

CITY OF RIVERSIDE PROMISSORY NOTE

NOTICE TO BORROWER THIS DOCUMENT CONTAINS PROVISIONS RESTRICTING ASSUMPTIONS

Loan No. 2016-01-CB

\$525,000

_____, 2016

FOR VALUE RECEIVED, the undersigned, Casa Blanca Home of Neighborly Service (the "Borrower") hereby promises to pay to the order of the City of Riverside ("Lender") at the following address 3900 Main Street, 3rd Floor, Riverside, California 92522 or at such other place as the holder may from time to time designate by written notice to Borrower, in lawful money of the United States, the sum of Five Hundred Twenty Five Thousand Dollars and 00/100, (\$525,000) with amortized interest at the rate of three percent (3%) per annum on the unpaid principal balance from the date of this Note. Interest shall be fully amortized during the thirty (30) years of the term of this Note and monthly payments in the amount of Two Thousand Two Hundred Thirteen and Forty Two Cents (\$2,213.42) shall be due and payable to Lender. The obligation of the Borrower with respect to this Note is secured by that certain Deed of Trust Loan No. 2016-01-CB (the "Deed of Trust"), and is further made and delivered pursuant to and in implementation of the Loan Agreement, both of which are executed by the Borrower concurrently herewith.

1. **Borrower's Obligation.** This Note evidences the obligation of the Borrower to the Lender for the repayment of funds loaned (the "Loan") to finance the purchase of that certain real property (the "Property"), which has the address of:

7680 Casa Blanca Street
Riverside, California 92504
(Assessor Parcel Numbers 230-243-003 and 230-244-005)

more fully described in Exhibit "A" of the Deed of Trust.

2. **Borrower(s) Acknowledge(s) and Agrees:** that the Loan is subject to the provisions of the Community Redevelopment Law as set forth in Health and Safety Code section 33000 et seq. and is hereby incorporated by reference.
3. **Interest.** The principal shall accrue interest at the amortized rate of three percent (3%) per annum for Thirty (30) years.
4. **Repayment of Loan Principal and Interest.** Monthly periodic payments in the amount of Two Thousand Two Hundred Thirteen Dollars and Forty Two Cents (\$2,213.42) are required hereunder. Borrower agrees to pay the unpaid principal

balance, unpaid accrued interest, and any other amounts due under this Note upon the earlier of:

- (a) Thirty (30) years from the date of this Note; or
- (b) Upon refinancing of any debt that is secured by a lien on the Property; or
- (c) Upon sale, transfer, lease, or encumbrance of all or any interest in the Property without Lender's prior written consent, except for a transfer permitted in Paragraph 5; or
- (d) Upon the maturity date, or full repayment, of any debt that is secured by a lien on the Property that is senior to the Deed of Trust.

5. Permitted Transfers.

The Loan is not assumable except under the following limited circumstances:

An entity that is related to the Borrower and/or also has a non-profit status (Federal 501(c)(3) organization) and serves to benefit the community and the former Casa Blanca Redevelopment Project Area boundaries.

6. Acceleration of Payment. The principal amount of this loan, together with any then outstanding accrued interest thereon shall become immediately due and payable, at the option of the holder and without demand or notice, upon the occurrence of any of the following events:

- (a) In the event of a default under the terms of this Note or the Deed of Trust;
- (b) In the event of any sale, transfer, lease, or encumbrance of the Property without Lender's prior written consent in violation of Paragraph 4 of this Note.

7. Effect of Due-on Sale Clause. Failure of the holder to exercise the option to accelerate payment as provided in Paragraph 6 of this Note will not constitute waiver of the right to exercise this option in the event of subsequent cause for acceleration. Failure by Borrower to pay and/or fulfill the Borrower's Covenants as set forth in the Deed of Trust shall be considered an on-going event of default under this Note.

8. Place and Manner of Payment. All amounts due and payable under this Note are payable at the principal office of the Lender set forth above, or at such other place or places as the Lender may designate to the Borrower in writing from time-to-time.

9. **Application of Payments.** All payments received on account of this Note shall be first applied to accrued interest, if any, and the remainder shall be applied to the reduction of principal.
10. **Attorney's Fees.** The Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Lender in the enforcement of this Note.
11. **Default and Acceleration.** All covenants, conditions and agreements contained in the Deed of Trust and Loan Agreement are hereby made a part of this Note. The Borrower agrees that the unpaid balance of the then principal amount of this Note, together with all accrued interest thereon and charges owing, shall, at the option of the Lender or, if so provided in this Note and Deed of Trust executed by the Borrower, shall automatically, become immediately due and payable, and thereafter until paid bear interest at the rate of 10 % per annum, upon the failure of the Borrower to make any payment hereunder as and when due; upon the failure of the Borrower to perform or observe any other term or provision of this Note, or upon the occurrence of any event (whether termed default, event of default or similar term) which under the terms of the Deed of Trust, shall entitle the Lender to exercise rights or remedies thereunder.
12. **Notices.** Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and must be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from the Lender. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mail in accordance with this provision.
13. **Prepayment Policy:** Borrower may prepay a portion or the entire Note at any time without penalty.
14. **Governing Law.** This Note shall be construed in accordance with and be governed by the laws of the State of California.
15. **Severability.** If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
16. **No Waiver by the Lender.** No waiver of any breach, default or failure of condition under the terms of the Note or Deed of Trust shall thereby be implied from any failure of the Lender to take, or any delay by the Lender in taking action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of the Note, Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

17. **Successors and Assigns.** The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

Executed as of the date set forth above at Riverside, California
City

Jacob A Hernandez
Borrower

Gary West
Borrower

Mailing Address for Notices:

Casa Blanca Home of Neighborly Service
7680 Casa Blanca Street
Riverside, California 92504

16-0609 RMG

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

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.

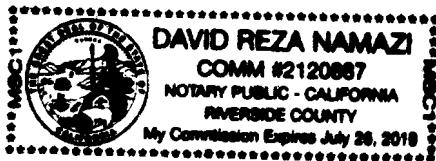
State of California)

County of RIVERSIDE)On 07/01/2016 before me, DAVID NAMAZI, Notary Public,
Date Here Insert Name and Title of the Officerpersonally appeared JACOB A. HERNANDEZ and GARY WEST
Name(s) of Signer(s)

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.

Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached DocumentTitle or Type of Document: PROMISSORY NOTE Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — Limited General☐ Individual Attorney in Fact☐ Trustee Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

☐ Partner — Limited General☐ Individual Attorney in Fact☐ Trustee Guardian or Conservator☐ Other: _____

Signer Is Representing: _____