

**CITY OF FRESNO
HOUSING FINANCE DIVISION**

APPLICANT'S CERTIFICATION AND RELEASE AUTHORIZATION

I/We applied for a mobile home replacement loan from the City of Fresno Housing Finance Division. In applying for the grant, I/we completed an application containing information regarding income.

I/We attest that the information provided in this application and related documents is true and correct to the best of my/our knowledge and belief.

I/We authorize the City of Fresno to verify information contained in our application and other documents, either before the project is closed or after, as part of its audit program, including obtaining a credit report from any credit reporting agency.

I/We authorize you to provide to the City of Fresno any and all information requested, including but not limited to, employment history, bank accounts, credit reports, title reports and income tax returns.

A copy of this authorization may be accepted as an original.

I/We understand that pursuant to Section 1014 of Title 18 of the United States Code, it is a federal crime punishable by fine or imprisonment, or both, to knowingly make false statements when applying for this grant..

Signature

Social Security Number

Print Name

Date

Signature

Social Security Number

Print Name

Date

**CITY OF FRESNO
PLANNING AND DEVELOPMENT DEPARTMENT PLHA
MOBILE HOME REPLACEMENT PROGRAM**

OWNER PARTICIPATION AGREEMENT

This Agreement is entered into on _____, by and between the City of Fresno, (hereinafter referred to as "City") and _____ (hereinafter referred to as "Owner") for the replacement of the mobile home located at _____, Fresno, California, hereinafter referred to as "Residence".

This Agreement is entered pursuant to a local program operated by the City of Fresno under the California Department of Housing and Community Development "HCD" Permanent Local Housing Allocation (PLHA) Mobile Home Replacement Program ("Program") including related Program Guidelines, requirements and Program documents, providing financial assistance to eligible homeowners utilizing a mobile home replacement grant which is eligible under the Mobile Home Replacement Program. The Department has received funds from the State HCD Permanent Local Housing Allocation to assist income-eligible households in the replacement of their mobile home.

The purpose of this Agreement is to provide financial assistance to mobile homeowners to replace their mobile home. Income eligibility for the program is defined as not to exceed 80% of the area median household income as determined by HCD. The Department will provide funds up to \$100,000 or 40% of the replacement cost, whichever is lower, to eligible homeowners for mobile home replacement. The funds provided shall be in the form of a Grant with a fifteen-year occupancy restriction.

THEREFORE, THE DEPARTMENT AND THE OWNER AGREE AS FOLLOWS:

1. Owner must: (1) own and occupy the mobile home as principal residence; (2) have income within the limits of the Program; and (3) replace the mobile home in a mobile home park on an eligible foundation system located within Fresno City limits and not in a County island.
2. Department, upon its review and determination of eligibility, will provide a PLHA Mobile Home Replacement Deferred payment loan (DPL) of up to \$100,000 or 40% of the replacement cost, whichever is lower, for eligible replacement; the loan amount will be determined by the City for eligible replacement costs.
3. Owner acknowledges and agrees that the loan requested by this application includes a fifteen-year owner occupancy restriction. If the applicant does not comply with this restriction during the entirety of the fifteen-year period, the loan will be immediately due and payable to the City of Fresno.
4. Owner acknowledges and agrees that the restriction will be enforced with a lien

on the mobile home unit.

5. Owner agrees to make one or more inspections of the project site to determine whether the mobile home is unsafe and in unsalvageable condition.

6. Owner agrees that the program is voluntary and the City will not provide relocation benefits if relocation is necessary.

7. Owner hereby certifies that he/she in all respects qualifies under the City of Fresno's Mobile Home Replacement Program as an income-eligible household.

8. Owner understands and acknowledges that if the property is deemed eligible for the Mobile Home Replacement Program, all improvements, replacements, or related services will be carried out under a separate agreement between the owner and the selected contractor or vendor. The owner further acknowledges that the City of Fresno is not a party to the replacement contract, and any matters related to performance, service delivery, or dispute resolution must be addressed directly with the contractor or vendor, not with the City of Fresno.

9. Owner agrees to abide by all terms and conditions of the City of Fresno's Mobile Home Replacement Program in order to participate in the program.

10. To the furthest extent allowed by law, the Owner shall indemnify, hold harmless and defend CITY, State of California, HUD and their officers, officials, employees, agents and authorized volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by CITY, State of California, HUD, Owner or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen out of the performance of this Agreement. Owner's obligations under the preceding sentence shall apply regardless of whether CITY, State of California, HUD or any of their officers, officials, employees, agents or volunteers are negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by the gross negligence, or by the willful misconduct, of CITY, State of California, HUD or any of their officers, officials, employees agents or authorized volunteers.

11. Owner agrees to purchase and maintain property insurance covering all applicable perils for the full value of the home during the entire 15-year affordability period. The City of Fresno shall be named as a loss payee on the insurance policy and proof of insurance must be provided and kept on file during the length of the affordability period .

(Owner) (Date)

(Owner) (Date)

(Owner) (Date)

(Owner) (Date)

Housing Finance Division,
Planning and Development Dept.

(Date)

SAMPLE



**PLHA Owner-Occupied
 Mobile Home Replacement Program
 Application
 2600 Fresno St., Room 3065
 Fresno, CA 93721
 (559) 621-8300**

| 2025 HCD GROSS ANNUAL INCOME LIMITS | |
|---|------------|
| 1 PERSON | - \$52,600 |
| 2 PERSONS | - \$60,100 |
| 3 PERSONS | - \$67,600 |
| 4 PERSONS | - \$75,100 |
| 5 PERSONS | - \$81,150 |
| 6 PERSONS | - \$87,150 |
| 7 PERSONS | - \$93,150 |
| 8 PERSONS | - \$99,150 |

| | | | |
|---|--------|---|--|
| APPLICATION DATE: | | For City Use Only: | |
| | | <input type="checkbox"/> Mobile Home Replacement <input type="checkbox"/> Other: _____ <input type="checkbox"/> | |
| PROPERTY INFORMATION: | | | |
| THIS APPLICATION IS FOR 1 UNIT HOUSING | | | |
| IS THE RESIDENCE OWNER OCCUPIED: | | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| PROPERTY ADDRESS: | | | |
| OWNER INFORMATION: | | | |
| NAME: | | NAME: | |
| PHONE: | | PHONE: | |
| AGE: | EMAIL: | AGE: | EMAIL: |
| <input type="checkbox"/> MARRIED <input type="checkbox"/> UNMARRIED <input type="checkbox"/> SINGLE <input type="checkbox"/> SEPARATED <input type="checkbox"/> DIVORCED <input type="checkbox"/> WIDOW | | | |
| The following information is required for federal statistical reporting only, and will not have bearing on eligibility for this program. | | | |
| RACE(S): | | <input type="checkbox"/> American Indian/Alaskan Native | <input type="checkbox"/> Black/African American <input type="checkbox"/> White |
| | | <input type="checkbox"/> Native Hawaiian/Pacific Islander | <input type="checkbox"/> Asian & White <input type="checkbox"/> Asian |
| | | <input type="checkbox"/> American Indian/Alaskan Native & White | <input type="checkbox"/> Black/African American & White |
| | | <input type="checkbox"/> American Indian/Alaskan Native & Black/African American | <input type="checkbox"/> Other multi-racial |
| ETHNICITY (select only one): | | <input type="checkbox"/> Hispanic or Latino | <input type="checkbox"/> Not Hispanic or Latino |
| HEAD OF HOUSEHOLD <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE | | | |
| HEAD OF HOUSEHOLD OR HOUSEHOLD MEMBER DISABLED <input type="checkbox"/> YES <input type="checkbox"/> NO | | | |
| DECLARATIONS | | | |

Are property taxes paid current? YES NO
(Applicants with property taxes in default may not be considered for funding)

Are you a party to a lawsuit involving the City of Fresno? YES NO

Do you work for or are you related to an employee of the City of Fresno? YES NO
Name: Agency Dept:

SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED

No otherwise qualified individual with disabilities in the United States shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

OWNER CERTIFICATIONS

PRELIMINARY APPLICATION ACKNOWLEDGEMENTS

I/We hereby make a preliminary application to the City of Fresno for funding as part of the Mobile Home Replacement Loan Program, and acknowledge that this application is made pursuant to program policies and procedures administered by the City of Fresno, and that the methods for cost of replacement, and other permitted costs will be determined by the City of Fresno. Submitting an application is not a guarantee of services. The City of Fresno reserves the right to close-out the Program once funds have been exhausted. Applicants on the waiting list will be notified in the event the program is closed out for lack of funds.

AUTHORIZATION TO INSPECT PROPERTY

I/We hereby authorize the City of Fresno and the Housing Finance Division to make one or more inspections of the project site to determine the extent of work required to complete the project.

ACKNOWLEDGEMENT AND ACCEPTANCE OF VOLUNTARY RELOCATION

Applicant(s) agree that he/she is an owner occupant of the subject dwelling and is participating in a federally funded voluntary replacement program. The improvements may result in the dwelling being temporarily uninhabitable. Applicant(s) agree to voluntarily move out of the home should it become necessary because of construction paid for in part (or whole) by a loan from the City's Mobile Home Replacement Loan Program. The City will **not** provide any relocation benefits if such relocation is necessary. Applicant(s) further understand and accept that any such relocation shall be accomplished without the assistance of the City. **Initials** _____

APPLICANT(S) ACKNOWLEDGEMENT OF FUNDING CONDITIONS

1. I/We understand that the information reported in this application will be used to determine my eligibility for a loan to replace my home/property. I/We acknowledge and understand that to knowingly make false statements concerning this information may lead to the revocation of the grant and other penalties. I/We certify under penalty of law, to the best of our knowledge, all statements made in this application and supporting documentation are true, accurate, correct and complete. **Initials** _____

| |
|--|
| <p>2. I/We acknowledge the mobile home to be replaced is our/my principal place of residence. Initials _</p> |
| <p>3. I/We authorize the City of Fresno to order a title search on the property when needed to verify ownership. I/We further authorize verification or re-verification of the information contained herein, and additional normal inquiries related to or associated with this Application from employers, creditors, banks, loan institutions, and from any other sources as may be required. Initials _____</p> |
| <p>4. I/We acknowledge and agree that the loan requested by this application will not require repayment if all conditions and program requirements are met; the loan amount will be determined by the City for replacement costs. Initials _</p> |
| <p>5. I/We understand that the City of Fresno will provide administration of the program and will administer the replacement contract, monitor the site preparation, and the installation of the unit. I/We further understand that I/We will not hold the City liable for any construction defects that may occur related to or arising from the work performed. Initials _____</p> |
| <p>6. I/We acknowledge the City reserves the right to rescind my loan at any time upon my failure to comply with the above listed conditions or to meet program guidelines and procedures. I/We further understand the City will provide written notification of such termination of my loan, and that the original copy of the Application will be retained by the City, even if the loan is not approved. Initials _____</p> |
| <p>7. I/We acknowledge that this replacement program is voluntary in nature and the City reserves the right to reject any and all applications at its sole and absolute discretion. Initials _____</p> |
| <p>8. I/We acknowledge and agree that the City makes no representations or warranties, express or implied, to the applicant(s) regarding the property, the condition of the property, or the value of the property. Initials _____</p> |
| <p>9. I/We agree to comply with any and all federal, state and local laws regarding illegal discrimination, and we will not illegally discriminate against any persons on basis of race, color, ancestry, national origin, religion, sex, age, marital status, family status, source of income/rental assistance subsidy, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), sexual orientation, or any other arbitrary basis. I/We will comply with equal opportunity laws in employment, housing and credit practices, including Title VI of the Civil Rights Act of 1964 and regulations pursuant thereto, and Title VIII of the Civil Rights Act of 1968, as amended. Initials _____</p> |
| <p>10. All properties assisted under this program may be placed on a future web-based list accessible to all City of Fresno departments. Other agencies may have access to this list, including, but not limited to, U.S. Department of Housing and Urban Development, State of California, and other pertinent agencies. Initials _____</p> |

| | | | |
|--|---------------|------------------------------------|---------------|
| 11. I/We understand and acknowledge that if my/our property is determined to be eligible for the Mobile Home Replacement Program all improvements will be made under a separate contract with the contractor. I/We further understand that the City Fresno is not and will not be a party to the replacement contract between the contractor or vendor and the parties to this agreement and that the pursuit of all performance and improvements services are to be made through the contractor or vendor, and not the City of Fresno. Initials _____ | | | |
| 12. Applicant(s), and their contractor, subcontractor(s), and vendor shall indemnify, hold harmless and defend the City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages incurred by the City, Applicant(s) or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly in the performance of this Program. Applicant's obligations under the preceding sentence shall apply regardless of whether the City or any of its officers, officials, employees, agents or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active negligence or by the willful misconduct of the City or any of its officers, officials, employees, agents or volunteers. Initials _____ | | | |
| 13. I/we understand that if my/our records are audited subsequent to loan funding, and the income information provided is found to be incorrect (over the allowable income limits) as of the time of the loan funding, I will immediately start to repay the City loan pursuant to the loan terms. Initials _____ | | | |
| _____ Signature of Applicant | _____ Date | _____ Signature of Co-Applicant | _____ Date |

Appeals: If an application is turned down by City staff, the applicant may appeal, in writing, within ten (10) days after the occurrence. The appeal must clearly state the reasons for the appeal, including complaints alleging actions prohibited under HUD's Section 504 regulations (discrimination on basis of disability in federally conducted programs). The appeal shall be filed with the Housing and Community Development Division Manager, who will review the appeal and respond. If the appellant is not satisfied with the response, the appeal may be presented to the Planning and Development Department Director, or their designee within (30) days of the Division Manager's response. The Director will attempt to resolve the grievance within fifteen (15) days. The ruling of the Director will be final.

Applicants with disabilities may request accommodations in completing all required forms for the program by contacting Housing Finance staff at (559) 621-8300.

DOCUMENTATION NEEDED

- Copy of California driver's license, or California identification card or another form of acceptable identification
- for all adult household members
- Copy of Social Security Card for applicant(s)
- Property tax statement (may not be in default)
- Household Composition Form
- Applicant's Certification and Authorization
- Fair Lending Notice
- Property Insurance
- Proof of Income, including:
 - 3 months of current paycheck stubs
 - Current Award letter for Social Security and/or Supplemental Security Income
 - Document stating current pension or retirement amounts
 - Current Unemployment and/or disability information
- 2 years of Tax returns (2024 and 2023) and W-2s or Tax Affidavit
- Other income documentation
- Six most recent bank statements (checking and savings) (all pages)
- Retirement Accounts (401K)
- Whole Life Insurance (cash value available)/Term Life Insurance (first page to verify)

Additional information may be requested to determine eligibility.

**MOBILE HOME REPLACEMENT PROGRAM
ELIGIBILITY WORKSHEET**

Name of Borrower(s): _____

Address of Property: _____

Zip Code: _____ Current Decal Number: _____

Primary Lender: _____

Mobile Home Replacement Program Requirements:

- Has borrower's ownership of the current mobile home been verified?
Yes ___ No ___

If **no**, the borrower **is not** eligible for assistance; **stop here**

- Has the borrower maintained owner-occupancy in their current residence within the last three years?
Yes ___ No ___

If **no**, the borrower **is not** eligible for assistance; **stop here**.

- Has borrower completed the Homebuyer's Education class?
Yes ___ No ___

Date Completed: _____

- Has the current property been inspected?
Yes ___ No ___

Date of Inspection: _____

- Is the year built of the current property 1979 or older?
Yes ___ No ___

If **no** to either of the last three questions, borrower must first obtain appropriate certification before proceeding with this worksheet.

If the answer to both questions is **yes**, please proceed.

- Loans such as No Income Verified, Quick Qualifier, or E. Z. Docs are **NOT** allowed.
Is the loan Full Documentation Loans?

Yes ___ No ___

If **no**, financing **is not** eligible for assistance; **stop here**.

Eligibility:

1. **Applicant Eligibility**

(a) Number of persons residing within household: _____

Total* _____

* This total must be supported by documentation.

(b) Monthly gross household income: \$ _____

If borrower is married, but taking title as sole and separate property, does the spouse receive any income? If applicable, state amount and add to the monthly gross income of borrower. In addition, please include all income from a second job, child support, disability, and social security.

Total income from all sources \$ _____

(c) Enter maximum allowable gross monthly income for **total household** size listed on line 1(a); (**refer to Income Eligibility**): \$ _____

If income listed on line 1(b) exceeds the amount on line 1(c), borrower **is not** eligible for assistance; **stop here.**

If income listed on line 1(b) is less than or equal to the amount on line 1(c), borrower **is** eligible for assistance; please proceed.

(d) Enter the debt-to-income ratio: _____

If the debt-to-**household income** ratio exceeds 35/43 or if the housing ratio (top ratio) is not between 28 and 35, borrower **is not** eligible for assistance; **stop here.**

Two exceptions are allowed; see guidelines.

If the debt-to-income ratio does not exceed 35/43 and the housing ratio is between 28 and 35, borrower **is** eligible for assistance; please proceed.

2. **Property Eligibility**

(a) Is property located within the City of Fresno?

NOTE: County islands are not eligible

Yes ___

No ___

(b) Is property being purchased for use as the principal residence of the applicant?

Yes ___

No ___

If **no** to either of the last two questions, property **is not** eligible for assistance; **stop here.**

3. **Calculation of Amount of Mortgage Assistance Program Loan**

- (a) Purchase price of home: \$ _____
- (b) Removal costs (whole dollars only) \$ _____
- (c) Demolition costs (whole dollars only) \$ _____
- (d) Transportation costs \$ _____
- (e) Site preparation costs \$ _____
- (f) Installation costs \$ _____
- (g) Non-recurring closing costs \$ _____
- (h) Total Replacement costs [add (a) through (g)] \$ _____
- (i) First mortgage amount (base loan only): \$ _____
- (j) Total buyer contribution: \$ _____
- (k) **Assistance Program
Loan Amount [(h) – ((i+j))]** ****\$** _____

**** NOTE: This amount must be rounded to the nearest dollar and cannot exceed the amount of first loan, and should agree with the amount entered on Page 5 of 6.**

SAMPLE

Failure to provide all of the following materials could cause your package to be returned by mail. Materials must be provided in the order listed.

- Mobile Home Replacement Program Eligibility Worksheet (**all pages**) with “Page 5 of 6” signed by the lender’s authorized signatory.
- Mobile Home Replacement Application
- Owner Participation Agreement
- Fair Lending Notice
- Borrower Authorization Form
- Household Composition Form
- Copy of borrower’s identification and copy of social security card.
- Typed and signed primary loan application. Must be signed by applicant and loan officer.
- Mortgage Credit Analysis Worksheet or the Uniform Underwriting and Transmittal Summary **signed by the underwriter (1008)**.
- Good Faith Estimate.
- Documentation of applicant’s income (3 months of current pay stubs).
- Verification of Employment (no processor’s certification).
- Six current statements for checking, savings, money market accounts, stocks, bonds, 401K, retirement accounts and other forms of capital investments.
- All pages of the last **two years**’ income tax returns (with W2's) or affidavit of non-filing. The copy of the income tax returns **must be signed by the borrower(s)**.**
- Credit report.
- Preliminary Title Report with legal description.
- Property Inspection prepared by a licensed property inspector. This inspection report shall be used to determine that the property is unsafe and structurally unsalvageable.
- Executed Mobile Home Purchase Agreement and Joint Escrow.
- Evidence of Property Insurance (EOI)
- Certification of participation in the HUD-approved Homebuyer's Education class.

(Signature of Preparer)

(Date)

TABLE 1

INCOME ELIGIBILITY Mobile Home Replacement Assistance

| A | B |
|----------------|---|
| HOUSEHOLD SIZE | MAXIMUM ALLOWABLE GROSS INCOME (For Household Size Listed in Column A) |
| 1 | \$52,600 |
| 2 | \$60,100 |
| 3 | \$ 67,600 |
| 4 | \$ 75,100 |
| 5 | \$81,150 |
| 6 | \$87,150 |
| 7 | \$93,150 |
| 8 and Over | \$99,150 |

Date of Last Revision: 5/2025

PROMISSORY NOTE AND SECURITY AGREEMENT MOBILE HOME REPLACEMENT PROGRAM

DO NOT DESTROY THIS NOTE: When paid, this note must be surrendered to Borrower for Cancellation.

| | |
|-------------------------|--------------------|
| Date: | Loan Number: MHRP- |
| Borrower(s): | |
| Property Address: | |
| Decal (License) Number: | |

1. PARTIES

“Borrower” means each person signing at the end of this Note. “Lender” means the CITY OF FRESNO, a municipal corporation.

2. DEFINITIONS

As used in this Note, the following terms will have the following meanings:

Business Day means any day other than Saturday, Sunday, or public holiday or the equivalent for banks generally under the laws of California. Whenever any payment to be made under this Note is stated to be due on a day other than a Business Day, that payment may be made on the next succeeding Business Day. However, if the extension would cause the payment to be made in a new calendar month, that payment will be made on the next preceding Business Day.

Maturity Date means the date defined in this Note.

Property means that mobile home which will be replaced through the City of Fresno Mobile Home Replacement Program, funded by the California Department of Housing and Community Development (HCD) Permanent Local Housing Allocation (PLHA) funds, and used as security for this Note.

Completion of contractor’s or vendor’s work means the project is 100% complete and a Notice of Completion is signed and dated upon inspection by City staff (Housing Program Supervisor) and the owner.

3. BORROWER’S PROMISE TO PAY

For value received, the undersigned Borrower(s) promise(s) to pay to the order of the City of Fresno the sum of _____ (\$____.00), at the rate of zero-percent (0%) interest; all due and payable on or before the earlier of:

- (a) Borrower’s sale or other transfer, without the Lender’s prior written consent, of all or any part of the Property, or any interest in the Property, if such sale or transfer occurs within the fifteen-year period following completion of the project. A “sale or

other transfer” means the conveyance of the Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of land interest; or

(b) Any change in residency of the Borrower(s) from the Borrowers’ home used as a security for the Note, unless having obtained the written consent of the Lender, if such change in residency occurs within the fifteen-year period following completion of the replacement project. A “change in residency” means Borrower(s) failure to maintain as his/her principal residence that mobile home and/or property used as security for this Note; on which date (“Maturity Date”) the unpaid principal balance (interest free) together with unpaid penalties or late charges, where applicable thereon, shall be due and payable, along with attorney’s fees and costs of collection, and without relief from valuation and appraisal laws; or

(c) If Borrower(s) reside(s) in the home on the Property for a period of fifteen (15) years following completion of the replacement work on the Property, then the total amount of the loan due shall be forgiven and this Note canceled to said extent, and the Lender shall record a satisfaction of the securing financing statement. Year one shall be the 12-month period following completion of the project, with each succeeding year beginning on the anniversary of the project completion and ending 12 months hence. There will be no partial years.

4. PROMISE TO PAY SECURED

The Borrower understands and agrees that this Note is made for the sole purpose of assisting the Borrower(s) in the replacement of the Borrower’s home.

In the event of a default, all Loan payments are due and payable in lawful money of the United States of America at any place that Lender or the legal holders of this Note may, from time to time, in writing designate, and in the absence of that designation to:

City of Fresno
Finance Department, Accounts Receivable
2600 Fresno St., Room 2156
Fresno, CA 93721

5. TITLE

Lender will be added to the title of the Property as a junior lien holder with HCD to further secure this Note.

6. SECURITY INTEREST

Borrower hereby grants to Lender a security interest under the applicable certificate of title law or Uniform Commercial Code in the Property and any property added or attached to it, to secure Borrower's obligations under this Note. Borrower also grants to Lender a security interest in any interest Borrower may have in premium refunds or proceeds under any insurance covering the Property. Borrower further agrees to execute any application for certificate of title or ownership, financing statement, or other document necessary to perfect Lender's security interest in the Property. The security interest under this Note secures payment of all of the Borrower's indebtedness, including debts, obligations or liabilities which now exist or are hereafter created, and whether they are absolute or contingent, and includes future advances.

7. TIME IS OF THE ESSENCE

It will be a default under this Note if Borrower defaults under any Loan Documents associated with this transaction, or if Borrower moves from the Property or relocates the structure of the Property within fifteen (15) years from the contractor's completion of work on the Property. In the event of a default by Borrower(s), the Borrower(s) shall pay a late charge equal to the lesser of 2% of any outstanding payment or the maximum amount allowed by law. No payments under the Note shall come due unless and until the event of a default. All payments collected shall be applied first to payment of any costs, fees or other charges due under this Note or any other Loan Documents, then to the principal balance. On the occurrence of a default or on the occurrence of any other event that under the terms of the Loan Documents give rise to the right to accelerate the balance of the indebtedness, then, at the option of Lender, this Note or any notes or other instruments that may be taken in renewal or extension of all or any part of the indebtedness will immediately become due without any further presentment, demand, protest, or notice of any kind.

8. TERMINATION, REMEDIES, AND FORCE MAJEURE

(a) This Agreement shall terminate without any liability of Lender to Borrower upon the earlier of: (i) Borrower's filing for protection under the federal bankruptcy laws, or petition for receiver commenced by a third party against Borrower; (ii) Lender's non-appropriation of funds sufficient to meet its obligations hereunder during any City of Fresno fiscal year of this Agreement, or insufficient funding for the Project; or (iii) Borrower relocating from the Property within fifteen (15) years of the Effective Date; or (iv) expiration of this Agreement.

(b) In the event of termination due to failure of Borrower to comply with the terms of the Agreement, Lender may withhold the balance due under the Agreement that would otherwise be payable. In no event shall any payment by Lender pursuant to this Agreement constitute a waiver by Lender of any breach of this Agreement which may then exist on the part of

Borrower, nor shall such payment impair or prejudice any remedy available to Lender with respect to the breach.

(c) In the event of a default by Borrower, Lender will assume full responsibility for recovering the full loan amount by the means described in this section. Upon default of this Agreement by Borrower, Lender may (i) exercise any right, remedy (in contract, law or equity), or privilege which may be available to it under applicable laws of the State of California or any other applicable law; (ii) proceed by appropriate court action to enforce the terms of the Agreement; and/or (iii) recover all direct, indirect, consequential, economic and incidental damages for the breach of the Agreement. If it is determined Lender improperly terminated this Agreement for default, such termination shall be deemed a termination for convenience.

(d) Borrower shall provide Lender with adequate written assurances of future performance, upon Lender's request, in the event Borrower fails to comply with any terms or conditions of this Agreement.

(e) Borrower shall be liable for default unless the default is caused by an occurrence beyond the reasonable control of Borrower and without its fault or negligence such as, acts of God or the public enemy, acts of Lender in its contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. Borrower shall notify Lender in writing as soon as it is reasonably possible after a condition of default has occurred, setting forth the full particulars in connection therewith, and shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Lender of the cessation of such occurrence.

(f) Default by Borrower under this Agreement shall be considered grounds for Lender to terminate any related agreement concerning the Property.

9. BORROWER'S RIGHT TO PREPAY

The indebtedness evidenced by this Note may be prepaid at any time without penalty, at the option of the Borrower(s).

10. LOAN CHARGES

Borrower agrees to pay all costs including, without limitation, attorney fees, incurred by the holder of this Note in enforcing payment, whether or not suit is filed, and including, without limitation, all costs, attorney fees, and expenses incurred by the holder of this Note in connection with any bankruptcy, reorganization, arrangement, or other similar proceedings involving the undersigned that in any way affects the exercise by the holder of this Note of its rights and remedies under this Note. All costs incurred by the holder of this Note in any action undertaken to obtain relief from the stay of bankruptcy statutes are specifically included in those costs and expenses to be paid by Borrower. Borrower will pay to Lender all attorney fees and other costs referred to in this paragraph on demand.

11. GIVING OF NOTICES

Any notice, demand, or request relating to any matter set forth herein shall be made in writing by delivering it or by mailing it as follows:

If to Borrower(s):
Borrower(s) Name:
Borrower(s) Address:
Borrower(s) City, State, Zip:

If to Lender:
City of Fresno
Finance Department, Accounts Receivable
2600 Fresno St., Room 2156
Fresno, CA 93721

No delay or omission of Lender in exercising any right or power arising in connection with any default will be construed as a waiver or as acquiescence, nor will any single or partial exercise preclude any further exercise. Lender may waive any of the conditions in this Note and no waiver will be deemed to be a waiver of Lender's rights under this Note, but rather will be deemed to have been made in pursuance of this Note and not in modification. No waiver of any default will be construed to be a waiver of or acquiescence in or consent to any preceding or subsequent default.

12. LOAN TRANSFER / ASSIGNMENT

Lender may transfer this Note and deliver to the transferee all or any part of the Property then held by it as security under this Note, and the transferee will then become vested with all the powers and rights given to Lender; and Lender will then be forever relieved from any liability or responsibility in the matter, but Lender will retain all rights and powers given by this Note with respect to Property not transferred.

13. PRESERVATION OF THE PROPERTY

Borrower(s) (a) shall keep the property in good condition and repair; (b) shall not remove, demolish or substantially alter any building, structure or improvement thereon; (c) shall complete or restore promptly and in good workmanlike manner any building which may be constructed, damaged or destroyed thereon and will pay when due all claims for labor performed and material furnished therefore; (d) shall comply with the provisions of all insurance policies covering, and with all laws and regulations affecting, the property or requiring any alterations, repairs or improvement thereon; (e) shall not commit or suffer any waste thereon; (f) shall not commit or suffer any act upon the property in violation of any provision of any insurance policy or law or regulation; (g) shall paint, decorate, cultivate, irrigate, fertilize, fumigate and prune the property; and (h) consistent with the use thereof, do all other acts which the character or use of the property may reasonably require.

14. SUBORDINATION OF CITY LOAN

Subordination of the Mobile Home Replacement Program loan will be allowed for the current principal balance of the loan(s) at the time of the requested subordination upon consent of the City Manager/designee. The new superior loan shall not contain any balloon payments or call dates; it must be a fully amortized loan. No cash out will be allowed, including paying off installment or credit card accounts. Reasonable costs of the subordination transaction will be allowed in the new superior loan.

15. ENFORCEABILITY

If any one or more of the provisions in this Note is held to be invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired. This Note will be binding on and inure to the benefit of Borrower and Lender.

16. GOVERNING LAW

Borrower agrees that this Note will be deemed to have been made under and will be governed by the laws of California in all respects, including matters of construction, validity, and performance, and that none of its terms or provisions may be waived, altered, modified, or amended except as Lender may consent to in a writing duly signed by Lender or its authorized agents.

LENDER: CITY OF FRESNO

By signing below, Borrower(s) accept(s) and agree(s) to the terms and covenants contained in this Note, as of the date and year first above written, and acknowledges receipt of a copy of this statement.

(Borrower)

(Borrower)

(Borrower)

(Borrower)