



Redevelopment Agency of the City of Santa Rosa
Commercial Rehabilitation Loan Program

Downtown Tenant Improvement Program

Program Guidelines

April 25, 2011

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1. Introduction

The Downtown Tenant Improvement Program is part of the Commercial Rehabilitation Loan Program of the Redevelopment Agency of the City of Santa Rosa (RDA). The Program is a no-interest loan program designed to help fund tenant improvements in order to attract new businesses and enhance existing businesses in the core area of Downtown Santa Rosa. Loans may be up to \$50,000 per tenant improvement project. The terms of the loan are structured to remove as many barriers as possible to property owners and tenants improving their Downtown properties, including a 0% interest rate, no points, and one year of deferred loan payments. The loan funds are provided in the form of a rebate at the end of the construction of the tenant improvements.

2. Redevelopment Background

The Redevelopment Agency of the City of Santa Rosa (RDA) is vested with the responsibility to carry out the Redevelopment Plans for the Santa Rosa Center and Gateways Redevelopment Projects. The objectives of the Santa Rosa Center and Gateways Redevelopment Projects include, in part, the elimination of blighting influences of substandard structures, and the enhancement of the Project Areas from an economic as well as aesthetic standpoint. In order to carry out the intent and purpose of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) (CRL) and the Redevelopment Plans, the Redevelopment Plans authorize the RDA to undertake various actions and activities, including without limitation the rehabilitation, alteration, modernization, general improvement or any combination thereof, of existing structures in the Project Areas. The CRL and Redevelopment Plans also provide for participation in the redevelopment of property in the Project Areas by owners and business tenants of property in the Project Areas.

Health and Safety Code Section 33037(b) authorizes the RDA to advance funds for the purpose of assisting in making improvements necessary for the redevelopment or rehabilitation of blighted areas of the Project Areas. Health and Safety Code Section 33444.5 authorizes the RDA to establish a program under which it loans funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures within the Project Areas.

In the implementation of the Redevelopment Plans and the Downtown Program adopted by the RDA and City of Santa Rosa (City), the RDA, in cooperation with the City, approved the Downtown Tenant Improvement Program (Program). The Program is intended to assist with the expense of tenant improvements necessary to attracting new businesses and making existing businesses more successful. The Program is administered by the Economic Development and Housing Department (EDH) and funded by the RDA.

These Program Guidelines may be amended from time to time to accommodate new or changing laws or policies. Please contact EDH for the most current version of the Program Guidelines.

3. Program Overview

The tenant improvement loan amount may be up to 75% of the total cost of the tenant improvement project, with a maximum of \$50,000. The loan is paid in the form of a rebate to the Participant upon the completion of the tenant improvements. The minimum loan amount under the Program is \$2,500.

The term of the loan is negotiable, with the following maximums:

- a. If the borrower is the property owner—10 years.
- b. If the borrower is the business tenant--the lesser of 10 years or the lease term (initial lease or remaining time on existing lease; minimum 3 years following completion of construction).

The loan is provided on a rebate basis only, following completion of the improvements. Financing for the improvements is the Participant's sole responsibility and may include Participant's own funds or borrowed funds. On a case by case basis the loan may be made as a construction loan with terms subject to negotiation.

Re-payment of the loan is deferred for one year following funding of the Loan. Following the deferral period, the loan will be fully amortized over the remainder of the loan term, and payments will be made monthly. There are no loan points, fees, or interest charged by the RDA.

4. Eligibility

A. Eligible Participants and Projects

Owners of properties and tenants who own businesses in properties located in the Program Area as shown in Exhibit A are eligible to apply for the Program. Eligible business tenant types include retail, restaurant, arts-related businesses, and service and office businesses with employees present and that are open to the public for walk-in client or customer business. If the property is vacant, the applicant must provide evidence of a commitment to lease between the property owner and a specific tenant. Tenant improvement projects without a specific current or future tenant are not eligible.

A tenant applicant must (a) have a current lease for the subject property with at least 3 years remaining from the estimated completion date of the proposed tenant improvement project; and (b) obtain the written approval from the property owner to participate in the Program and consent to execute the Loan Agreement.

Only existing, privately owned commercial buildings at least 10 years old are eligible.

All applicants must possess a current City of Santa Rosa Business Tax Certificate, if applicable. Government entities are not eligible for the Program. An applicant may use the Program one time only.

B. Eligible Improvements and Expenses

Proposed improvements must be consistent with RDA goals for the Santa Rosa Center or Gateways Redevelopment Project Area, as applicable, and either 1) be for the benefit of a new business beginning operations in the property, or 2) provide for the expansion or significant improvement in the operations of the existing business at the property.

Eligible improvements include construction or demolition of interior walls; fixtures; lighting; paint; wall and floor coverings; replacement of windows and doors; replacement or repair of faulty furnaces, water heaters, plumbing systems, electrical service, or wiring; installation of fire extinguisher sprinkler systems, smoke detectors, or energy-saving devices; and correction of code violations. All improvements must be permanently affixed to the building to qualify as eligible expenses. Also eligible is any equipment or machinery that is required for the business' operation and which is non-removable and non-personal with a useful life of more than 10 years. All improvements must be designed by a licensed architect or other licensed design professional, unless an exception is granted by EDH.

Eligible expenses for the Program include hard (construction) costs for the eligible improvements as well as soft (non-construction) costs such as architectural, engineering, permit, and loan fees that are directly related to the tenant improvements. Soft costs may not comprise more than 20% of the Total Project Cost. The Total Project Cost (TPC) is defined as the total of all hard (construction) and soft (non-construction) costs that are defined as eligible expenses per this Section. The Participant's Program deposit is not included in the TPC.

Ineligible improvements and expenses include non-permanent fixtures; security systems; personal property; property acquisition; any business operation expenses; landscaping; any soft cost expenses that are incurred more than 6 months prior to written acceptance into the Program; soft cost expenses in excess of 10% of TPC that are incurred at any time prior to written acceptance into the Program; any hard cost expenses that are incurred prior to issuance of the Notice to Proceed; expenses paid to any individual or organization which is not an independent third party to the Participant (with the exception of Participants who are licensed contractors and elect to perform the work themselves, subject to EDH approval); and any improvements deemed to be inconsistent with Redevelopment purposes and objectives.

5. Program Requirements

A. Application and Program Acceptance

i. Applications will be reviewed and considered on a rolling, first-come, first-served basis, as long as funds are available. Program acceptance priority will be given to eligible applicants that clearly demonstrate the ability to meet Program timelines and to repay the loan.

ii. Retroactive applications will not be accepted. However, the Participants are allowed to submit for rebate eligible soft costs in the amount of up to 10% of TPC that were incurred up to 6 months prior to written acceptance into the Program.

iii. The Participant is required to provide a \$300 refundable deposit to EDH upon approval of their application in order to be accepted into the Program. If the Participant completes the improvements in accordance with the Program Guidelines and Loan Agreement, the deposit will be refunded. If the Participant is disqualified or does not complete the improvements in accordance with the Program Guidelines and Loan Agreement, the deposit is forfeited and will be used by EDH to defray the administrative costs associated with processing the application. The deposit is not included in the TPC.

iv. Once an application is approved by EDH and the Participant is accepted into the Program, EDH will develop and notify the Participant in writing of the schedule of performance of steps leading up to execution of the Loan Agreement, which must occur within 6 months following acceptance into the Program. Failure of Participant to meet the deadlines set forth in the schedule may be grounds for immediate disqualification from the Program and forfeiture of the deposit. If necessary, time extensions may be considered by EDH on a case-by-case basis.

v. Following permit issuance by the City and no more than 6 months following acceptance into the Program, the Participant will be required to enter into and execute a written Loan Agreement with the RDA that will establish the terms, conditions, and requirements for further participation in the Program, including a final scope of work, final design, and project budget for the improvements, and an approximate loan repayment schedule. The Loan Agreement shall be in a form prepared by the Agency, consistent with the Program Guidelines. Commencement of construction without an executed Loan Agreement or issuance of Notice to Proceed by EDH will automatically disqualify the Participant from the Program.

vi. If the Participant is the tenant, then concurrently with execution of the Loan Agreement, the property owner will be required to execute an agreement and waiver (Owner's Agreement) providing for certain agreements on the part of the property owner to, among other things, and maintain the improvements in the event of a default by the tenant under the Loan Agreement. The Owner's Agreement shall be in a form attached as Exhibit F to the Loan Agreement.

vii. EDH has the right to request additional information as it deems necessary from the Participant at any time during the application and construction process, and thereafter for the period of time that the Loan Agreement remains in effect.

viii. Before, during, and after the improvements are constructed, EDH shall have the right to inspect all work.

B. Underwriting Criteria and Loan Security

i. The Participant must show evidence of sufficient capital in hand and/or commitments from other lenders or investors to provide the balance of funds necessary to finance the tenant improvement project.

ii. The Participant must demonstrate sufficient cash flow to cover all operating expenses and debt. A minimum debt coverage ratio (DCR) of 1.1 (ratio of debt service and operating costs to net operating income) will be required. Borrower must also show evidence of sufficient capital and/or assets to continue to make loan payments in the event that a cash flow problem arises.

iii. Real property collateral or other security is required to secure the loan, and must be secured by a Deed of Trust, UCC-1 Financing Statement, or Payment Guaranty. EDH shall have the sole discretion to determine the type and extent of collateral or security to be provided, on a case-by-case basis.

iv. A maximum loan-to-value (LTV) of 100% for all debt combined on the loan security (post-project, if subject property is the security) will be required.

C. Project Management

i. The Participant is solely responsible for managing and scheduling the design, permitting, and construction of all improvements, and for meeting all deadlines as set by the Program Guidelines and EDH.

ii. It is the Participant's responsibility to ensure that all improvements conform to City land use and zoning regulations, the Building Code, and all other applicable regulations. The Participant is responsible for all permits and approvals, and all contracts, expenses, and liabilities associated with the work. The Participant is responsible for selecting and hiring all contractors and for resolution of disputes that may arise between Participant, contractors, and/or subcontractors.

iii. Any code violations at the subject property must be corrected before the completion of, or simultaneously with, the tenant improvements. Clearance of all code violations will be a condition of payment of the rebate.

- iv.** The Participant and all contractors for the project must have current City of Santa Rosa Business Tax Certificates and appropriate licensing.
- vi.** The Participant must submit to EDH copies of all consultant and construction contracts that Participant enters into for the improvements, along with evidence of each contractor's insurance as described in Appendix 2.
- vii.** Up to the equivalent of 10% of TPC in soft costs incurred up to 6 months prior to written acceptance into the Program may be considered for rebate eligibility, with the remaining amount of soft costs, up to the limit of 20% of TPC, expendable thereafter. However, no hard costs may be incurred until the Loan Agreement is executed **and** the Notice to Proceed is issued by EDH.
- viii.** Neither the City nor the RDA will have any responsibility for the lease arrangement between the property owner and the tenant(s).

D. Insurance and Liability

- i.** At all times the Participant shall maintain in full force and effect the insurance described in Appendix 2. The Participant's contractors, subcontractors, and consultants must also carry insurance at all times as described in Appendix 2. The Participant shall be responsible for determining and confirming that all contractors, subcontractors, and consultants have complied with the insurance requirements, and maintain such insurance for the duration of the project. Proof of Participant's and contractors' insurance must be submitted to EDH. The Participant shall also defend, indemnify, and hold harmless the RDA for any failure by the Participant to determine compliance or any failure to obtain the required insurance by the Participant's contractors, subcontractors, or consultants.
- ii.** During the construction period and loan term, the subject property must be covered by fire and extended insurance coverage as described in Appendix 2.
- iii.** The Participant must agree to hold the City and the RDA harmless from any injuries or occupant losses during and as a result of the construction of the improvements funded by the loan.

E. Construction of the Improvements

- i.** The Participant shall obtain at least two written bids from qualified, licensed contractors to perform the work and construct the improvements, and shall provide copies of the selected and rejected bids to EDH.
- ii.** The cost of the proposed improvements must be reasonable and consistent with current local hard and soft cost standards.

iii. Participants who have the appropriate contractor’s license may seek permission from EDH to perform the work themselves and enter into contracts for the design and materials and other eligible third-party costs related to the improvements. A Participant may not be compensated from loan proceeds for her/his own labor, but loan proceeds may be used for materials and subcontracts.

iv. Any on-site construction sign must credit the Program and RDA, with wording to be provided by EDH staff. If Participant does not plan to erect a construction sign, EDH may provide a sign to satisfy this requirement.

v. Construction of the improvements may only begin following issuance by EDH of a Notice to Proceed. Commencement of construction without issuance of the Notice to Proceed, or failure to commence construction within 30 days following Notice to Proceed issuance, will disqualify Participant from the Program.

vi. The Participant must notify EDH immediately of any changes to the project, including design changes, budget changes, and change of contractor(s), and submit appropriate documentation of such changes to EDH for review and determination of whether the changes are consistent with the Loan Agreement and Program Guidelines. Any changes that are deemed inconsistent may disqualify Participant from the Program.

vii. All of the improvements must be completed, as approved, within 9 months from the date of execution of the Loan Agreement. Failure to complete the project within 9 months may result in termination of the Loan Agreement, forfeiture of the deposit, and ineligibility of Participant to receive the rebate or reapply for the Program in the future. If necessary, time extensions may be considered by EDH on a case-by-case basis.

viii. When construction is complete, the Participant shall display a sign (provided by EDH) indicating participation in the Program, either on the exterior or in the front window of the building, for 60 days.

F. Prevailing Wage

i. The Program is funded with public funds and therefore the Participant and its contractors and subcontractors shall comply with the Public Works/Prevailing Wage Law, including but not limited to the duty to pay prevailing wages to the workers on the construction projects in compliance with Labor Code Sections 1771 and 1774, to maintain and make available for inspection certified payroll records specified under Labor Code Section 1776 and to comply with apprenticeship requirements as required by Labor Code Section 1777.5.

ii. The Participant is responsible for requiring the contractors and subcontractors to keep and retain the records that are required and to make available for inspection the records that are required to be kept and retained under Labor Code Section 1776.

iii. The Participant is required to cause the contractors and subcontractors to submit to EDH copies of all construction contracts and subcontracts so that compliance with the Public Works/Prevailing Wage Law can be ascertained. All contracts and subcontracts submitted will be available to the public for inspection and copying.

iv. The Participant is responsible for requiring the contractor and subcontractors to post at the property where the project is being constructed the applicable prevailing rates of per diem wages as determined under the Public Works/Prevailing Wage Law in accordance with California Labor Code Section 1773.2.

v. The Participant is responsible for monitoring and verifying the payment of prevailing wages for projects. In addition to obtaining copies of contracts and subcontracts as specified above, the RDA may, but shall not be required to, monitor or verify the payment of prevailing wages for projects.

G. Nondiscrimination

i. The Participant, its contractors and subcontractors, shall not, in the construction of the improvements, discriminate against any employee or applicant for employment on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code.

H. Funding of Loan (Rebate)

i. To receive the loan funds (rebate) following completion of the improvements, the Participant must submit the following documents to EDH: Cover letter indicating that the improvements are completed and requesting funding of the loan; final TPC break-down; copies of unconditional lien releases for all work and purchases; itemized invoices detailing all work completed and materials purchased, with proof of payment; evidence of all permit sign-offs; evidence of clearance of any code violations; copy of filed Notice of Completion; digital images of the completed improvements; any amended contracts; and any additional information requested by EDH. In addition, EDH will conduct an inspection of the property to confirm that the work is consistent with the Loan Agreement and Program Guidelines. Finally, the documents to secure the loan will be executed by the Participant and recorded, as applicable. The loan funds and refund of deposit will be paid to the Participant as soon as possible following the document recordation.

ii. The loan term commences on the day of the later of the payment of the rebate to the Participant or recordation of the applicable documents. Repayment of the loan begins on the 1st day of the month following the 1-year anniversary of the beginning of the loan term. Loan payments are due on the 1st day of each month.

iii. The Participant, or the property owner, if applicable, will ensure that at all times during the loan term, in all storefronts in the property (including any that were not included in the tenant improvement project):

- a. Attractive window displays are maintained;
- b. Ground floor windows fronting public streets shall not be tinted or mirrored, nor shall they be obscured or covered in any way in an amount that equals more than 20% of the total area of each window;
- c. Interior window display lighting and exterior lighting shall be lit during all non-daylight hours except between 2:00 am and sunrise.
- d. Active leasing efforts take place for any vacancy.

Responsibility for the above obligations will be reflected in the Loan Agreement and must be indicated in any new lease for the subject property that is executed during the loan term.

v. Compliance monitoring will be conducted by EDH staff on a regular basis during the loan term. If found in violation of any of the terms of the Program Guidelines, Loan Agreement, or other executed and/or recorded documents, the Participant (and property owner, if applicable) will be notified of such violation(s) in writing, and will be given 30 days from the date of the notice to cure the violation(s) to EDH's satisfaction. Failure to cure the violation(s) in a timely manner may be considered a default, in which case the outstanding loan balance will become immediately due and payable.

vi. Sale or refinance of the property, in the case of a loan to the property owner, or termination of the lease, in the case of a loan to a tenant, may be considered a default, in which case the outstanding loan balance will become immediately due and payable. Loan assumption by a new owner or tenant may be considered on a case by case basis.

I. Repayment of the Loan

i. Loan payments are due on the 1st day of each month. A loan payment will be considered to be late if it is paid 10 or more working days after the due date, and a late fee of 5% will be charged for each 30 calendar days past the due date until the payment is made. Late payments may be considered a loan default.

ii. Payments will be credited first to outstanding late fees and then to outstanding principal.

iii. Full or partial prepayment of the loan balance is allowed at any time with no penalty.

J. Process

The Program steps are as follows, although the specific order may be changed due to individual project considerations, at EDH’s sole discretion.

1. Prospective Applicant (and property owner, if Applicant is the tenant) reads the Program Guidelines and Application.
2. Pre-application meeting with EDH staff.
3. Applicant submits complete application package to EDH.
4. EDH staff reviews application package for eligibility and loan determination.
5. EDH staff notifies Applicant in writing regarding eligibility and loan determination. If eligible and approved for a loan, the Applicant will be notified of next steps, timeline, and any additional submittals required, including the deposit.
6. Applicant submits \$300 refundable deposit to EDH. Applicant is not formally accepted into the Program until deposit is received in full and EDH issues written acceptance letter. Upon acceptance, the Applicant (now the “Participant”) has 6 months to complete steps 7-13.
7. Kick-off meeting between EDH and Participant.
8. Participant pursues completion of project design and permits.
9. Participant submits “final” concept design plans and specifications to EDH for review/comment (approval is from Community Development Department), and submits final project budget to EDH for approval.
10. Participant submits any required permits and approvals to EDH.
11. Participant and RDA execute Loan Agreement.
12. Property owner executes Owner’s Agreement, if Participant is tenant.
13. Participant obtains at least two bids for construction, and submits selected and rejected bids to EDH, along with proof of insurance and licenses for all contractors per Appendix 2.
14. EDH issues Notice to Proceed to Participant.
15. Participant’s contractor(s) begins construction of the improvements.
16. Construction completed within 9 months of date of execution of Loan Agreement.
17. Post construction sign put on display, to remain in place for 60 days.
18. Participant submits documents set forth in Section 5.H.(i) of the Program Guidelines.
19. EDH conducts inspection and reviews request for loan funding/rebate.
20. Applicable documents securing loan are executed and recorded. EDH funds loan and refunds deposit. Loan term and compliance monitoring begin.
21. Monthly payments on the outstanding loan balance are due on the 1st of each month, beginning on the 1st day of the month following the 1-year anniversary of the beginning of the loan term.

Downtown Tenant Improvement Program
Redevelopment Agency of the City of Santa Rosa

APPLICATION

Prior to submitting this application, you must read the Program Guidelines and conduct a pre-application meeting with the City of Santa Rosa's Economic Development and Housing Department staff. Please call 707-543-4338 or email abuss@srcity.org for assistance. **Incomplete applications will NOT be considered.**

Please Print

Date: _____

Applicant Name(s): _____

Applicant Legal Entity Type (check one):

Individual _____ Sole Proprietorship _____ Partnership _____ Corporation _____ Other: _____

Federal Tax ID#, if applicable: _____

Contact person (if applicant is not an individual): _____

Applicant is (circle one): Property Owner / Business Tenant

If applicant is the tenant, name and type of business: _____

Applicant Mailing Address: _____

Daytime Phone: _____ Cell Phone: _____ Fax: _____

Email Address: _____

Santa Rosa Business Tax Certificate #: _____

Address of property where tenant improvement proposed: _____

Assessors' Parcel Number (APN) of property: _____

Date Building was Constructed: _____

Loan/Rebate Amount Requested: \$ _____

If Applicant is the Property Owner:

For each space where a tenant improvement is proposed, list the tenant business name and type and indicate whether this is a current or prospective tenant: _____

Attach lease or leasing commitment for each tenant listed.

If Applicant is the Business Tenant, please provide the following for Property Owner:

Name: _____

Mailing Address: _____

Daytime Phone: _____ Cell Phone: _____ Fax: _____

Email Address: _____

What are the beginning and end dates of your current lease? _____

Please attach signed copy of Attachment 1—Agreement and Waiver by Owner, and a copy of your current lease. Please be aware that we will notify the Property Owner to confirm this information.

Tenant Improvement Project Information:

What is the square footage of the space for the proposed tenant improvements? _____

How many leasable spaces are in the building? _____

How many of the leasable spaces are currently occupied by tenants? _____

Describe in detail the tenant improvements to be completed at the subject property: _____

Explain how the proposed tenant improvements will improve the success of the current or proposed business(es) at this location: _____

Attach photos of current interior(s) and any drawings or color/materials samples for the proposed tenant improvements.

Tenant Improvement Project Information (continued):

Describe the current status of the proposed tenant improvement project: _____

Have you hired any consultants or contractors yet? Yes ____ No ____

If yes, list name, type, phone, and email and attach contracts for each one: _____

Have you already spent any funds on the project? Yes _____ No _____

If Yes, how much have you spent? _____

Have you met with the City of Santa Rosa Community Development Department yet? Yes ____ No ____

If Yes, please provide name(s) of person(s) contacted: _____

Are there any code violations at the property? Yes _____ No _____

If Yes, please describe: _____

Are you planning to construct any other improvements on the interior or exterior of the property concurrent with the tenant improvements? Yes _____ No _____

If Yes, please describe: _____

Attach copies of contracts for any consultants or contractors you have already hired.

Proposed Sources of Funding:

Applicant cash	\$
Private lender funds	\$
Tenant Improvement loan/rebate requested from Redevelopment Agency	\$
Other (describe): _____	\$
Total Sources	\$

If you are using private lender funds, have you applied for that loan yet? Yes ___ No ___

If Yes, with which bank? _____

When do you expect to be notified of loan approval? _____

If you are using your own cash, do you have the amount you need on hand? Yes ___ No ___

If No, by what date do you expect to have it? _____

Collateral Proposed to Secure Loan

Describe proposed collateral: _____

Address: _____

Assessor's Parcel Number (APN): _____

Present Market Value: _____

Outstanding debt on collateral:

Lender: _____ Loan balance: _____

Lender: _____ Loan balance: _____

Attach any lender commitments.

Proposed Project Schedule:

Date

Apply for Planning Approvals	
Receive Planning Approvals	
Apply for Building Permit	
Receive Building Permit	
Begin Construction	
Complete Construction	

Borrower Information:

Please complete this section for each borrower, co-borrower, owner, partner, or stockholder having more than 20% ownership of borrowing legal entity. (Add additional sheets, if necessary).

Borrower/Co-Borrower/Owner/Principal/Stockholder Name:

First: _____ Last: _____ Title: _____

Percentage of Ownership: _____

Home street address: _____

Home phone number: _____ Email: _____

Social Security Number: _____ Date of Birth: _____

Total Household Income: _____ Source(s): _____

Employer's Name (if different from applicant): _____

Years with Company: _____ Position: _____

Rent or Own Home (circle one) Number of Years: _____

Home Rent / Mortgage Payment: _____ Total of all home mortgages: \$ _____

Current Home Market Value: \$ _____

Personal accounts:

Bank Name: _____

Account #: _____ Checking Balance: _____ Savings Balance: _____

Account #: _____ Checking Balance: _____ Savings Balance: _____

Are any of your assets held in trust? Yes _____ No _____

Have you ever declared bankruptcy? Yes _____ No _____

Are you party to any claim or lawsuits? Yes _____ No _____

Are there any outstanding judgments against you? Yes _____ No _____

Have you ever had property foreclosed upon or given the title or deed in lieu thereof?

Yes _____ No _____

Have you ever directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? Yes _____ No _____

Are you a co-maker or endorser on a note? Yes _____ No _____

Are you obligated to pay alimony, child support, or separate maintenance?

Yes _____ No _____

Attach an explanation for each "yes" answer.

Borrower Information (Continued):

If borrowing legal entity is a business:

Date business established: _____

Business mailing address: _____

Business phone: _____

Type of business: _____

Number of full-time employees: _____ Number of part-time employees: _____

Business bank accounts:

Bank Name	Account Number	Current Balance	Bank Contact	Bank Phone

Loan Repayment

Please describe the proposed source of loan repayment and ability to make payments over the loan term:

Voluntary Information:

The following information is requested to monitor compliance with the equal opportunity laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, and you apply in person, this lender will note race and sex on the basis of visual observation or surname.

I do not wish to furnish this information:

Race / National Origin:

African American

Asian or Pacific Islander

Native American

White

Eskimo or Aleut

Other

Veteran Status:

Non Veteran

Vietnam Era Veteran

Other Veteran

Gender:

Female

Male

Applicant Certification:

I hereby certify that:

- I am the owner of record of the property proposed to be improved; **or**
- I am the tenant and have obtained written consent of the owner of record of the property to be improved to participate in this Program.
- I have read and understand the Downtown Tenant Improvement Program Guidelines.
- I am qualified and will abide by such conditions set forth in this application and the Program Guidelines.
- The information provided, contained herein and attached hereto, is accurate and correct to the best of my knowledge.

Signature of Applicant: _____ Date: _____

Print Name: _____

Signature of Co-Applicant: _____ Date: _____

Print Name: _____

Attachments to Application

Please attach the following documents, as applicable to your project, to this application form before submitting. The application cannot be considered complete without all of the necessary applicable attachments.

- Lease or leasing commitment for each space to be improved
- Agreement and Waiver by Owner, if applicant is the tenant (Attachment 1)
- Borrower's Certification and Authorization (Attachment 2)
- Photos of current interior(s)
- Drawings of proposed tenant improvements
- Color and materials samples for proposed tenant improvements
- Contracts for all consultants or contractors
- Lender commitment(s)
- Explanations of any "Yes" answers to questions on Page 6 of Application
- W-9 Form (Attachment 3)
- Personal Financial Statement for applicant, or if applicant is a business entity, for each owner, proprietor, or principal having 20% or more ownership (Attachment 4)
- Federal income tax returns for the last 3 years (individual, if proprietorship or partnership, or business, for all other entities.
- Articles of incorporation for borrowing entity, if applicable
- Accounts receivable and payable within 90 days
- List of vendors with addresses and account numbers for accounts over 30 days
- Financial statements (balance sheets and income/expense statements) – prior year and current within 90 days
- If Applicant is a start-up business: Proformas detailing Year One of projected operations with monthly cash flow and Years 2 and 3 of operations with annual cash flow, with all assumptions explained



Department of Economic Development and Housing
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707-543-3300 Fax: 707-543-3317 TDD: 707-543-3318
www.srcity.org



Attachment 1

Agreement and Waiver by Owner

Please Print Neatly

I, _____ (Owner) understand that my tenant _____ (Tenant) has applied to the Redevelopment Agency of the City of Santa Rosa's Downtown Tenant Improvement Program (Program) to construct certain tenant improvements at my property located at the following address:

_____. I further understand that under the Program, Tenant will receive a rebate of a portion of the costs for the design and construction of the tenant improvements in the form of a loan, all in accordance with the Program Guidelines.

I have received and reviewed the Program Guidelines and reviewed the application Tenant has prepared. I agree to permit the proposed improvements to my building at the above address (Property). I understand that I am not financially responsible to complete these improvements.

I understand and agree that the Redevelopment Agency of the City of Santa Rosa (Agency) and the City of Santa Rosa (City) assume no responsibility or liability to me or any other party for any action or failure of any contractor or other third party and in no way guarantee any work to be done or material to be supplied.

I agree to hold the Agency and City harmless from and indemnify them for and against any and all claims which may be brought or raised against the Agency or City or any of its officers, representatives, agents, or agencies regarding any matters relevant to the Tenant's or Owner's obligations under the Program.

I assure the Agency and City that Tenant lawfully rents and occupies the Property pursuant to a _____ (Property Lease), dated as of _____, and which expires on _____, and that Tenant may continue to rent and occupy the Property in accordance with the terms and conditions of the Property Lease so long as Tenant is not in default under the Lease.

I understand and agree that if Tenant is accepted into the Program, Tenant will be required to enter into a Loan Agreement with the Agency setting forth, among other things, Tenant's obligations with respect to the construction of the tenant improvements and certain ongoing operational and maintenance covenants. I authorize Tenant to make the proposed improvements to the Property.

I understand and agree that if Tenant is accepted into the Program, Tenant will be subject to certain ongoing maintenance and operational covenants contained in the Loan Agreement, and I will be required to execute a Consent and Agreement by Owner (Owner's Consent) to maintain the improvements in the event of a default by Tenant under the Loan Agreement.

I understand and agree that the Owner's Consent will require my conformance with the Program Guidelines and the operational and maintenance covenants, including the operational requirements in Section 9 of the Loan Agreement, which requirements shall apply to all storefronts in the building I own regardless of how many storefronts are included in the improvement project.

Downtown Tenant Improvement Program Application

I understand and agree that, if Tenant is accepted into the Program, I will be required to maintain fire and extended insurance coverage for the Property as described in Appendix 2 of the Program Guidelines.

I understand that the proposed improvements may increase the value of my building and may result in an increase in my annual property taxes, and I agree to pay any such increase in property taxes if and when due.

ACKNOWLEDGEMENT

I have read the above statements and acknowledge that they are true and complete to the best of my knowledge. I agree to comply with the agreements set forth above, and have no objection to Tenant pursuing the proposed tenant improvement project.

Property Owner Signature

Date

Tenant Signature

Date

Attachment 2

Borrower's Certification & Authorization

The undersigned certify the following:

1. I/We have applied for a loan from Santa Rosa Redevelopment Agency (the "Lender") for a Tenant Improvement Project. In applying for the loan, I/we completed a loan application containing various information on the purpose of the loan, the amount and source of the down payment, employment and income information, and assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the loan application or other documents, nor did I/we omit any pertinent information.
2. I/We understand and agree that Lender reserves the right to change the loan review process to a full documentation program. This may include verifying the information provided on the application with the employer and/or the financial institution.
3. I/We authorize the Lender or its agents to verify my/our statements with any source, and obtain credit and employment history. To process the application, the Lender may require a credit report, an appraisal, and certain property inspections.
4. I/We certify that I/we have read and understand the Program Guidelines for the Downtown Tenant Improvement Program.

Authorization to Release Information

To Whom It May Concern:

1. I/We have applied for a loan from Santa Rosa Redevelopment Agency (the "Lender") for a Tenant Improvement Project. As part of the application process, Lender may verify information contained in my/our loan application and in other documents required in connect with the loan, either before the loan is closed or a part of its quality control program.
2. I/We authorize you to provide to Lender, and to any investor to whom Lender may sell my/our mortgage, any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income; bank, money market, and similar account balances; credit history; and copies of income tax returns.
3. Lender or any investor that purchases the mortgage may address this authorization to any party named in the loan application.
4. A copy of the authorization may be accepted as an original.
5. Your prompt reply to Lender or the investor that purchased the mortgage is appreciated.

(Borrower's Signature)

(Social Security Number)

(Borrower's Signature)

(Social Security Number)

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate	
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶	
	<input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									
				-			-		

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name/disregarded entity name” line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the “Name” line and any business, trade, or “doing business as (DBA) name” on the “Business name/disregarded entity name” line.

Disregarded entity. Enter the owner's name on the “Name” line. The name of the entity entered on the “Name” line should never be a disregarded entity. The name on the “Name” line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the “Name” line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the “Business name/disregarded entity name” line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the “Name” line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the “Name” line is an LLC, check the “Limited liability company” box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter “P” for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter “C” for C corporation or “S” for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the “Name” line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the “Name” line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



PERSONAL FINANCIAL STATEMENT

U.S. SMALL BUSINESS ADMINISTRATION

As of _____, _____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name	Business Phone
Residence Address	Residence Phone
City, State, & Zip Code	
Business Name of Applicant/Borrower	

ASSETS		(Omit Cents)	LIABILITIES		(Omit Cents)
Cash on hand & in Banks	\$	_____	Accounts Payable	\$	_____
Savings Accounts	\$	_____	Notes Payable to Banks and Others	\$	_____
IRA or Other Retirement Account	\$	_____	(Describe in Section 2)		
Accounts & Notes Receivable	\$	_____	Installment Account (Auto)	\$	_____
Life Insurance-Cash Surrender Value Only	\$	_____	Mo. Payments \$ _____		
(Complete Section 8)			Installment Account (Other)	\$	_____
Stocks and Bonds	\$	_____	Mo. Payments \$ _____		
(Describe in Section 3)			Loan on Life Insurance	\$	_____
Real Estate	\$	_____	Mortgages on Real Estate	\$	_____
(Describe in Section 4)			(Describe in Section 4)		
Automobile-Present Value	\$	_____	Unpaid Taxes	\$	_____
Other Personal Property	\$	_____	(Describe in Section 6)		
(Describe in Section 5)			Other Liabilities	\$	_____
Other Assets	\$	_____	(Describe in Section 7)		
(Describe in Section 5)			Total Liabilities	\$	_____
Total	\$	_____	Net Worth	\$	_____
			Total	\$	_____

Section 1. Source of Income	Contingent Liabilities
Salary	As Endorser or Co-Maker
Net Investment Income	Legal Claims & Judgments
Real Estate Income	Provision for Federal Income Tax
Other Income (Describe below)*	Other Special Debt

Description of Other Income in Section 1.

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)

Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)

I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature: _____ Date: _____ Social Security Number: _____

Signature: _____ Date: _____ Social Security Number: _____

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. **PLEASE DO NOT SEND FORMS TO OMB.**

**Appendix 2: Insurance Requirements
Commercial Rehabilitation Loan Program**

Participant and Contractor Requirements

The Participant and Participant’s contractors and consultants shall, at all times during the project and loan term, maintain and keep in full force and effect, the following policies of insurance with minimum limits as indicated below and issued by insurers with AM Best ratings of no less than A-:VI or otherwise acceptable to the RDA. The Participant shall be responsible for determining and confirming that that all contractors, subcontractors, and consultants have complied with the insurance requirements. The Participant shall also defend, indemnify, and hold harmless the RDA for any failure by the Participant to determine compliance or any failure to obtain the required insurance by the Participant’s contractors, subcontractors, or consultants.

A	Commercial general liability at least as broad as ISO CG 0001 (Must include operations and completed operations coverage)	(per occurrence) (aggregate) ¹	<u>\$1,000,000</u> <u>\$2,000,000</u>
B	Business auto coverage at least as broad as ISO CA 0001 ²	(per accident)	\$1,000,000
C	Errors and Omissions liability ³	(per claim & agg)	\$1,000,000
D	Workers Compensation ⁴ Employer’s Liability		Statutory \$1,000,000

¹ If insurance applies separately to this project/location, aggregate may be equal to per occurrence amount. Coverage may be met by a combination of primary and excess insurance but excess shall provide coverage at least as broad as specified for underlying coverage.

² Auto liability insurance shall cover owned, nonowned and hired autos. If Participant or contractor owns no vehicles, auto liability coverage may be provided by means of a nonowned and hired auto coverage. If Participant or contractor will use personal autos in any way on this project, Participant or contractors shall provide evidence of personal auto liability coverage.

³ Participant’s contractors shall provide on a policy form appropriate to profession. If on a claims made basis, Insurance must show coverage date prior to start of work and it must be maintained for three years after completion of work.

⁴ Sole Proprietors must provide representation of their exempt status. The Worker’s Compensation policy shall be endorsed with a waiver of subrogation in favor of the CITY and RDA for all work performed by the Participant’s contractors, their employees, agents and subcontractors.

Endorsements:

All policies shall contain or be endorsed to contain the following provisions:

Coverage shall not be canceled by either party, except after thirty (30) days prior written notice has been provided to the entity unless canceled for non-payment, then ten (10) days notice shall be given.

The Participant's liability policy is to contain, or be endorsed to contain the following provision:

The Redevelopment Agency of the City of Santa Rosa and the City of Santa Rosa, its officers, agents, employees and volunteers are to be named as **additional insured** on a form equivalent to CG20 10 with an edition date prior to 2004.

Additionally, the Participant's and Participant's contractor's liability policies are to contain, or be endorsed to contain the following provision:

For any claims related to this project, the **Participant's and Participant's contractors' insurance coverage shall be primary** and any insurance or self-insurance maintained by the CITY or RDA shall be excess of the Participant's or Participant's contractors' insurance and shall not contribute with it.

Other Insurance Provisions

No policy required by this section shall prohibit Participant or Participant's contractors from waiving any right of recovery prior to loss. Participant and Participant's contractors hereby waive such right with regard to the indemnitees.

All insurance coverage amounts provided by Participant and Participant's contractors and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement limits the application of such insurance coverage. Defense costs must be paid in addition to coverage amounts.

Self-insured retentions and/or deductibles above \$10,000 must be approved by the RDA. At the RDA's option, the Participant or Participant's contractors may be required to provide financial guarantees.

Verification of Coverage and Certificates of Insurance

Participant and Participant's contractors shall furnish the RDA with original certificates and endorsements effecting coverage required above. Certificates and endorsements shall make reference to policy numbers. All certificates and endorsements are to be received and approved by the RDA before work commences and must be in effect for the duration of the contract. The RDA reserves the right to require complete copies of all required policies and endorsements.

General Contractor Additional Requirements

In addition to the above, the RDA may require additional insurance coverage for the Participant's General Contractor.

Property Insurance Requirements

The subject property must be covered during the entire project and loan term by fire and extended insurance coverage in the amount of the full replacement value of the improvements being made to the property.

**LOAN AGREEMENT
DOWNTOWN TENANT IMPROVEMENT PROGRAM**

THIS LOAN AGREEMENT ("Agreement") is entered into as of _____, 20____, by and between the **REDEVELOPMENT AGENCY OF THE CITY OF SANTA ROSA**, a public body, corporate and politic, organized and existing under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.) (the "Agency"), and _____, a _____ ("Borrower").

RECITALS

A. This Agreement is entered into in implementation of the Downtown Tenant Improvement Program (the "TI Program"), including without limitation the Program Guidelines (the "Program Guidelines") for the TI Program, which Program Guidelines are incorporated herein by reference. The TI Program is part of the Commercial Rehabilitation Loan Program that was approved by the Agency and City of Santa Rosa ("City") in furtherance of the Redevelopment Plans (the "Redevelopment Plans") for the Santa Rosa Center Project and the Gateways Redevelopment Project (the "Redevelopment Projects"), and the Agency and City's adopted Downtown Program. The TI Program is administered by the Economic Development and Housing Department (EDH), and is funded by the Agency.

B. **[IF BORROWER IS THE PROPERTY OWNER]** Borrower is the owner of that certain real property located within the Redevelopment Project Area at _____ [address] _____, Santa Rosa, California (the "Property"), as more fully described in the "Description of the Property" attached hereto as Exhibit A and incorporated herein by reference. The Property is currently improved with a commercial/retail building, consisting of approximately _____ sq.ft., located at the above noted address, **[a portion of]** which is [occupied by the Borrower] **OR** [leased by or to be leased by the Borrower to one or more individual retail/commercial tenants].

B. **[IF BORROWER IS THE TENANT]** Borrower has entered into a Lease Agreement (the "Property Lease") with _____ ("Owner"), the owner of that certain property located within the Redevelopment Project Area at _____ [address] _____, Santa Rosa, California (the "Property"), as described in the "Description of the Property" attached hereto as Exhibit A and incorporated herein by reference. The Property is currently improved with a commercial/retail building, consisting of approximately _____ sq.ft. located at the above noted address. The Property Lease terminates on _____, 20__.

C. Borrower wishes to improve the Property, by constructing certain tenant improvements to the interior of the commercial/retail building located on the Property, as identified in Exhibit B (the "Improvements"), attached hereto and incorporated herein by reference.

D. In accordance with the TI Program, the Agency wishes to provide a rebate to Borrower in the form of a loan to assist Borrower in financing the Improvements in consideration for Borrower's construction and installation and ongoing maintenance of the Improvements on the Property.

AGREEMENTS

NOW, THEREFORE, THE AGENCY AND BORROWER AGREE AS FOLLOWS:

Section 1. Deposit. Pursuant to the Program Guidelines, the Borrower delivered to the Agency a refundable deposit in the amount of Three Hundred Dollars (\$300.00) prior to execution of this Agreement. If Borrower completes the Improvements in accordance with the Program Guidelines and this Agreement, the entire deposit will be refunded to Borrower upon delivery to Borrower of the proceeds of the Loan provided for under this Agreement; If the Borrower fails to complete the Improvements in accordance with the Program Guidelines and this Agreement, the entire deposit shall be forfeited by Borrower, and will be used by the Agency to defray the administrative costs associated with processing the Borrower's application.

Section 2. Loan Commitment.

- A. In consideration for the Borrower constructing, installing and maintaining the Improvements on the Property, the Agency shall rebate to Borrower, in the form of a loan, an amount not to exceed Seventy-Five Percent (75%) of the total approved costs that is expended by Borrower for the Improvements (the "Loan"), up to the maximum loan amount available pursuant to the Program Guidelines, and subject to the terms and conditions set forth herein. Based on the projected costs for the Improvements, the parties estimate that the total Loan amount to be provided to Borrower will be approximately _____.
- B. The Agency shall pay Borrower the proceeds of the Loan upon satisfaction of all conditions precedent set forth in Section 6, below, and pursuant to the provisions of Section 7, below. The Loan proceeds shall be paid on a rebate basis only, in compliance with the Program Guidelines.

Section 3. Repayment of Loan. The Loan shall have a term of _____ (___) years, commencing on the date of funding of the Loan by the Agency. No interest shall accrue on the Loan so long as Borrower is not in default under this Agreement. So long as Borrower completes and maintains the Improvements on the Property in accordance with this Agreement and the Program Guidelines, and is not otherwise in default under this Agreement, the Loan shall be repaid as follows:

- A. The principal, and all accrued interest, if any, shall be due and payable in equal monthly payments amortized over the _____ (___) year term of the Loan.

- B. Payments shall be deferred for the first year following funding of the Loan. The first payment shall be due and payable on the first day of the month immediately following the first anniversary of the funding of the Loan by the Agency, and each subsequent monthly payment shall be due on the first day of each month thereafter until all amounts due and payable hereunder are repaid in full.

[Example: if the Loan is funded by the Agency on June 15, 2012, the first payment would be due on July 1, 2013, and each subsequent payment would due on the first day of each month thereafter.]

- C. If any monthly installment payable under this Note is not paid within thirty (30) days after the applicable due date, Borrower shall pay to Agency upon demand an amount equal to five percent (5%) of such unpaid sum to defray the expenses incurred by Agency in handling and processing the delinquent payment and to compensate Agency for the loss of the use of the delinquent payment.
- D. All payments received under this Agreement shall be credited first to any late fees that are then due and payable, second toward any interest that may be due and payable, and lastly to the outstanding principal.
- E. The Borrower shall have the right to prepay, at any time and from time to time, all or any portion of the amounts owing under this Agreement without any premium or penalty.

In the event of a default by the Borrower under this Agreement, the entire remaining outstanding principal may, at the option of the Agency, become immediately due and payable. In such event, the Borrower shall repay to the Agency the then entire remaining outstanding principal within ten (10) days of Borrower's receipt of written notice from the Agency. At all times when Borrower is in default hereunder by reason of Borrower's failure to pay amounts due under this Agreement within thirty (30) days after the applicable due date, the interest rate on the sums as to which Borrower is in default (including the entire unpaid principal, if Agency has elected to declare it immediately due and payable), shall be equal to Ten Percent (10%) per annum, simple interest, commencing as of the date of the default and continuing until all such amounts are paid in full.

Section 4. Schedule of Performance; Construction of Improvements. Within the times set forth in the Schedule of Performance (Exhibit C hereto), Borrower shall commence and diligently proceed to take all actions necessary, including obtaining all permits and approvals necessary, to undertake and complete the Improvements. The Improvements shall be constructed in accordance with the Program Guidelines, and all applicable governmental laws, rules and regulations, including without limitation the State's Prevailing Wage Laws. The Borrower shall complete the Improvements by not later than _____, 20____ [the date nine (9) months from the date of this Agreement].

Section 5. Security for Loan. ***[IF BORROWER IS PROPERTY OWNER]*** As security for performance of all Borrower's obligations to the Agency under this Agreement, including but not limited to Borrower's payment of any amounts which may become due hereunder, Borrower shall grant to the Agency a security interest in the Improvements constructed and installed by Borrower on the Property, which security shall be evidenced by the execution and recordation of a deed of trust (the "Deed of Trust") in substantially the form of Exhibit D, attached hereto and incorporated herein by reference, which shall be filed in the Office of the County Recorder of Sonoma County, and by the execution of a UCC-1 Financing Statement, which shall be filed with the California Secretary of State and recorded in the Office of the County Recorder of Sonoma County.

[OR, IF BORROWER IS TENANT] As security for performance of all Borrower's obligations to the Agency under this Agreement, including but not limited to Borrower's payment of any amounts which may become due hereunder, Borrower shall grant to the Agency a security interest in the Improvements, including Borrower's leasehold interest under the Property Lease and Borrower's interest in the Improvements constructed and installed by Borrower on the Property, which security shall be evidenced by the execution of a UCC-1 Financing Statement, which shall be filed with the California Secretary of State and recorded in the Office of the County Recorder of Sonoma County. ***[AND/OR, IF APPLICABLE]*** As additional security for performance of all Borrower's obligations to the Agency under this Agreement, including but not limited to Borrower's payment of all amounts due under this Agreement, Borrower shall cause to be executed and delivered to the Agency a Payment Guaranty ("Guaranty"), from _____, in favor of the Agency, in substantially the form of Exhibit E, attached hereto and incorporated herein by reference.

Upon forgiveness or repayment in full of all amounts due and owing the Agency hereunder, the Agency shall cooperate with the Borrower and execute and record as necessary such documents and take such actions as are necessary to cancel or otherwise release the Agency's lien under the Deed of Trust [*UCC-1 Financing Statement and/or Guaranty*].

Section 6. Conditions to Funding. As a condition precedent and prior to delivering the proceeds of the Loan to Borrower, Borrower shall submit to the Agency the following, all of which shall be in compliance with the Program Guidelines and shall be subject to the approval of the Agency:

- A. Cover letter indicating that the Improvements have been completed and requesting payment of the Loan in a specific amount, in compliance with the Program Guidelines and this Agreement.
- B. Final Total Project Costs for the design, construction and installation of the Improvements.
- C. Copies of unconditional lien releases for all work and purchases associated with the design, construction and installation of the Improvements.

- D. Itemized invoices detailing all work done and all materials purchased in connection with the design, construction and installation of the Improvements, together with proof of payment of all amounts owing for such work and materials.
- E. If applicable, copy of any construction contract(s) with Borrower's contractor(s) for the Improvements to be constructed and installed on the Property.
- F. Evidence of final sign-off by all appropriate governmental agencies and departments of all inspections, permits and other approvals following completion of the Improvements.
- G. Evidence of clearance of any code violations, if applicable.
- H. Copy of filed Notice of Completion for the Improvements, if applicable.
- I. Digital images of the completed Improvements.
- J. Any additional information that may be reasonably requested by EDH.
- K. ***[IF APPLICABLE]*** The Deed of Trust, fully executed and acknowledged by Borrower (Exhibit D).
- L. ***[OR, IF APPLICABLE]*** UCC-1 Financing Statement, fully executed by Borrower.
- M. ***[AND/OR IF APPLICABLE]*** Guaranty from _____, fully executed by Guarantor (Exhibit E).

If the Borrower fails to satisfactorily complete all of the conditions precedent set forth above by _____, **20**____, then the Agency, in its sole discretion, may terminate this Agreement by delivering written notice of such termination to the Borrower. Following such termination, neither party shall have any further rights, duties or obligations hereunder, and the Agency shall have no obligation to fund any portion of the Loan provided for hereunder.

Section 7. **Loan Closing.** The Agency shall deliver the proceeds of the Loan to the Borrower upon completion of the Improvements and satisfaction of all the conditions set forth in Section 6, above. Concurrently with delivery of the proceeds of the Loan to the Borrower, the Agency shall *[record the Deed of Trust with the County Recorder of Sonoma County]* ***AND/OR*** *[file and record the UCC-1 Financing Statement with the California Secretary of State and the County Recorder of Sonoma County]*. The Borrower shall pay all fees, charges and costs related to the Loan, including without limitation any recording and filing fees incurred by Agency for *[recording of the Deed of Trust]* ***AND/OR*** *[recording and filing of the UCC-1 Financing Statement]*.

Section 8. Insurance.

Borrower, at its own cost and expense, shall carry and maintain in full force and effect for the term of this Agreement, and shall cause its contractors, subcontractors and consultants to carry and maintain during any periods of construction, all insurance required under, and in compliance with, the Program Guidelines, including without limitation the insurance requirements described in Appendix 2 to the Program Guidelines, all of which are incorporated herein by reference as if set forth in full in this Agreement.

Section 9. Maintenance of Improvements.

Borrower covenants that it shall maintain the Improvements in good repair and clean condition and shall not make any alterations to or remove the Improvements from the Property without the prior written consent of the Agency.

Borrower shall maintain attractive window displays on the Property. Ground floor windows fronting the public streets shall not be tinted or mirrored, nor shall they be obscured or covered in any way in an amount that equals more than twenty percent (20%) of the total area of each window. Interior window display lighting and exterior lighting shall be lit during all non-daylight hours except between 2:00 a.m. and sunrise. The requirements set forth in this paragraph shall apply to all adjacent storefronts owned by Borrower, whether or not such adjacent storefronts were included within the Program.

If Borrower does not maintain the Improvements on the Property or is in violation of any of the requirements set forth in this Section 9, Agency and/or the City shall have the right to enter upon the Property and perform any such maintenance or correct any such deficiencies, or to contract for the correction of such deficiencies, after written notice to Borrower. However, prior to taking any such action, Agency shall notify Borrower in writing to specify the deficiencies and the actions required to be taken by Borrower to cure the deficiencies. Borrower shall have thirty (30) days after receipt of such notice within which to correct, remedy or cure the deficiency. If the written notification states that the problem is urgent and relates to the public health and safety, then Borrower shall have twenty-four (24) hours to rectify the problem.

Borrower agrees to pay Agency upon demand all charges and costs incurred by Agency or City for such maintenance or correction of deficiency. Borrower further agrees to pay to Agency all reasonable costs of collection, costs and expenses and attorneys' fees paid or incurred in connection with the collection or enforcement of the maintenance obligations and covenants set forth in this Section 9, whether or not suit is filed. Any amounts which may become due and owing as a result of any default by Borrower under this Section 9 that are not paid within ten (10) days after written notice from Agency shall accrue interest at the rate of ten percent (10%) per annum, simple interest, commencing on the date due and continuing thereafter until paid in full. Until so paid, the Agency shall have a lien on the Property for the amount of such charges or costs, which lien shall be perfected by the recordation of a "Notice of Claim of Lien" against the Property. No lien in favor of the Agency created or claimed hereunder shall in any way defeat, invalidate, or impair the obligation or priority of any lease, sublease or easement unless such

instrument is expressly subordinated to such lien. Borrower acknowledges and agrees that the City and Agency may also pursue any and all other remedies available in law or equity in the event of a breach of the maintenance obligations and covenants set forth herein.

Section 10. Indemnification. Borrower shall defend, assume all responsibility for and hold the Agency and the City, and their respective officers and employees, harmless from all demands, claims, actions and damages to any person or property arising out of or caused by any of Borrower's activities under this Agreement, whether such activities or performance thereof be by Borrower or anyone directly or indirectly employed or contracted with by Borrower and whether such damage shall accrue or be discovered before or after completion of the Improvements.

Section 11. Prevailing Wage Requirements.

- A. The TI Program is funded with public funds and therefore Borrower and its contractors and subcontractors shall comply with the Public Works/Prevailing Wage Law, including but not limited to the duty to pay prevailing wages to the workers on the construction projects in compliance with Labor Code Sections 1771 and 1774, to maintain and make available for inspection certified payroll records specified under Labor Code Section 1776 and to comply with apprenticeship requirements as required by Labor Code Section 1777.5.
- B. Borrower is responsible for requiring its contractors and subcontractors to keep and retain the records that are required and to make available for inspection the records that are required to be kept and retained under Labor Code Section 1776.
- C. Borrower is required to cause its contractors and subcontractors to submit to EDH copies of all construction contracts and subcontracts so that compliance with the Public Works/Prevailing Wage Law can be ascertained. All contracts and subcontracts submitted will be available to the public for inspection and copying.
- D. Borrower is responsible for requiring its contractor and subcontractors to post at the Property where the Improvements are being constructed the applicable prevailing rates of per diem wages as determined under the Public Works/Prevailing Wage Law in accordance with California Labor Code Section 1773.2.
- E. Borrower is responsible for monitoring and verifying the payment of prevailing wages by its contractor and subcontractors. In addition to obtaining copies of contracts and subcontracts as specified above, the Agency may, but shall not be required to, monitor or verify the payment of prevailing wages for any Improvements constructed on the Property pursuant to this Agreement.

Section 12. Maintenance of Records.

A. Maintenance of Records.

Borrower shall maintain all necessary books and records, including property, personal and financial records, in accordance with requirements prescribed by Agency with respect to all matters covered by this Agreement. Such records shall be maintained for a period of not less than three (3) years after forgiveness or repayment in full, as applicable, of the entire Loan amount as provided for under this Agreement.

B. Documentation on Expenditures.

Borrower shall document all expenditures under this Agreement and the Program Guidelines with properly executed payroll, time records, invoices, contracts, vouchers or other official documentation evidencing in appropriate detail the nature and propriety of the charges. All checks, payroll, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.

C. Access by Agency.

Borrower, at such time and in such forms as Agency may require, shall furnish to Agency statements, records, reports, data and information pertaining to matter covered by this Agreement and the Program Guidelines. Upon request for examination by Agency, Borrower at any time during normal business hours, shall make available all of its records with respect to all matters covered by this Agreement and the Program Guidelines. Borrower shall permit the Agency to audit, examine and make excerpts or transcripts from these records.

Section 13. Nondiscrimination. Borrower, for itself and its successors and assigns, agrees that in the construction of the Improvements provided for in this Agreement, the Borrower will not discriminate, and will not allow any discrimination against any employee or applicant for employment on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code.

Borrower covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on discriminate on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease or rental or in the use or occupancy of the Property, nor shall the Borrower itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees subtenants,

sublessees or vendees of the Property. Borrower shall use the Property in accordance with and in conformity with the applicable Redevelopment Plan.

All deeds, leases or contracts made relative to the Property, the improvements thereon or any part thereof, shall contain or be subject to the nondiscrimination and nonsegregation clauses set forth in Health and Safety Code Section 33436.

Section 14. Default.

A. Defaults.

Any one or all of the following events shall constitute a default by Borrower:

1. Any material misleading statement, misrepresentation or warranty of Borrower herein or in any other writing at any time furnished by Borrower to Agency;
2. Nonperformance when due of any of the obligations described herein, or failure to perform any obligation or covenant contained herein, where such nonperformance continues for thirty (30) days after written notice thereof by the Agency to Borrower; provided, however, that if the nature of the default is such that such default cannot reasonably be cured within the 30-day period, Borrower shall not be deemed to be in default if Borrower shall within said 30-day period commence such cure and thereafter diligently prosecute the same to completion;
3. The filing by or against Borrower of a petition for relief under the Bankruptcy Reform Act of 1978 or any bankruptcy or debtor relief law;
4. A general assignment by Borrower for the benefit of creditors or the appointment of any receiver or trustee of all or any portion of the assets of Borrower;
5. A determination by Agency based upon evidence that there exists, or the actual existence of, any deterioration or impairment in the ability of Borrower to meet Borrower's obligations to the Agency under this Agreement;
6. The filing of any liens, levy, attachment, executions, tax assessments or similar processes against Borrower's interest in the Property or the Improvements not previously approved by the Agency or not released within twenty (20) days;
7. The transfer or assignment of this Agreement without approval by the Agency;

8. Failure of the Borrower to complete the Improvements, or any portion thereof, within the times set forth in the Schedule of Performance (Exhibit C hereto), subject to any extensions of time mutually agreed to by the parties;
9. Borrower fails to satisfy all conditions precedent set forth in Section 6 of this Agreement;
10. Any sale or transfer of Borrower's interest in the Property or the Improvements without the prior written approval of the Agency;
11. Failure of Borrower to maintain the Improvements in accordance with this Agreement, or any other violation by Borrower of any covenants contained herein which is not cured within thirty (30) days after written notice thereof by the Agency to Borrower; or
12. Any termination of the Property Lease prior to the expiration of the ____-year term of the Loan, without the prior written approval of the Agency.

B. Remedies.

Upon the occurrence of a default, the Agency, at its option, may declare this Agreement to be in default and, in such event, the Agency shall have all of the rights and remedies prescribed herein, and at law or in equity, including without limitation the right to enter upon the Property and perform such maintenance or correct any deficiency, as provided for herein. If any such default occurs prior to funding of the Loan by the Agency, the Agency shall have no obligation to disburse all or any portion of the Loan. If such default occurs following funding of the Loan by the Agency, the Agency may, at its option, declare all outstanding amounts then owing under this Agreement to be immediately due and payable. Any amounts which may become due and owing as a result of any default by Borrower under this Agreement that are not paid within ten (10) days after written notice from Agency shall accrue interest at the rate of ten percent (10%) per annum, simple interest, commencing on the date due and continuing thereafter until paid in full.

C. No Liability of Agency Member.

No member, official or employee of the Agency or City shall be personally liable to Borrower, or any successor in interest, in the event of any default or breach by Agency under this Agreement or for any amount which may become due to Borrower or any successor or on any obligations under the terms of this Agreement.

Section 15. Right of Entry.

The Agency, for itself and for the City of Santa Rosa and other public agencies, at their sole risk and expense, reserves the right to enter the Property or any part thereof at all reasonable times and with as little interference as possible for the purposes of inspection and monitoring to ensure compliance with the obligations and covenants contained in this Agreement, and to perform any maintenance or correction of any deficiency that may be required by the Agency as set forth in Section 9, above. Any such entry shall be made only after reasonable notice to the Borrower, and the Agency shall indemnify and hold the Borrower harmless from any claims or liabilities pertaining to any entry. Any damage or injury to the Property resulting from such entry shall be promptly repaired at the sole expense of the public agency responsible for the entry.

Section 16. Miscellaneous Provisions.

A. Transfer or Assignment.

As long as any balance of the Loan remains outstanding, the Borrower shall not transfer or assign this Agreement, or its interest in the Property or its interest in any of the Improvements without the prior written approval by the Agency. Approval of any such transfer or assignment shall be at the sole discretion of the Agency.

B. Interest of Members of Agency.

No member of the governing body of the Agency and no other officer, employee or agent of the Agency who exercises any functions or responsibilities in connection with the carrying out of the Agency's work shall have any personal interest, direct or indirect, in this Agreement.

C. Charges Incurred Under Agreement.

All advances, charges, costs and expenses incurred or paid by the Agency in exercising any rights, power or remedy conferred by this Agreement or in the enforcement thereof resulting from any default of Borrower, shall be paid to the Agency by Borrower within ten (10) days and without demand, with simple interest thereon at the rate of ten percent (10%) per annum.

D. Compliance With Governmental Regulations.

Borrower shall, at his sole cost and expense, comply with all applicable municipal, county, state and federal laws, rules, regulations and ordinances now in force, or which may hereafter be in force, pertaining to any and all activities contemplated under this Agreement, including, but not limited to, issuance of building and use permits and compliance with all federal and state labor laws.

E. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California, to the jurisdiction of which the parties hereto submit.

F. Time of the Essence.

Time is of the essence of each and every provision of this Agreement.

G. Notices.

Notices or other communications given under this Agreement shall be in writing and shall be served personally or transmitted by first class mail, postage prepaid. Notices shall be deemed received either at the time of actual receipt or, if mailed in accordance herewith, on the third (3rd) business day after mailing, whichever occurs first. Notices shall be directed to the parties at the following addresses or at such other addresses as the parties may indicate by notice:

Agency: Redevelopment Agency of the
 City of Santa Rosa
 90 Santa Rosa Avenue
 Santa Rosa, CA 95404
 Attention: Executive Director

Borrower: _____

 Attention: _____

H. Headings.

The titles and headings of the various sections of this Agreement are intended solely for reference and are not intended to explain, modify or place any interpretation upon any provision of this Agreement.

I. Severability.

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such or the remaining provisions of this Agreement.

J. Waiver.

No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

K. Number and Gender.

As used in this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall each include the others whenever the context so indicates or requires.

L. Further Assurances.

The parties shall execute, acknowledge, file or record such other instruments and statements and shall take such additional action as may be necessary to carry out the purpose and intent of this Agreement.

M. Binding Effect.

This Agreement and all of the covenants, provisions and agreements contained in it, shall be binding upon and inure to the benefit of the parties' respective heirs, legal representatives, successors and assigns.

N. Entire Agreement.

This Agreement and Exhibits A, B, C, D, E and F which are incorporated herein, and all other documents incorporated herein by reference, together constitute the entire agreement between the parties and supersede all prior or contemporaneous agreements, representations, warranties and understandings of the parties concerning the subject matter contained herein, written or oral. No change, modification, addendum or amendment to any provision of this Agreement shall be valid unless executed in writing by each party hereto.

O. Enforcement Costs; Attorneys' Fees.

Borrower agrees to pay to Agency all reasonable costs of collection, costs and expenses and attorneys' fees paid or incurred in connection with the collection or enforcement of this Agreement, whether or not suit is filed.

In the event of any litigation arising out of this Agreement, the prevailing party in such action, or the nondismissing party where the dismissal occurs other than by reason of a settlement, shall be entitled to recover its reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and costs paid

or incurred in good faith. The "prevailing party," for purposes of this Agreement, shall be deemed to be that party who obtains substantially the result sought, whether by settlement, dismissal or judgment.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

AGENCY:

REDEVELOPMENT AGENCY OF THE CITY OF
SANTA ROSA

By: _____

Its: _____

BORROWER:

_____,
a _____

By: _____

Its: _____

EXHIBIT A

DESCRIPTION OF THE PROPERTY

[TO BE INSERTED.]

Exhibit A

EXHIBIT B

BORROWER'S IMPROVEMENT PROPOSAL

The loan will cover costs associated with the construction of certain tenant improvements in the interior of the Property, including:

[INSERT DESCRIPTION OF THE IMPROVEMENTS.]

Exhibit B

EXHIBIT C

SCHEDULE OF PERFORMANCE

1. Execution of this Agreement. _____, 20__
2. IF APPLICABLE, Owner executes Owner's Agreement. Concurrently with execution of this Agreement.
3. Borrower submits bids to EDH. Within ___ months after execution of this Agreement.
4. Borrower submits proof of insurance and licenses for all contractors.
5. EDH issues Notice to Proceed.
6. Commencement of construction of the Improvements. Within 30 days of issuance of Notice to proceed.
7. Completion of construction of the Improvements. Within 9 months after execution of this Agreement.
8. Borrower submits all documents and request for rebate. Following completion of the Improvements.
9. EDH inspects Improvements.
10. Execution and recordation of Deed of Trust [and/or UCC-1 Financing Statement and/or Guaranty, as applicable]. Prior to funding of the Loan by the Agency.
11. Agency issues rebate and deposit refund checks.

Exhibit C

EXHIBIT D

FORM OF DEED OF TRUST

[TITLE COMPANY STANDARD FORM DEED OF TRUST
TO BE USED WITH THE FOLLOWING ADDENDUM]

REDEVELOPMENT AGENCY OF THE
CITY OF SANTA ROSA
90 Santa Rosa Avenue
Santa Rosa, CA 95404
Attn: Executive Director

ADDENDUM TO DEED OF TRUST

This Addendum to Deed of Trust is made a part of and attached to that certain Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing ("Deed of Trust") dated as of _____, 20____, made by _____, a _____ (as "Trustor") in favor of the REDEVELOPMENT AGENCY OF THE CITY OF SANTA ROSA, public body, corporate and politic (as "Beneficiary"). The following provisions are made a part of the Deed of Trust. All capitalized terms not defined herein shall have the meanings as set forth in the Loan Agreement, Downtown Tenant Improvement Program, by and between Trustor and Beneficiary dated as of _____, 20____ (the "Agreement"), which provides for a loan from Beneficiary to Trustee in the initial principal amount of _____ DOLLARS (\$_____), and certain other obligations on the part of Trustee as set forth in the Agreement, all of which are secured by the Deed of Trust. The provisions of the Agreement are incorporated herein by this reference. In the event of any inconsistency between this Addendum and the Deed of Trust, this Addendum shall control.

1. No Discrimination. The Trustor covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sub lessees or vendees in the Property.

2. Default. Notwithstanding any other provisions in this Deed of Trust, the occurrence of any of the following shall constitute an event of default under this Deed of Trust, and a default may be declared under this Deed of Trust solely upon the occurrence of any of the following: (i) any failure by Trustor to pay any amount due under the Agreement within ten (10) days of its due date; (ii) any other default by Trustor under the Agreement after expiration of applicable notice and cure periods, if any, provided therein; (iii) a default, after expiration of all applicable notice and cure periods, declared by another lender under any loan secured by a deed of trust on the Property senior to this Deed of Trust which is not cured and which causes the acceleration of the debt evidenced or secured thereby, which default shall be deemed to be cured upon the cure or waiver of such default and acceleration; (iv) except as set forth in the Agreement or if approved in writing by Beneficiary, any sale, transfer, disposition or further encumbrance of all, or any portion, or any interest in the Property or improvements thereon or of any partnership interest in Trustor; (v) material injury or destruction of the Property or improvements thereon, by fire, other casualty or otherwise, which is not repaired to the condition prior to such damage or destruction; or (vi) Trustor becomes insolvent, or the subject of bankruptcy or other voluntary or involuntary proceeding for the adjustment of debtor-creditor relationships, if either has been consented to or has not been dismissed within sixty days of initiation. Upon an event of default, or at any time thereafter, Beneficiary may declare all sums secured by the Deed of Trust immediately due and payable and may exercise any remedies permitted by the Deed of Trust.

3. Hazardous Substances.

a. As used in this Section 3, the following terms shall have the following meanings:

(i) "**Environmental Laws**" means all statutes, ordinances, orders, rules, regulations, plans, policies or decrees and the like now or hereafter in effect relating to: (A) Hazardous Substance Activity or Hazardous Substances; (B) the generation, use, storage, transportation or disposal of Hazardous Substances, or solid waste; or (C) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health, safety or welfare, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601, et seq.) ("**CERCLA**"); the Hazardous Material Transportation Act (49 U.S.C. Section 180, et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Section 136, et seq.); the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.); the Clean Air Act (42 U.S.C. Section 740, et seq.); the Federal Water Pollution Control Act (55 U.S.C. Section 1251, et seq.); the Occupational Safety and Health Act (29 U.S.C. Section 651, et seq.); the Safe Drinking Water Act (42 U.S.C. Section 300f, et seq.); the Porter-Cologne Water Quality Control Act (California Water Code Section 13020, et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health & Safety Code Section 25249.5, et seq.); the Hazardous Substance Account Act (California Health & Safety Code Section 25300, et seq.); the Hazardous Waste Control Act (California Health & Safety Code Section 25100, et seq.); the California Environmental Quality Act (California Public

Resources Code Section 2100, et seq.); and the rules, regulations, and ordinances of the City of Vallejo or any applicable federal, state, and local agencies or bureaus, as amended from time to time.

(ii) "**Foreclosure Transfer**" means the transfer of title to all or any part of the Property or the Trust Estate at a foreclosure sale under the Deed of Trust, either pursuant to judicial decree or the power of sale contained in the Deed of Trust, or by deed in lieu of such foreclosure.

(iii) "**Hazardous Substances**" means: (A) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Environmental Laws as a "**hazardous substance**," "**hazardous material**," "**hazardous waste**," "**extremely hazardous waste**," "**acutely hazardous waste**," "**radioactive waste**," "**infectious waste**," "**biohazardous waste**," "**toxic substance**," "**pollutant**," "**toxic pollutant**," "**contaminant**" as well as any other formulation not mentioned herein intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "**EP toxicity**" or "**TCLP toxicity**"; (B) petroleum, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (C) "**hazardous substance**" as defined in Section 2782.6(d) of the California Civil Code; (D) "**waste**" as defined in Section 13050(d) of the California Water Code; (E) asbestos in any form; (F) urea formaldehyde foam insulation; (G) polychlorinated biphenyls (PCBs); (H) radon; and (I) any other chemical, material, or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is limited or regulated for health and safety reasons by any governmental authority, or which poses a significant present or potential hazard to human health and safety or to the environment if released into the workplace or the environment.

(iv) "**Hazardous Substance Activity**" means any actual, proposed, or threatened use, storage, holding, existence, location, release (including, without limitation, any spilling, leaking, leaching, pumping, pouring, emitting, emptying, dumping, disposing into the environment, and the continuing migration into or through soil, surface water, groundwater or any body of water or the air), discharge, deposit, placement, generation, processing, construction, treatment, abatement, removal, disposal, disposition, handling, or transportation of any Hazardous Substance from, under, in, into, or on the Property, including without limitation, the movement or migration of any Hazardous Substances from surrounding Property, surface water, groundwater or any body of water, or the air under, in, into or onto the Property and any residual Hazardous Substances contamination in, on, or under the Property.

(v) "**Losses**" means all charges, losses, liabilities, damages (whether actual, consequential, punitive, or otherwise denominated), costs, fees, demands, claims for personal injury or real or personal property damage), actions, administrative proceedings (including informal proceedings), judgments, causes of action, assessments, fines, penalties, costs, and expenses of any kind or character, foreseeable and unforeseeable, liquidated and contingent, proximate and remote, including, without limitation, the following: (A) the reasonable fees and expenses of outside legal counsel; (B) the reasonable fees and expenses of accountants, third-party consultants, and other independent contractors retained by an Beneficiary; (C) costs, including capital, operating and maintenance costs, incurred in connection with any investigation or monitoring of Property conditions or any clean-up, remedial, removal or restoration work required or performed by any federal, state or local governmental agency or political subdivision or performed by any non-governmental entity or person that is required by Environmental Laws or administrative ruling or directive because of the presence, suspected presence, release or suspected release of Hazardous Substances in violation of Environmental Laws in the air, soil, surface water or groundwater at the Property; (D) any and all diminution in value of the Property, loss of use or damage to the Property, or loss of profits or loss of business opportunity; and (E) reasonable costs and expenses of enforcing this Section 4.

(vi) "**Environmental Losses**" means Losses rising out of or as a result of: (A) the occurrence of any Hazardous Substance Activity; (B) any violation of any applicable Environmental laws relating to the Property or to the ownership, use, occupancy or operation thereof; (C) any investigation, inquiry, order, hearing, action, or other proceeding by or before any governmental agency in connection with any Hazardous Substance Activity; or (D) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which directly or indirectly relates to, arises from or is based on any of the matters described in clauses (A), (B), or (C), or any allegation of any such matters.

b. Trustor represents and warrants to Beneficiary that Trustor has conducted as appropriate inquiry and investigation, and, to the best of Trustor's knowledge, based on such inquiry and investigation, no portion of the Property is being used or has ever been used at any previous time, for the disposal, storage, treatment, processing or other handling of Hazardous Substances, nor have any Hazardous Substances migrated onto or from the Property. Trustor is not in violation of or subject to any existing, pending or threatened investigation by any governmental authority under any Environmental Law. Trustor's prior and intended use of the Property will not result in the disposal or release of any Hazardous Substances on, under, about, or to the Property or the migration of any Hazardous Substances from the Property. The foregoing representations and warranties shall be continuing and shall be true and correct for the period from the date hereof to the release of this Deed of Trust (whether by payment of the indebtedness secured hereby or foreclosure or action in lieu thereof), and these representations and warranties shall survive such release. "**Hazardous Substances**" shall not include commercially reasonable amounts of such materials used in the ordinary course of operation of the Property which are used and stored in accordance with all applicable environmental laws, ordinances, and regulations.

c. Trustor represents and warrants to Beneficiary that Trustor has complied with all recommendations by any engineers retained by Trustor and all requirements of any applicable department of environmental resources, environmental protection agency or similar governmental agency, and there are no recommendations by said engineers or requirements ordered by said agency or any other governmental body for environmental investigation or cleanup with respect to the Property.

d. On and after the date hereof, Trustor shall not: (i) allow any Hazardous Substances to be installed, used, introduced, stored, treated, disposed of, generated, manufactured, discharged, dumped, transported or brought in, upon or over the Property in violation of applicable law; (ii) allow any soil or ground water contamination or pollution with any Hazardous Substances on the Property in violation of applicable law; (iii) allow any Hazardous Substances to migrate from the Property in violation of applicable law; (iv) allow any Hazardous Substances to migrate onto the Property from any adjacent properties in violation of applicable law; or (v) allow or cause the Property to be in violation of, or to trigger a duly initiated and prosecuted investigation of the Property by any governmental authority under applicable limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules or timetables contained in any local, state, and/or federal laws, regulations, codes, ordinances, plans, administrative or judicial orders, decrees, judgments, notices or demand letters issued, entered, promulgated or approved thereunder relating to the environment, land use, water and air quality, and Hazardous Substances ("**Environmental Requirements**").

e. If the presence of any Hazardous Substances on the Property caused or permitted by Trustor results in any contamination of the Property, Trustor shall promptly take all actions, at its sole expense, as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Substances to the Property; provided that Beneficiary's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Property.

f. At any time after the occurrence and during the continuance of any default under this Section 3, Beneficiary shall have the following rights and remedies, in addition to any other rights and remedies Beneficiary has under this Deed of Trust:

(i) As provided in California Code of Civil Procedure Section 564, Beneficiary or its employees, acting by themselves or through a court appointed receiver may do any of the following: (1) enter upon, possess, manage, operate, dispose of, and contract to dispose of the Property or any part thereof; (2) take custody of all accounts; (3) negotiate with governmental authorities with respect to the Property's environmental compliance and remedial measures; (4) take any action necessary to enforce compliance with environmental provisions, including spending Rent Payments to abate any environmental problem; (5) make, terminate, enforce or modify leases of part or all of the Property; (6) contract for goods and services, hire agents, employees, and counsel, make repairs, alterations, and improvements to the Property necessary in Beneficiary's judgment to protect or enhance the security hereof; and/or (7) take any and all other actions which

may be necessary or desirable to comply with Trustor's obligations hereunder and under the Loan Documents. All sums realized by the receiver or Beneficiary under this subparagraph, less all costs and expenses incurred by either of them under this subparagraph, including attorneys' fees, and less such sums as Beneficiary or the receiver deems appropriate as a reserve to meet future expenses under this subparagraph, shall be applied on any indebtedness secured hereby in such order as Beneficiary shall determine. Neither application of said sums to said indebtedness, nor any other action taken by Beneficiary or the receiver under this subparagraph shall cure or waive any default or notice of default hereunder, or nullify the effect of any such notice of default. Beneficiary, or any employee or agent of Beneficiary, or a receiver appointed by a court, may take any action or proceeding hereunder without regard to the adequacy of the security for the indebtedness secured hereunder, the existence of a declaration that the indebtedness secured hereby has been declared immediately due and payable, or the filing of a notice of default.

(ii) With or without notice, and without releasing Trustor from any obligation hereunder, to cure any default of Trustor or in connection with any such default, Beneficiary or its agents, acting by themselves or through a court-appointed receiver, may enter upon the Property or any part thereof and perform such acts and things as Beneficiary deems necessary or desirable to inspect, investigate, assess, and protect the security hereof, including of any of Beneficiary's other rights: (1) to obtain a court order to enforce Beneficiary's right to enter and inspect the Property under California Civil Code Section 2929.5 (in respect of which the decision of Beneficiary as to whether there exists a release or threatened release of hazardous substance, as defined therein, onto the Property shall be deemed reasonable and conclusive as between the parties hereto); and (2) to have a receiver appointed under California Code of Civil Procedure Section 564 to enforce Beneficiary's right to enter and inspect the Property for hazardous substances as defined therein. All costs and expenses incurred by Beneficiary with respect to the audits, tests, inspections, and examinations that Beneficiary or its agents or employees may conduct, including the fees of engineers, laboratories, contractors, consultants, and attorneys, shall be paid by Trustor. All costs and expenses incurred by Trustee and Beneficiary pursuant to this subparagraph (including court costs, consultant fees, and attorney fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the rate of Ten Percent (10%) per annum, simple interest, from the date they are incurred until said sums have been paid.

(iii) Beneficiary may seek a judgment that Trustor has breached its covenants, representations, and/or warranties with respect to the environmental matters set forth above in this Section 4, by commencing and maintaining an action or actions in any court of competent jurisdiction for breach of contract pursuant to California Code of Civil Procedure Section 736, whether commenced prior to foreclosure of the Property or after foreclosure of the Property, and to seek the recovery of any and all costs, damages, expenses, fees, penalties, fines, judgments, indemnification payments to third parties, and other out-of-pocket costs or expenses actually incurred by Beneficiary or advanced by Beneficiary (collectively, the "**Environmental Costs**") relating to the cleanup,

remediation or other response action required by applicable law or which Beneficiary believes necessary to protect the Property, it being conclusively presumed between Beneficiary and Trustor that all such Environmental Costs incurred or advanced by Beneficiary relating to the cleanup, remediation, or other response action respecting the Property were made by Beneficiary in good faith. All Environmental Costs incurred by Beneficiary under this subparagraph (including court costs, consultant fees, and attorney fees, whether incurred in litigation or not and whether before or after judgment) shall bear interest at the rate set forth in (ii), above, from the date of expenditure until said sums have been paid. Beneficiary shall be entitled to bid, at any sale of the Property held hereunder, the amount of said costs, expenses, and interest in addition to the amount of the other obligations hereby secured as a credit bid, the equivalent of cash.

(iv) As provided in California Code of Civil Procedure Section 726.5, Beneficiary may waive its lien against the Property or any portion thereof, to the extent such property is found to be environmentally impaired as defined therein, and to exercise any and all rights and remedies of an unsecured creditor against Trustor and all of Trustor's assets and property for the recovery of any deficiency and Environmental Costs, including seeking an attachment order under California Code of Civil Procedure Section 483.010. Beneficiary and Trustor each represents and warrants for itself that it has no actual knowledge of any release of any Hazardous Substance (as defined in Section 726.5) on, to or under the Property. As between Beneficiary and Trustor, for purposes of California Code of Civil Procedure Section 726.5, Trustor shall have the burden of proving that Trustor or any related party (or any affiliate or agent of Trustor or any related party) did not cause or contribute to, and was not in any way negligent in permitting, any release or threatened release of the Hazardous Substance.

(v) Trustor acknowledges and agrees that notwithstanding any term or provision contained herein or in the Loan Documents, the Environmental Costs and all judgments and awards entered against Trustor pursuant to Section 4(f)(iv) above shall be exceptions to any nonrecourse or exculpatory provision of the Loan Documents, and Trustor shall be fully and personally liable for the Environmental Costs and such judgments and awards and such liability shall not be limited to the original principal amount of the obligations secured by this Deed of Trust, and Trustor's obligations shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance, or any other transfer of the Property or this Deed of Trust.

g. Trustor hereby agrees to indemnify, defend, and hold harmless Beneficiary from and against any and all Environmental Losses.

TRUSTOR:

By: _____
Its: _____

EXHIBIT A

DESCRIPTION OF THE PROPERTY

EXHIBIT E
FORM OF PAYMENT GUARANTY

This Payment Guaranty ("Guaranty") is made as of _____, 20____, by _____ ("Guarantor") in favor of the REDEVELOPMENT AGENCY OF THE CITY OF SANTA ROSA ("Agency").

Factual Background

A. Guarantor is executing this Guaranty to induce Agency to make a term loan to _____, a _____ ("Borrower") in the principal amount of _____ Dollars (\$_____) (the "Loan Amount"). The loan is to be evidenced, in part, by a Loan Agreement (the "Agreement") entered into as of _____, 20____, between Agency and Borrower, providing for the Borrower to construct and install certain tenant improvements, the rebate in the form of a loan by the Agency of certain costs associated with the improvements in the Loan Amount set forth above. This Guaranty and secures repayment of the Loan Amount together with certain obligations on the part of the Borrower, as described in the Agreement. [The Agreement and the Borrower's obligations thereunder are to be secured by a lien of the Agency on Borrower's leasehold interest in certain property and Borrower's interest in the improvements to be constructed and installed on the property (as described in the Agreement) (all collectively, the "Property") pursuant to a UCC-1 Financing Statement to be filed with the California Secretary of State, which shall secure the Borrower's performance of the obligations contained therein and in the Agreement.]

B. This Guaranty is one of several "Loan Documents" evidencing the Loan. The Loan Documents also include the Agreement, [and the UCC-1 Financing Statement,] and all other documents and agreements relating to the Loan. The term "Loan," as used herein, is broadly defined as the rebate, in the form of a loan, to Borrower evidenced by the Loan Documents.

Guaranty

1. Guaranty of Loan.

(a) Guarantor unconditionally guaranties to Agency the full payment of all of the obligations of Borrower under the Loan Documents, including, without limitation, the payment of the Loan Amount, or so much thereof as may be due and owing under the Loan Documents, together with accrued interest, and any and all charges, fees, expenses, or other sums payable under the Loan Documents; the payment of all charges, fees and expenses for which Borrower is obligated under the Agreement [and/or the UCC-1 Financing Statement/]; and any other fees, prepayment fees, charges, sums, costs and expenses which may be owing at any time under any of the Loan Documents, as any or all of them may from time to time be modified,

amended, extended or renewed (collectively, the “Loan Obligations”); and Guarantor unconditionally agrees to pay to Agency the full amount of the Loan Obligations.

(b) In addition to the foregoing, Guarantor hereby agrees to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and costs, including allocated costs for services of Agency's in-house counsel) incurred by Agency in enforcing any rights or remedies under this Guaranty (including in the context of any Insolvency Proceeding (as that term is hereinafter defined)). From the time(s) incurred until paid in full to Agency, all such sums shall bear interest at the rate of Ten Percent (10%) per annum, simple interest.

(c) This is a guaranty of payment, not of collection. If Borrower defaults in the payment when due of any of the Loan Obligations or any part of them, Guarantor shall in lawful money of the United States pay to Agency or its order, on demand, all sums due with respect to the Loan Obligations. If the amount outstanding under the Loan is determined by a court of competent jurisdiction, that determination shall be conclusive and binding on Guarantor, regardless of whether Guarantor was a party to the proceeding in which the determination was made or not.

2. Rights of Agency. Guarantor authorizes Agency to perform any or all of the following acts at any time in its sole discretion, all without notice to Guarantor and without affecting Guarantor's obligations under this Guaranty:

(a) Agency may alter any terms of the Loan or any part of it, including renewing, compromising, extending or accelerating, or otherwise changing the time for payment of, or increasing or decreasing the rate of interest on, the Loan or any part of it.

(b) Agency may take and hold security for the Loan or this Guaranty, accept additional or substituted security for either, and subordinate, exchange, enforce, waive, release, compromise, fail to perfect and sell or otherwise dispose of any such security.

(c) Agency may direct the order and manner of any sale of all or any part of any security now or later to be held for the Loan or this Guaranty, and Agency may also bid at any such sale.

(d) Agency may apply any payments or recoveries from Borrower, Guarantor or any other source, and any proceeds of any security, to Borrower's obligations under the Loan Documents in such manner, order and priority as Agency may elect, whether or not those obligations are guaranteed by this Guaranty or secured at the time of the application.

(e) Agency may release Borrower of its liability for the Loan or any part of it.

(f) Agency may substitute, add or release any one or more guarantors or endorsers.

Exhibit E

(g) In addition to the Loan, Agency may extend other credit to Borrower, and may take and hold security for the credit so extended, all without affecting Guarantor's liability under this Guaranty.

3. Guaranty to be Absolute. Guarantor expressly agrees that until the Loan Obligations are paid and performed in full and each and every term, covenant and condition of this Guaranty is fully performed, Guarantor shall not be released by or because of:

(a) Any act or event which might otherwise discharge, reduce, limit or modify Guarantor's obligations under this Guaranty;

(b) Any waiver, extension, modification, forbearance, delay or other act or omission of Agency, or its failure to proceed promptly or otherwise as against Borrower, Guarantor or any security;

(c) Any action, omission or circumstance which might increase the likelihood that Guarantor may be called upon to perform under this Guaranty or which might affect the rights or remedies of Guarantor as against Borrower;

(d) Any dealings occurring at any time between Borrower and Agency, whether relating to the Loan or otherwise; or

(e) Any action of Agency described in Section 2 above.

Guarantor hereby acknowledges that absent this Section 3, Guarantor might have a defense to the enforcement of this Guaranty as a result of one or more of the foregoing acts, omissions, agreements, waivers or matters. Guarantor hereby expressly waives and surrenders any defense to its liability under this Guaranty based upon any of such acts, omissions, agreements, waivers or matters. It is the purpose and intent of this Guaranty that the obligations of Guarantor under this Guaranty shall be absolute, unconditional and irrevocable.

4. Guarantor's Waivers. Guarantor waives:

(a) All statutes of limitations as a defense to any action or proceeding brought against Guarantor by Agency, to the fullest extent permitted by law;

(b) Any right it may have to require Agency to proceed against Borrower, proceed against or exhaust any security held from Borrower, or pursue any other remedy in Agency's power to pursue;

(c) Any defense based on any claim that Guarantor's obligations exceed or are more burdensome than those of Borrower;

(d) Any defense based on: (i) any legal disability of Borrower, (ii) any release, discharge, modification, impairment or limitation of the liability of Borrower to Agency from any cause, whether consented to by Agency or arising by operation of law or from any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships ("Insolvency Proceeding") and (iii) any rejection or disaffirmance of the Loan, or any part of it, or any security held for it, in any such Insolvency Proceeding;

(e) Any defense based on any action taken or omitted by Agency in any Insolvency Proceeding involving Borrower, including any election to have Agency's claim allowed as being secured, partially secured or unsecured, any extension of credit by Agency to Borrower in any Insolvency Proceeding, and the taking and holding by Agency of any security for any such extension of credit;

(f) All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Guaranty and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind except for any demand or notice by Agency to Guarantor expressly provided for in Section 1;

(g) Any defense based on or arising out of any defense that Borrower may have to the payment or performance of the Loan or any part of it; and

(h) Any defense based on or arising out of any action of Agency described in Sections 2 or 3 above.

5. Waivers of Subrogation and Other Rights and Defenses.

(a) Upon a default by Borrower, Agency in its sole discretion, without prior notice to or consent of Guarantor, may elect to: (i) foreclose either judicially or nonjudicially against any real or personal property security it may hold for the Loan, (ii) accept a transfer of any such security in lieu of foreclosure, (iii) compromise or adjust the Loan or any part of it or make any other accommodation with Borrower or Guarantor, or (iv) exercise any other remedy against Borrower or any security. No such action by Agency shall release or limit the liability of Guarantor, who shall remain liable under this Guaranty after the action, even if the effect of the action is to deprive Guarantor of any subrogation rights, rights of indemnity, or other rights to collect reimbursement from Borrower for any sums paid to Agency, whether contractual or arising by operation of law or otherwise. Guarantor expressly agrees that under no circumstances shall it be deemed to have any right, title, interest or claim in or to any real or personal property to be held by Agency or any third party after any foreclosure or transfer in lieu of foreclosure of any security for the Loan.

(b) Regardless of whether Guarantor may have made any payments to Agency, Guarantor hereby waives: (i) all rights of subrogation, indemnification, contribution and any other rights to collect reimbursement from Borrower or any other party for any sums paid to

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Agency, whether contractual or arising by operation of law (including the United States Bankruptcy Code or any successor or similar statute) or otherwise, (ii) all rights to enforce any remedy that Agency may have against Borrower, and (iii) all rights to participate in any security now or later to be held by Agency for the Loan. The waivers given in this subsection 5(b) shall be effective until the Loan has been paid and performed in full.

(c) Guarantor understands and acknowledges that if Agency forecloses judicially or nonjudicially against any real property security for the Loan, that foreclosure could impair or destroy any ability that Guarantor may have to seek reimbursement, contribution or indemnification from Agency or others based on any right Guarantor may have of subrogation, reimbursement, contribution or indemnification for any amounts paid by Guarantor under this Guaranty. Guarantor further understands and acknowledges that in the absence of this Section 5, such potential impairment or destruction of Guarantor's rights, if any, may entitle Guarantor to assert a defense to this Guaranty based on Section 580d of the California Code of Civil Procedure as interpreted in Union Bank v. Gradsky, 265 Cal.App.2d 40 (1968). By executing this Guaranty, Guarantor freely, irrevocably and unconditionally: (i) waives and relinquishes that defense and agrees that Guarantor will be fully liable under this Guaranty even though Agency may foreclose judicially or nonjudicially against any real property security for the Loan; (ii) agrees that Guarantor will not assert that defense in any action or proceeding which Agency may commence to enforce this Guaranty; (iii) acknowledges and agrees that the rights and defenses waived by Guarantor under this Guaranty include any right or defense that Guarantor may have or be entitled to assert based upon or arising out of any one or more of Sections 580a, 580b, 580d or 726 of the California Code of Civil Procedure or Section 2848 of the California Civil Code; and (iv) acknowledges and agrees that Agency is relying on this waiver in making the Loan, and that this waiver is a material part of the consideration which Agency is receiving for making the Loan.

(d) Guarantor waives any rights and defenses that are or may become available to Guarantor by reason of Sections 2787 to 2855, inclusive, of the California Civil Code.

(e) Guarantor waives all rights and defenses that Guarantor may have because Borrower's Loan is secured by real property. This means, among other things:

(i) Agency may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower.

(ii) If Agency forecloses on any real property collateral pledged by Borrower:

(A) The amount of the Loan may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.

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(B) Agency may collect from Guarantor even if Agency, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Borrower.

This subsection 5(e) is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because Borrower's Loan is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the California Code of Civil Procedure.

(f) Guarantor waives any right or defense it may have at law or equity, including California Code of Civil Procedure Section 580a, to a fair market value hearing or action to determine a deficiency judgment after a foreclosure.

(g) No provision or waiver in this Guaranty shall be construed as limiting the generality of any other provision or waiver contained in this Guaranty.

6. Revival and Reinstatement. If Agency is required to pay, return or restore to Borrower or any other person any amounts previously paid on the Loan because of any Insolvency Proceeding of Borrower, any stop notice or any other reason, the obligations of Guarantor shall be reinstated and revived and the rights of Agency shall continue with regard to such amounts, all as though they had never been paid.

7. Subordination. Any rights of Guarantor, whether now existing or later arising, to receive payment on account of any indebtedness (including interest) owed to it by Borrower or any subsequent owner of the Property, or to withdraw capital invested by it in Borrower, or to receive distributions from Borrower, shall at all times be subordinate as to lien and time of payment and in all other respects to the full and prior repayment to Agency of the Loan. Guarantor shall not be entitled to enforce or receive payment of any sums hereby subordinated until the Loan has been paid and performed in full and any such sums received in violation of this Guaranty shall be received by Guarantor in trust for Agency. The foregoing notwithstanding, Guarantor is not prohibited from receiving (a) such reasonable management fees or reasonable salary from Borrower as Agency may find acceptable from time to time, and (b) distributions from Borrower in an amount equal to any income taxes imposed on Guarantor which are attributable to Borrower's income from the Property.

8. Guarantor's Representations and Warranties. Guarantor represents and warrants that:

(a) There are no claims, actions, proceedings or investigations pending against Guarantor except for those previously disclosed by Guarantor to Agency in writing. To the best of Guarantor's knowledge, there has been no threat of any such claim, action, proceeding or investigation, except for those previously disclosed by Guarantor to Agency in writing.

9. Covenants of Guarantor. Guarantor agrees, until the Loan Obligations are paid and performed in full and each and every term, covenant and condition of this Guaranty is fully performed:

(a) To promptly notify Agency in writing of any litigation affecting Guarantor, where the amount claimed is Fifty Thousand Dollars (\$50,000) or more.

(b) To promptly notify Agency in writing of any material adverse change in Guarantor's business condition (financial or otherwise), operations, properties or prospects, or ability to pay or perform under this Guaranty.

10. Events of Default. Agency may declare Guarantor to be in default under this Guaranty upon the occurrence of any of the following events ("Events of Default"):

(a) Guarantor fails to perform any of its obligations under this Guaranty; or

(b) Guarantor revokes this Guaranty or this Guaranty becomes ineffective for any reason; or

(c) Any representation or warranty made or given by Guarantor to Agency proves to be false or misleading in any material respect; or

(d) Guarantor becomes insolvent or the subject of any Insolvency Proceeding; or

(e) Guarantor dissolves or liquidates, or any of these events happens to any of Guarantor's trustees; or

(f) Guarantor's creators, or any of its trustmanagers ceases for any reason to act in that capacity, or the trust is revoked or materially modified or there is a change or substitution of trustee; or

(g) A material adverse change occurs, in Guarantor's business condition (financial or otherwise), operations, properties or prospects, or ability to pay or perform under this Guaranty.

11. Independent Obligations. Guarantor's obligations under this Guaranty are independent of those of Borrower on the Loan. Agency may bring a separate action against Guarantor without first proceeding against Borrower, any other person or any security that Agency may hold, and without pursuing any other remedy. Agency's rights under this Guaranty shall not be exhausted by any action by Agency until all of the Loan Obligations have been paid and performed in full.

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12. No Waiver; Consents; Cumulative Remedies. Each waiver by Agency must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from Agency's delay in exercising or failure to exercise any right or remedy against Borrower, Guarantor or any security. Consent by Agency to any act or omission by Borrower or Guarantor shall not be construed as a consent to any other or subsequent act or omission, or as a waiver of the requirement for Agency's consent to be obtained in any future or other instance. All remedies of Agency against Borrower and Guarantor are cumulative.

13. No Release. Guarantor shall not be released from its obligations under this Guaranty except by a writing signed by Agency.

14. Heirs, Successors and Assigns; Participations. The terms of this Guaranty shall bind and benefit the heirs, legal representatives, successors and assigns of Agency and Guarantor; provided, however, that Guarantor may not assign this Guaranty, or assign or delegate any of its rights or obligations under this Guaranty, without the prior written consent of Agency in each instance. Agency in its sole discretion may sell or assign participations or other interests in the Loan and this Guaranty, in whole or in part, all without notice to or the consent of Guarantor and without affecting Guarantor's obligations under this Guaranty. Also without notice to or the consent of Guarantor, Agency may disclose any and all information in its possession concerning Guarantor, this Guaranty and any security for this Guaranty to any actual or prospective purchaser of any securities issued or to be issued by Agency, and to any actual or prospective purchaser or assignee of any participation or other interest in the Loan and this Guaranty.

15. Notices. All notices given under this Guaranty must be in writing and shall be effectively served upon delivery, or if mailed, upon the first to occur of receipt or the expiration of forty-eight hours after deposit in certified United States mail, postage prepaid, sent to the party at its address given at the end of this Guaranty. Those addresses may be changed by Agency or Guarantor by written notice to the other party. Service of any notice on any one Guarantor signing this Guaranty shall be effective service on Guarantor for all purposes.

16. Rules of Construction. In this Guaranty, the word "Borrower" includes both the named Borrower and any other person who at any time assumes or otherwise becomes primarily liable for all or any part of the obligations of the named Borrower on the Loan. The word "person" includes any individual, company, trust or other legal entity of any kind. If this Guaranty is executed by more than one person, the word "Guarantor" includes all such persons. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to." When the context and construction so require, all words used in the singular shall be deemed to have been used in the plural and vice versa. No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Guaranty. All headings appearing in this Guaranty are for convenience only and shall be disregarded in construing this Guaranty.

17. Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of California.

Exhibit E

18. Costs and Expenses. Without limiting the generality of the obligation of Guarantor to pay the fees and expenses of Agency as provided in Section 1 hereof, if any lawsuit, reference or arbitration is commenced which arises out of, or which relates to this Guaranty, the Loan Documents or the Loan, the prevailing party shall be entitled to recover from each other party such sums as the court, referee or arbitrator may adjudge to be reasonable attorneys' fees (including allocated costs for services of in-house counsel) in the action or proceeding, in addition to costs and expenses otherwise allowed by law.

19. Consideration. Guarantor acknowledges that it expects to benefit from Agency's extension of the Loan to Borrower because of its relationship to Borrower, and that it is executing this Guaranty in consideration of that anticipated benefit.

20. Integration; Modifications. This Guaranty (a) integrates all the terms and conditions mentioned in or incidental to this Guaranty, (b) supersedes all oral negotiations and prior writings with respect to its subject matter, and (c) is intended by Guarantor and Agency as the final expression of the agreement with respect to the terms and conditions set forth in this Guaranty and as the complete and exclusive statement of the terms agreed to by Guarantor and Agency. No representation, understanding, promise or condition shall be enforceable against any party hereto unless it is contained in this Guaranty. This Guaranty may not be modified except in a writing signed by both Agency and Guarantor. No course of prior dealing, usage of trade, parol or extrinsic evidence of any nature shall be used to supplement, modify or vary any of the terms hereof.

21. Miscellaneous. The death or legal incapacity of any Guarantor shall not terminate the obligations of such Guarantor or any other Guarantor under this Guaranty, including its obligations with regard to future advances under the Loan Documents. The liability of all persons who are in any manner obligated under this Guaranty shall be joint and several. The illegality or unenforceability of one or more provisions of this Guaranty shall not affect any other provision. Any Guarantor who is married agrees that Agency may look to all of his or her community property and separate property to satisfy his or her obligations under this Guaranty. This Guaranty and any attached consents or exhibits requiring signatures may be executed in counterparts, and all counterparts shall constitute but one and the same document. Time is of the essence in the performance of this Guaranty by Guarantor.

22. Counsel. Guarantor acknowledges that Guarantor has had adequate opportunity to carefully read this Guaranty and to consult with an attorney of Guarantor's choice prior to signing it.

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty as of the date first above written.

Address Where Notices to

Exhibit E

Guarantor are to be Sent:

GUARANTOR:

a _____

By: _____

Its: _____

Address Where Notices to
Agency are to be Sent:

Redevelopment Agency
of the City of Santa Rosa
90 Santa Rosa Avenue
Santa Rosa, CA 95404
Attn: Executive Director

EXHIBIT F

CONSENT AND AGREEMENT OF OWNER

_____, is the owner of the real property (“Property”) which is the subject of that certain “Loan Agreement, Downtown Tenant Improvement Program” entered into between the Redevelopment Agency of the City of Santa Rosa (“Agency”) and _____ (“Borrower”), dated _____, 20__ (“Loan Agreement”), providing for construction of certain tenant improvements (the “Improvements”) located on the Property, and rebate by the Agency, in the form of a loan to Borrower, of a portion of the costs for the construction and installation of such Improvements.

Pursuant to that certain Agreement and Waiver by Owner, dated _____, 20__ (“Owner’s Agreement”) entered into between Owner and the Agency, Owner hereby acknowledges its consent to the terms and conditions of the Loan Agreement, including without limitation the maintenance and operational covenants contained therein, and does hereby agree, for itself and its successors and assigns, as follows:

1. Owner hereby confirms its approval and authorization for the construction of the Improvements on the Property by Borrower in accordance with the Loan Agreement.
2. Owner hereby approves and authorizes Borrower to maintain the Improvements and comply with the other requirements as set forth in Section 9 of the Loan Agreement.
3. Owner agrees to deliver to the Agency a copy of any notice of default issued to Borrower under the Property Lease during the term of the Loan Agreement.
4. In the event that the Property Lease is terminated prior to the termination of the Loan Agreement, or for any reason the Borrower ceases to occupy the Property or defaults in any other terms or conditions of the Loan Agreement, Owner hereby agrees to assume the maintenance and operational obligations of Borrower under Section 9 of the Loan Agreement, for the periods of time set forth therein.
5. Owner agrees to comply with all other terms and conditions of the Owner’s Agreement that are not specifically identified in this Consent and Agreement.

This Consent and Agreement of Owner is executed and delivered by Owner as of this _____ day of _____, 20__.

OWNER:
