced by that certain Promissory Note dated August 5, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on August 8, 2013 against the Property as Instrument No. 2013-0112451-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Beneficiary and Original Trustor by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to One Hundred Eight Six Thousand Dollars (\$186,000.00) ("**First Amendment**").

- F. The Original Note and the First Amendment were amended by the Beneficiary and Original Trustor by a Restated Note Amendment dated October 12, 2016 which decreased the amount of the Loan to One Hundred Seventy-Nine Thousand Nine Hundred Ninety-Four Dollars and Three Cents (\$ 179,994.03) which was recorded on October 27, 2016 as Instrument No. 2016-0148143 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".
- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Trustor intends to transfer fee title of the Property to the Successor Trustor which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Beneficiary consents to the transfer as required by the Note and Trust Deed; and (ii) Beneficiary is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Beneficiary and Successor Trustor now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that this Amendment to Trust Deed is recorded in the Official Records.

3. Consents. Beneficiary consents to the transfer of the Property to Successor Trustor. All references in the Note to Borrower shall mean the Successor Trustor. Furthermore, Beneficiary consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Beneficiary confirms the following to Successor Trustor as of the Effective Date:

- a. The principal balance of the Note is One Hundred Seventy Nine Thousand Nine Hundred Ninety Four and 03/100 Dollars (\$179,994.03).
- b. The Maturity Date of the Note is August 5, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Deed of Trust is amended as follows:

- 5.1 NSP Agreement.** Successor Trustor shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor

Trustor shall not be responsible for (i) any default by the Original Trustor under the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Trustor. At such time as the Note becomes due and payable, Beneficiary agrees to accept the transfer of the Property to Beneficiary as payment in full of the Note provided that Beneficiary shall be able to secure title insurance evidencing that title to the Property is vested in Beneficiary free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Trust Deed, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Beneficiary, Beneficiary will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

BENEFICIARY:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR TRUSTOR:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 201_ before me, _____, a notary public, personally appeared

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

**THIRD AMENDMENT TO PROMISSORY NOTE
Secured by Deed of Trust**

Loan Number: NSP3-13-0004

APN Number: 460-234-18

Property Address: 4575 E. Illinois Avenue Fresno; California 93702

THIS THIRD AMENDMENT TO PROMISSORY NOTE ("**Amendment**") is made this ___ day of March 2017 ("**Amendment Date**") by and between CITY OF FRESNO, a California municipal corporation ("**Lender**") and FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Borrower**").

RECITALS

- A. Lender was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Lender entered into an agreement with TFS Investments, LLC ("**Original Borrower**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Borrower to assist Original Borrower in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Borrower acquired and rehabilitated that certain real property commonly known as 4575 E. Illinois Avenue Fresno; California 93702 (APN 460-234-18) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Lender provided a loan to Original Borrower in the original amount of One Hundred Seventy Thousand Four Hundred Seventy-Six Dollars (\$170,476) ("**Loan**") which was evidenced by that certain Promissory Note dated August 5, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on August 8, 2013 against the Property as Instrument No. 2013-0112451-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Lender and Original Borrower by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to One Hundred Eight Six Thousand Dollars (\$186,000.00) ("**First Amendment**").
- F. The Original Note and the First Amendment were amended by the Lender and Original Borrower by a Restated Note Amendment dated October 12, 2016 which decreased the amount of the Loan to One Hundred Seventy-Nine Thousand Nine Hundred Ninety-Four Dollars and Three Cents (\$ 179,994.03) which was recorded on October 27, 2016 as Instrument No. 2016-0148143 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".

- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Borrower intends to transfer fee title of the Property to the Successor Borrower which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Lender consents to the transfer as required by the Note and Trust Deed; and (ii) Lender is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Lender and Successor Borrower now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that the Amendment to Trust Deed executed concurrently herewith is recorded in the Official Records.

3. Consents. Lender consents to the transfer of the Property to Successor Borrower. All references in the Note to Borrower shall mean the Successor Borrower. Furthermore, Lender consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Lender confirms the following to Successor Borrower as of the Effective Date:

- a. The principal balance of the Note is One Hundred Seventy Nine Thousand Nine Hundred Ninety Four and 03/100 Dollars (\$179,994.03).
- b. The Maturity Date of the Note is August 5, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Note is amended as follows:

- 5.1 NSP Agreement.** Successor Borrower shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Borrower shall not be responsible for (i) any default by the Original Borrower under the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Borrower. At such time as the Note becomes due and payable, Lender agrees to accept the transfer of the Property to Lender as payment in full of the Note provided that Lender shall be able to secure title insurance evidencing that title to the Property is vested in Lender free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Note, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Lender, Lender will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Trust Deed Amendment. The Trust Deed shall be amended by that certain Second Trust Deed Amendment which shall be recorded against the Property.

7. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

LENDER:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR BORROWER:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Fresno
Planning & Development Dept.
2600 Fresno Street Room 3070
Fresno, CA 93721
Attn: Bonnie Christian

APN 460-084-07

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

This SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS ("**Deed of Trust**") is made and entered into this ___ day of _____, 2017, by and between FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Trustor**"), in favor of PLACER TITLE COMPANY ("**Trustee**"), for the benefit of the CITY OF FRESNO, a California municipal corporation ("**Beneficiary**").

RECITALS

- A. Beneficiary was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Beneficiary entered into an agreement with TFS Investments, LLC ("**Original Trustor**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Trustor to assist Original Trustor in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Trustor acquired and rehabilitated that certain real property commonly known as 4678 E Madison Avenue, Fresno, California 93702 (APN 460-084-07) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Beneficiary provided a loan to Original Trustor in the original amount of One Hundred Sixty Five Thousand Three Hundred Fifty Five and 81/100 Dollars (\$165,355.81) ("**Loan**") which was evidenced by that certain Promissory Note dated November 20, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on November 27, 2013 against the Property as Instrument No. 2013-0162349 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Beneficiary and Original Trustor by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to One Hundred Sixty Eight Thousand Dollars (\$168,000.00) ("**First Amendment**").

- F. The Original Note and the First Amendment were amended by the Beneficiary and Original Trustor by a Restated Note Amendment dated October 27, 2016 which increased the amount of the Loan to One Hundred Sixty Eight Thousand Three Hundred Seventy Three and 21/100 Dollars (\$168,373.21) which was recorded on October 27, 2016 as Instrument No. 2016-0148142 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".
- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Trustor intends to transfer fee title of the Property to the Successor Trustor which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Beneficiary consents to the transfer as required by the Note and Trust Deed; and (ii) Beneficiary is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Beneficiary and Successor Trustor now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that this Amendment to Trust Deed is recorded in the Official Records.

3. Consents. Beneficiary consents to the transfer of the Property to Successor Trustor. All references in the Note to Borrower shall mean the Successor Trustor. Furthermore, Beneficiary consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Beneficiary confirms the following to Successor Trustor as of the Effective Date:

- a. The principal balance of the Note is One Hundred Sixty Eight Thousand Three Hundred Seventy Three and 21/100 Dollars (\$168,373.21).
- b. The Maturity Date of the Note is November 20, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Deed of Trust is amended as follows:

- 5.1 NSP Agreement.** Successor Trustor shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Trustor shall not be responsible for (i) any default by the Original Trustor under

the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Trustor. At such time as the Note becomes due and payable, Beneficiary agrees to accept the transfer of the Property to Beneficiary as payment in full of the Note provided that Beneficiary shall be able to secure title insurance evidencing that title to the Property is vested in Beneficiary free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Trust Deed, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Beneficiary, Beneficiary will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

BENEFICIARY:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR TRUSTOR:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 201_ before me, _____, a notary public, personally appeared

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

**THIRD AMENDMENT TO PROMISSORY NOTE
Secured by Deed of Trust**

Loan Number: NSP3-13-0010

APN Number: 460-084-07

Property Address: 4678 E Madison Avenue, Fresno, California 93702

THIS THIRD AMENDMENT TO PROMISSORY NOTE ("**Amendment**") is made this ___ day of March 2017 ("**Amendment Date**") by and between CITY OF FRESNO, a California municipal corporation ("**Lender**") and FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Borrower**").

RECITALS

- A. Lender was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Lender entered into an agreement with TFS Investments, LLC ("**Original Borrower**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Borrower to assist Original Borrower in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Borrower acquired and rehabilitated that certain real property commonly known as 4678 E Madison Avenue, Fresno, California 93702 (APN 460-084-07) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Lender provided a loan to Original Borrower in the original amount of One Hundred Sixty Five Thousand Three Hundred Fifty Five and 81/100 Dollars (\$165,355.81) ("**Loan**") which was evidenced by that certain Promissory Note dated November 20, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on November 27, 2013 against the Property as Instrument No. 2013-0162349 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Lender and Original Borrower by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to One Hundred Sixty Eight Thousand Dollars (\$168,000.00) ("**First Amendment**").
- F. The Original Note and the First Amendment were amended by the Lender and Original Borrower by a Restated Note Amendment dated October 27, 2016 which increased the amount of the Loan to One Hundred Sixty Eight Thousand Three Hundred Seventy Three and 21/100 Dollars (\$168,373.21) which was recorded on October 27, 2016 as Instrument No. 2016-0148142 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".

- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Borrower intends to transfer fee title of the Property to the Successor Borrower which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Lender consents to the transfer as required by the Note and Trust Deed; and (ii) Lender is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Lender and Successor Borrower now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that the Amendment to Trust Deed executed concurrently herewith is recorded in the Official Records.

3. Consents. Lender consents to the transfer of the Property to Successor Borrower. All references in the Note to Borrower shall mean the Successor Borrower. Furthermore, Lender consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Lender confirms the following to Successor Borrower as of the Effective Date:

- a. The principal balance of the Note is One Hundred Sixty Eight Thousand Three Hundred Seventy Three and 21/100 Dollars (\$168,373.21).
- b. The Maturity Date of the Note is November 20, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Note is amended as follows:

5.1 NSP Agreement. Successor Borrower shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Borrower shall not be responsible for (i) any default by the Original Borrower under the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Borrower. At such time as the Note becomes due and payable, Lender agrees to accept the transfer of the Property to Lender as payment in full of the Note provided that Lender shall be able to secure title insurance evidencing that title to the Property is vested in Lender free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Note, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Lender, Lender will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Trust Deed Amendment. The Trust Deed shall be amended by that certain Second Trust Deed Amendment which shall be recorded against the Property.

7. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

LENDER:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR BORROWER:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

**THIRD AMENDMENT TO PROMISSORY NOTE
Secured by Deed of Trust**

Loan Number: NSP3-13-0006

APN Number: 459-036-04

Property Address: 347 N. Roosevelt Avenue, Fresno, California 93701

THIS THIRD AMENDMENT TO PROMISSORY NOTE ("**Amendment**") is made this ___ day of March 2017 ("**Amendment Date**") by and between CITY OF FRESNO, a California municipal corporation ("**Lender**") and FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Borrower**").

RECITALS

- A. Lender was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Lender entered into an agreement with TFS Investments, LLC ("**Original Borrower**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Borrower to assist Original Borrower in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Borrower acquired and rehabilitated that certain real property commonly known as 347 N. Roosevelt Avenue, Fresno, California 93701 (APN 459-036-04) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Lender provided a loan to Original Borrower in the original amount of One Hundred Forty Six Thousand Dollars (\$146,000.00) ("**Loan**") which was evidenced by that certain Promissory Note dated February 13, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on February 14, 2013 against the Property as Instrument No. 2013-0024909-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Lender and Original Borrower by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to One Hundred Sixty Thousand Dollars (\$160,000.00) ("**First Amendment**").
- F. The Original Note and the First Amendment were amended by the Lender and Original Borrower by a Restated Note Amendment dated October 12, 2016 which increased the amount of the Loan to One Hundred Sixty Four Thousand Eight Hundred Eighty Eight and 01/100 Dollars (\$164,888.01) which was recorded on October 27, 2016 as Instrument No. 2016-0148147 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".

- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Borrower intends to transfer fee title of the Property to the Successor Borrower which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Lender consents to the transfer as required by the Note and Trust Deed; and (ii) Lender is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Lender and Successor Borrower now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that the Amendment to Trust Deed executed concurrently herewith is recorded in the Official Records.

3. Consents. Lender consents to the transfer of the Property to Successor Borrower. All references in the Note to Borrower shall mean the Successor Borrower. Furthermore, Lender consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Lender confirms the following to Successor Borrower as of the Effective Date:

- a. The principal balance of the Note is One Hundred Sixty Four Thousand Eight Hundred Eighty Eight and 01/100 Dollars (\$164,888.01).
- b. The Maturity Date of the Note is February 13, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Note is amended as follows:

- 5.1 NSP Agreement.** Successor Borrower shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Borrower shall not be responsible for (i) any default by the Original Borrower under the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Borrower. At such time as the Note becomes due and payable, Lender agrees to accept the transfer of the Property to Lender as payment in full of the Note provided that Lender shall be able to secure title insurance evidencing that title to the Property is vested in Lender free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Note, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Lender, Lender will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Trust Deed Amendment. The Trust Deed shall be amended by that certain Second Trust Deed Amendment which shall be recorded against the Property.

7. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

LENDER:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR BORROWER:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Fresno
Planning & Development Dept.
2600 Fresno Street Room 3070
Fresno, CA 93721
Attn: Bonnie Christian

APN 459-036-04

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

This SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS ("**Deed of Trust**") is made and entered into this ___ day of _____, 2017, by and between FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Trustor**"), in favor of PLACER TITLE COMPANY ("**Trustee**"), for the benefit of the CITY OF FRESNO, a California municipal corporation ("**Beneficiary**").

RECITALS

- A. Beneficiary was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Beneficiary entered into an agreement with TFS Investments, LLC ("**Original Trustor**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Trustor to assist Original Trustor in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Trustor acquired and rehabilitated that certain real property commonly known as 347 N. Roosevelt Avenue, Fresno, California 93701 (APN 459-036-04) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Beneficiary provided a loan to Original Trustor in the original amount of One Hundred Forty Six Thousand Dollars (\$146,000.00) ("**Loan**") which was evidenced by that certain Promissory Note dated February 13, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on February 14, 2013 against the Property as Instrument No. 2013-0024909-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Beneficiary and Original Trustor by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to One Hundred Sixty Thousand Dollars (\$160,000.00) ("**First Amendment**").

- F. The Original Note and the First Amendment were amended by the Beneficiary and Original Trustor by a Restated Note Amendment dated October 12, 2016 which increased the amount of the Loan to One Hundred Sixty Four Thousand Eight Hundred Eighty Eight and 01/100 Dollars (\$164,888.01) which was recorded on October 27, 2016 as Instrument No. 2016-0148147 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".
- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Trustor intends to transfer fee title of the Property to the Successor Trustor which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Beneficiary consents to the transfer as required by the Note and Trust Deed; and (ii) Beneficiary is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Beneficiary and Successor Trustor now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that this Amendment to Trust Deed is recorded in the Official Records.

3. Consents. Beneficiary consents to the transfer of the Property to Successor Trustor. All references in the Note to Borrower shall mean the Successor Trustor. Furthermore, Beneficiary consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Beneficiary confirms the following to Successor Trustor as of the Effective Date:

- a. The principal balance of the Note is One Hundred Sixty Four Thousand Eight Hundred Eighty Eight and 01/100 Dollars (\$164,888.01).
- b. The Maturity Date of the Note is February 13, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Deed of Trust is amended as follows:

- 5.1 NSP Agreement.** Successor Trustor shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor

Trustor shall not be responsible for (i) any default by the Original Trustor under the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Trustor. At such time as the Note becomes due and payable, Beneficiary agrees to accept the transfer of the Property to Beneficiary as payment in full of the Note provided that Beneficiary shall be able to secure title insurance evidencing that title to the Property is vested in Beneficiary free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Trust Deed, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Beneficiary, Beneficiary will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

BENEFICIARY:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR TRUSTOR:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 201_ before me, _____, a notary public,
personally appeared

_____ who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Fresno
Planning & Development Dept.
2600 Fresno Street Room 3070
Fresno, CA 93721
Attn: Bonnie Christian

APN 454-191-05

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

This SECOND AMENDMENT TO DEED OF TRUST WITH ASSIGNMENT OF RENTS ("**Deed of Trust**") is made and entered into this ___ day of _____, 2017, by and between FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Trustor**"), in favor of PLACER TITLE COMPANY ("**Trustee**"), for the benefit of the CITY OF FRESNO, a California municipal corporation ("**Beneficiary**").

RECITALS

- A. Beneficiary was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Beneficiary entered into an agreement with TFS Investments, LLC ("**Original Trustor**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Trustor to assist Original Trustor in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Trustor acquired and rehabilitated that certain real property commonly known as 709 N. 4th Street, Fresno, California 93702 (APN 454-191-05) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Beneficiary provided a loan to Original Trustor in the original amount of One Hundred Thirty Five Thousand Dollars (\$135,000) ("**Loan**") which was evidenced by that certain Promissory Note dated February 13, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on February 14, 2013 against the Property as Instrument No. 2013-0024847-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Beneficiary and Original Trustor by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to One Hundred Seventy-Six Thousand (\$176,000.00) ("**First Amendment**").

- F. The Original Note and the First Amendment were amended by the Beneficiary and Original Trustor by a Restated Note Amendment dated October 27, 2016 which increased the amount of the Loan to One Hundred Seventy-Six Thousand Three Hundred Eighty Nine and 09/100 Dollars (\$176,389.09) which was recorded on October 27, 2016 as Instrument No. 2016-0148146 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".
- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Trustor intends to transfer fee title of the Property to the Successor Trustor which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Beneficiary consents to the transfer as required by the Note and Trust Deed; and (ii) Beneficiary is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Beneficiary and Successor Trustor now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that this Amendment to Trust Deed is recorded in the Official Records.

3. Consents. Beneficiary consents to the transfer of the Property to Successor Trustor. All references in the Note to Borrower shall mean the Successor Trustor. Furthermore, Beneficiary consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Beneficiary confirms the following to Successor Trustor as of the Effective Date:

- a. The principal balance of the Note is One Hundred Seventy Six Thousand Three Hundred Eighty Nine and 09/100 Dollars (\$176,389.09).
- b. The Maturity Date of the Note is February 13, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Deed of Trust is amended as follows:

- 5.1 NSP Agreement.** Successor Trustor shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Trustor shall not be responsible for (i) any default by the Original Trustor under

the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Trustor. At such time as the Note becomes due and payable, Beneficiary agrees to accept the transfer of the Property to Beneficiary as payment in full of the Note provided that Beneficiary shall be able to secure title insurance evidencing that title to the Property is vested in Beneficiary free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Trust Deed, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Beneficiary, Beneficiary will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

BENEFICIARY:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR TRUSTOR:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 201_ before me, _____, a notary public, personally appeared

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

THIRD AMENDMENT TO PROMISSORY NOTE
Secured by Deed of Trust

Loan Number: NSP3-13-0005

APN Number: 454-191-05

Property Address: 709 N. 4th Street, Fresno, California 93702

THIS THIRD AMENDMENT TO PROMISSORY NOTE ("**Amendment**") is made this ___ day of March 2017 ("**Amendment Date**") by and between CITY OF FRESNO, a California municipal corporation ("**Lender**") and FRESNO REVITALIZATION CORPORATION, a California nonprofit public benefit corporation ("**Successor Borrower**").

RECITALS

- A. Lender was awarded a Neighborhood Stabilization Program ("**NSP**") grant from the United States Department of Housing and Urban Development to advance the supply of affordable rental housing within the City.
- B. In November 2012, Lender entered into an agreement with TFS Investments, LLC ("**Original Borrower**") dated November 29, 2012 to provide residual receipts NSP loan(s) to Original Borrower to assist Original Borrower in acquiring, rehabilitating and renting foreclosed and abandoned residential properties thereafter be preserved as low, moderate, and middle-income rental housing as defined by the NSP ("**NSP Agreement**").
- C. In 2013, Original Borrower acquired and rehabilitated that certain real property commonly known as 709 N. 4th Street, Fresno, California 93702 (APN 454-191-05) ("**Property**") which was rehabilitated pursuant to the NSP Agreement.
- D. In 2013, Lender provided a loan to Original Borrower in the original amount of One Hundred Thirty Five Thousand Dollars (\$135,000) ("**Loan**") which was evidenced by that certain Promissory Note dated February 13, 2013 in the amount of the Loan ("**Original Note**") and which was secured by that certain Deed of Trust of even date with the Note recorded on February 14, 2013 against the Property as Instrument No. 2013-0024847-00 ("**Original Trust Deed**") in the official records of the County of Fresno ("**Official Records**").
- E. The Original Note was amended by the Lender and Original Borrower by an Amendment to Promissory Note dated February 23, 2015 which increased the amount of the Loan to One Hundred Seventy-Six Thousand (\$176,000.00) ("**First Amendment**").
- F. The Original Note and the First Amendment were amended by the Lender and Original Borrower by a Restated Note Amendment dated October 27, 2016 which increased the amount of the Loan to One Hundred Seventy-Six Thousand Three Hundred Eighty Nine and 09/100 Dollars (\$176,389.09) which was recorded on October 27, 2016 as Instrument No. 2016-0148146 in the Official Records ("**Second Amendment**"). The Original Note and Original Trust Deed as amended by the First and Second Amendments are hereinafter referred to as the "**Note**" and "**Trust Deed**".

- G. As of the date of this Amendment, the fair market value of the Property is significantly less than the principal balance of the Note.
- H. Original Borrower intends to transfer fee title of the Property to the Successor Borrower which is an experienced manager of affordable housing projects and is willing to accept the Property notwithstanding the lack of equity and to manage the Property provided that (i) Lender consents to the transfer as required by the Note and Trust Deed; and (ii) Lender is willing to amend certain provisions of the Note and Trust Deed as set forth herein.

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledged, Lender and Successor Borrower now desire to modify the Note as follows:

AMENDMENTS

1. Recitals. The parties confirm that the foregoing recitals are true and correct and incorporated into this Amendment.

2. Effective Date. This Amendment shall be effective as of the date that the Amendment to Trust Deed executed concurrently herewith is recorded in the Official Records.

3. Consents. Lender consents to the transfer of the Property to Successor Borrower. All references in the Note to Borrower shall mean the Successor Borrower. Furthermore, Lender consents to the Property being encumbered by that certain Deed of Trust securing that certain Restated and Amended Promissory Note in the amount of Five Hundred Thousand Dollars (\$500,000) payable to the City of Fresno in its Capacity as Housing Successor to the Redevelopment Agency of the City of Fresno.

4. Confirmation. Lender confirms the following to Successor Borrower as of the Effective Date:

- a. The principal balance of the Note is One Hundred Seventy Six Thousand Three Hundred Eighty Nine and 09/100 Dollars (\$176,389.09).
- b. The Maturity Date of the Note is February 13, 2043.
- c. There is no default under the Note or Trust Deed.

5. Amendment. The Note is amended as follows:

- 5.1 NSP Agreement.** Successor Borrower shall be obligated to comply with the terms of the NSP Agreement but solely as applicable to the Property. Successor Borrower shall not be responsible for (i) any default by the Original Borrower under the NSP Agreement prior to the Effective Date; and (ii) shall not be responsible for any default under the NSP applicable to any other real property under the NSP Agreement.

5.2 Limitations on Recourse. The Note is non-recourse with respect to Successor Borrower. At such time as the Note becomes due and payable, Lender agrees to accept the transfer of the Property to Lender as payment in full of the Note provided that Lender shall be able to secure title insurance evidencing that title to the Property is vested in Lender free and clear of any junior liens.

5.3 Sale of Property. Notwithstanding any other provision of the Note, if Borrower elects to sell the Property to a homeowner who qualifies under the applicable affordability restrictions consistent with the housing objectives of Lender, Lender will cooperate with such sale including consenting to the transfer and accepting the net proceeds of the sale as payment in full of the Note and will execute and deliver a full reconveyance of the Trust Deed.

6. Trust Deed Amendment. The Trust Deed shall be amended by that certain Second Trust Deed Amendment which shall be recorded against the Property.

7. Full Force & Effect. Except as amended hereby, all other terms and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment in Fresno, California, as of the Amendment Date.

LENDER:

CITY OF FRESNO, a California municipal corporation

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

DOUGLAS T. SLOAN
City Attorney

By: _____

Laurie Avedisian-Favini
Assistant City Attorney

Dated _____, 2017

ATTEST:

YVONNE SPENCE, CMC
City Clerk

By: _____

Deputy

SUCCESSOR BORROWER:

FRESNO REVITALIZATION CORPORATION,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

Date: _____, 2017