

Redwood Trailer Village New Unit Loan Program
NOTE, LOAN AGREEMENT AND SECURITY AGREEMENT

LOAN

Loan Amount: _____

Term of Loan: _____

Date of Loan: _____

Interest: Outstanding principal balance of Loan shall bear interest at a rate of a quarter percent (0.25%).

BORROWER NAME

Last First MI

CO-BORROWER NAME

Last First MI

UNIT PURCHASED WITH THE LOAN PROCEEDS AND SECURED BY THIS AGREEMENT

Trailer or Manufactured Home? Year and Make

Model Vehicle Identification Number (VIN) or Serial Number (SN)

LOT ADDRESS FOR UNIT PURCHASED WITH LOAN PROCEEDS

Street City

County Zip Code Space Number

LENDER

County of San Mateo

Lender Name

c/o Department of Housing, 264 Harbor Blvd., Bldg. #A, Belmont, CA 94002

Lender Address

We, Borrower and Co-Borrower (if there is a Co-Borrower), by signing this Agreement, and Lender, by releasing any of the funds pursuant to this Agreement, mutually agree as follows:

I. DEFINITIONS:

a. For purposes of this Agreement:

- i. "We/us/our" means Borrower and Co-Borrower (if there is a Co-Borrower), whose names are listed above and all other persons who may become responsible for the repayment of the Loan.
- ii. "Loan" means the loan that Lender will make to Borrower and the Co-Borrower, whose names are listed above.
- iii. "Agreement" means this Note, Loan Agreement, and Security Agreement.
- iv. "Unit" means the unit that is described above as the unit purchased with the Loan proceeds and secured by this Agreement.
- v. "Lender" means the County of San Mateo, its successors and assigns, or any subsequent holder of this Note and Trailer/Park Model Security Agreement.
- vi. "Occupancy Requirement" mean that Unit must be lived in by Borrower and Co-Borrower (if there is a Co-Borrower) as their principal residence, and this requirement applies to Borrower and Co-Borrower and any and all other persons who may become responsible for repayment for the Loan as long as the Loan is outstanding.
- vii. "Park" means Redwood Trailer Village, a mobile home park registered with the California Department of Housing and Community Development and located at 855 Barron Avenue in Redwood City, California.
- viii. "Park Owner" means the owner of the Park.
- ix. "Original Purchase Price" means Borrower's/Co-Borrower's share of the demolition and removal costs of the pre-existing unit located on the space within the Park identified above under Lot Address for the Unit purchased with the Loan proceeds, if any, the cost of re-paving the home pad beneath the Unit, if required and the cost of delivery, installation and purchase of the Unit.

II. LOAN:

a. We make the following statements to Lender, and Lender is relying on the truth and accuracy of the following statements in agreeing to make the Loan to us:

- i. On October 1, 2018 and continuously through the Date of the Loan, our principal residence has been located at the Space Number in the Park identified above;
- ii. During the full term of the Loan, we intend to and will live in the Unit as our principal residence in compliance with the Occupancy Requirement;
- iii. During the full term of the Loan, we intend to and will keep the Unit within the boundaries of San Mateo County;
- iv. During the full term of the Loan, we intend to and will continue to rent or lease the Space Number in the Park identified above on which the Unit will be placed;
- v. During the full term of the Loan, we will keep the Unit free of any liens;
- vi. During the full term of the Loan, we will keep the Unit in good condition and will replace any worn, broken or defective parts;

- vii. During the full term of the Loan, we will maintain insurance against risk of loss or damages of the Unit in an amount that is satisfactory to Lender, and we will provide Lender with proof of such insurance annually, which insurance will name Lender as an additional insured;
 - viii. During the full term of the Loan, we will not use or alter the Unit in any way that materially breaches our space lease with Park Owner or that violates any applicable insurance policy or any other laws or regulations, including but not limited to any applicable County or State zoning or building regulations;
 - ix. During the full term of the Loan, we will allow Lender and anyone Lender sends, to look at and inspect the Unit at any reasonable time;
 - x. During the full term of the Loan, we will make all payments that we owe to Lender under this Agreement when the payments are due, repay the Loan when it becomes due, and promptly do all other things that we are required to do under this Agreement;
 - xi. We will promptly pay all of the taxes, utilities, registration fees and other payments due for the Unit that must be made to any government entity or agency, including, but not limited to, the State of California and the County of San Mateo, and we will continue to pay all of these taxes, utilities, registration fees and other payments as they become due;
 - xii. During the full term of the Loan, we will not move the Unit from the space number within the Park identified above without first getting written permission from Lender, and we agree that any request to move the Unit must be in writing and must identify the address of the new location for the Unit;
 - xiii. The information we have given to Lender in this Agreement and in any other documents executed in connection with applying for or receiving this Loan is true and accurate, and any additional information we give to Lender in the future will be true and accurate; and
 - xiv. We will cooperate with Lender in accomplishing all tasks and preparing all paperwork necessary to complete the demolition of our pre-existing unit.
 - xv. We will cooperate with Lender in accomplishing all tasks and preparing all paperwork necessary to complete any re-paving of the home pad beneath our Unit.
- b. After we have signed this Agreement and any other documents that Lender may request us to sign in order for us to qualify for the Loan, we agree that the Loan proceeds will be used:
- i. To pay for the purchase, delivery and installation of the Unit;
 - ii. To pay four thousand five hundred dollars (\$4,500) of the cost of demolishing and removing the unit presently located at the above-listed address, if demolition and removal of the unit is necessary; and
 - iii. To pay for the cost of any re-paving of the home pad beneath our Unit, which may be required.

III. REPAYMENT OF THE LOAN AND OTHER AMOUNTS:

- a. Subject to subsection (b) below, Lender will declare a default or breach of the Agreement and the entire remaining principal amount of the Loan and any accrued interest will become immediately due and payable to Lender under the following circumstances:
 - i. We fail to make timely Loan payments to Lender;
 - ii. We fail to cooperate with Lender in accomplishing all tasks and/or preparing all paperwork necessary to complete the demolition of our pre-existing unit;
 - iii. We move the Unit outside the County of San Mateo;
 - iv. We no longer occupy the Unit as our principal residence;
 - v. We fail to make any needed repairs to the Unit or replace any worn out or broken parts;
 - vi. We fail to keep the Unit fully insured;
 - vii. We do not allow Lender, or anyone Lender sends, to inspect the Unit;
 - viii. We fail to pay any taxes that are owned on the Unit or other amounts that must be paid to the government for the Unit;
 - ix. We fail to notify Lender if we move the Unit from the lot on which it is currently located or fail to supply Lender with the address of the new location for the Unit;
 - x. We fail to get advance written permission from Lender before we assign our rights under this Agreement;
 - xi. We fail to get advance written permission from Lender before we sell, transfer or refinance the Unit;
 - xii. We fail to do everything we are required to do under this Agreement or any other document that Lender may request us to sign in order for us to qualify for the Loan; and
 - xiii. Anything that we have told Lender in this Agreement, or in any other document that Lender may request in order for us to qualify for the Loan is not true.
- b. In the event we breach or default upon any of the terms and conditions of this Agreement (including those set forth in subsection (a) above), after thirty (30) days written notice from Lender to us and our failure to correct the breach, we will be in default of the terms and conditions of this Agreement, and Lender may demand immediate and full payment of the entire remaining principal amount of the Loan and any accrued interest, or may pursue other remedies available to it as a secured party under the California Commercial Code; provided, however, if we cannot reasonably cure the breach within 30 days, we will not be in default under this Agreement if we have begun the cure within 30 days written notice from Lender and we are diligently pursuing the cure to completion.
- c. If any breach of or default upon any of the terms and conditions of this Agreement (including those set forth in subsection (a) above) remains uncured, Lender shall have the right to sell the Unit to Park Owner at a price the greater of either (1) its then-current appraised market value (to be determined by an appraiser selected and approved in advance by Lender) or (2) the outstanding Loan amount due.
- d. We can repay all of or any part of the Loan at any time without being charged a penalty.

- e. Any payments that we make on the Loan will be by check or money order payable to AmeriNat, the loan servicer selected by Lender, at the following address: AmeriNat Nationwide Loan Servicing, P.O. Box 650402, Dallas, TX 75265-0402, or by electronic transfer of funds to AmeriNat. We understand that AmeriNat also accepts payments online and over the phone, but that there may be fees associated with making payments either of these ways.
- f. We understand that AmeriNat will charge a monthly fee to cover the costs of processing our loan payment, and we agree to timely and fully pay that amount each month.
- g. We understand that each of us is separately fully responsible for the repayment of the Loan even if one or more of us fails to repay the Loan.
- h. We will pay to Lender all costs that Lender incurs to create, perfect, maintain and enforce the security interest that we grant Lender under this Agreement, and we acknowledge and agree that this amount could include all court costs and attorney fees that Lender may have to pay in order to collect the Loan or to enforce the security interest.
- i. We understand that by accepting a Loan payment from us after its due date, Lender does not waive its right to require us to make prompt payments of future payments or declare a breach of this Agreement for failure to timely pay.

IV. SECURITY INTEREST:

- a. As collateral for this Loan we are giving to Lender a security interest in:
 - i. The Unit;
 - ii. Any insurance payments that we may receive as payment for any damage to the Unit or as a result of the complete destruction of the Unit; and
 - iii. A certain portion of the sale proceeds if we sell the Unit as set forth in Section V. c. of this Agreement.
- b. We are giving Lender this security interest to ensure that we will:
 - i. Timely repay the Loan when Loan payments are due;
 - ii. Timely pay whatever other amounts that we are required to pay to Lender under this Agreement; and
 - iii. Do everything else that we are required to do under this Agreement.
- c. We will promptly submit any forms and fees required to register and title the Unit with either the California Department of Vehicles or the California Department of Housing and Community Development, whichever is required for the Unit. We will also list Lender as the legal owner/lien holder of the Unit on these forms.
- d. We will supply and sign any other documents that Lender determines are needed to legally create the security interest that we are giving to Lender and to continue the security interest until we have fully repaid the Loan, which includes the original Certificate of Title for the Unit.
- e. We authorize Lender to file any document that it determines is necessary to legally create the security interest that we are giving to Lender and to continue the security interest until we have fully repaid the Loan. We understand that such documents may include a Uniform Commercial Code-1 (UCC-1) Financing Statement filed with the

California Secretary of State and a Statement of Lien filed with the County of San Mateo Clerk-Recorder's Office.

- f. After we have repaid the entire Loan and interest, Lender will release the security interest it has in the Unit.

V. GRANT OF RIGHT OF FIRST REFUSAL; OTHER MISCELLANEOUS PROVISIONS:

- a. We cannot assign our rights under this Agreement or sell, transfer or refinance the Unit unless Lender gives us advance written permission to do so.
- b. Lender can transfer its interest in this Agreement to anyone else or to any other entity without our approval.
- c. If we decide to sell or transfer the Unit to a third party during the term of the Loan, we must get from that third party ("Third Party Buyer") a written offer acceptable to us (the "Offer"), to purchase the Unit. The written offer must be in a form reasonably satisfactory to Lender. We must promptly notify Park Owner and Lender of the Offer in writing and provide them a copy of the Offer. Upon receipt of that written notice and the Offer, Park Owner will have thirty (30) calendar days to decide whether to purchase the Unit on the terms and conditions set forth in the Offer (except that if the Offer includes payment or things of value in a form other than cash, Park Owner shall have the right to pay in cash the fair market value of such non-cash items) and provide us written confirmation of that decision ("Acceptance Notice").
 - i. In the event Park Owner chooses not to purchase the Unit on the terms and conditions set forth in the Offer, we may choose to sell the Unit to the Third Party Buyer that originally made the Offer, but only in strict compliance with the terms of the Offer, unless we again provide written notice and a copy of a new Offer as described in this Section V.c.. If the purchase price paid by a Third Party Buyer is greater than the Original Purchase Price, the profit (i.e., the amount by which the sales price exceeds the Original Purchase Price) will be divided into three equal shares: One-third (1/3) of the profit to us; one-third (1/3) of the profit to Park Owner; and one-third of the profit to Lender.
 - ii. If purchase price paid by a Third Party Buyer is equal to or less than the Original Purchase Price, Lender will be paid the full outstanding balance of the Loan and any other amounts due under this Agreement, and we will receive the balance of the sales proceeds.
 - iii. If Park Owner chooses to purchase the Unit on the terms and conditions set forth in the Offer, and if the purchase price is greater than the Original Purchase Price, the profit (i.e., the amount by which the sales price exceeds the Original Purchase Price) will be divided into three equal shares: One-third (1/3) of the profit to us; one-third (1/3) of the profit to Park Owner; and one-third of the profit to Lender. However, the amount that Park Owner pays for the Unit will simply be reduced by Park Owner's 1/3 share of the profit. If the purchase price paid by Park Owner is equal to or less than the Original Purchase Price, Lender will receive the outstanding Loan amount, we will receive any remaining proceeds, and Park Owner will not receive any portion of the sale proceeds.

- d. This Agreement sets forth the entire agreement between us and Lender, and supersedes all other oral or written agreements or understandings.
- e. All changes to this Agreement must be in writing and must be signed by both us and Lender.
- f. A waiver by Lender of any term, condition, or other provision of this Agreement will not be valid unless it is in writing and signed by Lender, and will only apply to the specific action that is being waived and will not be a continuing waiver unless the waiver specifically states that it is continuing.
- g. We will not object or raise as a defense to the repayment of the Loan based on any of the following:
 - i. Any reasonable delay by Lender in demanding the repayment of or pursuing the collection of the Loan, or in the enforcement of any of the provisions of this Agreement;
 - ii. Lender’s extension of time to repay the Loan or release of any party liable for the repayment of Loan; or
 - iii. Lender’s release of the Unit as collateral for the repayment of the Loan.
- h. Any delay by Lender in the enforcement of any provision in this Agreement will not prevent Lender from strictly enforcing the provision at some later date.
- i. Any notice that must be given to us or to Lender will be given by personally delivering the item to the other party or by certified mail to the following addresses:

In the case of Lender, to:	In the case of Borrower/Co-Borrower, to*:
Name/Title: Ken Cole, Director, Department of Housing County of San Mateo Address: 264 Harbor Blvd., Bldg. A Belmont, CA 94002 Telephone: 650-802-5024 Email: kcole@smchousing.org	Name: Address: Telephone: Email:

*To be completed by Borrower/Co-Borrower

- j. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation related to the formation, interpretation and performance of this Agreement will be in San Mateo County Superior Court.
- k. This Agreement may be signed in counterparts, each of which will be considered to be an original, but all of which, taken together, shall be one and the same agreement.

IN WITNESS WHEREOF, Borrower/Co-Borrower and Lender hereto have executed this Agreement effective _____.

LENDER

County of San Mateo

By: _____ Date: _____

Name: _____

Title: _____

BORROWER

By: _____ Date: _____

Name: _____

CO-BORROWER

By: _____ Date: _____

Name: _____