



# A G E N D A



**CITY OF IMPERIAL BEACH  
IMPERIAL BEACH  
REDEVELOPMENT AGENCY  
SUCCESSOR AGENCY**

**NOVEMBER 20, 2013**

**Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932**

**SPECIAL MEETING – 6:00 P.M.**

**THE CITY COUNCIL ALSO SITS AS THE CITY OF IMPERIAL BEACH PLANNING COMMISSION, PUBLIC FINANCING AUTHORITY, HOUSING AUTHORITY AND IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

The City of Imperial Beach is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at City Council meetings, please contact the City Clerk's Office at (619) 423-8301, as far in advance of the meeting as possible.

**SPECIAL MEETING CALL TO ORDER**

**ROLL CALL BY CITY CLERK**

**PUBLIC COMMENT** - *Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.*

**I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY CONSENT CALENDAR (1)**

- 1. ADOPTION OF RESOLUTION NO. SA-13-36 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND RECORD A SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE OF THE PROJECT DEED OF TRUST RELATED TO THE IMPERIAL BEACH COMMUNITY HEALTH CENTER LOCATED AT 949 PALM AVENUE IN IMPERIAL BEACH, CALIFORNIA. (0240-20 & 0418-50)**

Recommendation: Adopt resolution.

**ADJOURNMENT**

The Imperial Beach Redevelopment Agency Successor Agency welcomes you and encourages your continued interest and involvement in the City's decision-making process.

FOR YOUR CONVENIENCE, A COPY OF THE AGENDA AND COUNCIL MEETING PACKET MAY BE VIEWED IN THE OFFICE OF THE CITY CLERK AT CITY HALL OR ON OUR WEBSITE AT [www.ImperialBeachCA.gov](http://www.ImperialBeachCA.gov).

\_\_\_\_\_  
/s/  
Jacqueline M. Hald, MMC  
City Clerk

Any writings or documents provided to a majority of the City Council/Planning Commission/Public Financing Authority/Housing Authority/I.B. Redevelopment Agency Successor Agency regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.





AGENDA ITEM NO. 1

**STAFF REPORT  
IMPERIAL BEACH REDEVELOPMENT  
AGENCY SUCCESSOR AGENCY**

**TO:** HONORABLE CHAIR AND MEMBERS OF THE BOARD

**FROM:** ANDY HALL, EXECUTIVE DIRECTOR *AH*

**MEETING DATE:** NOVEMBER 20, 2013

**ORIGINATING DEPT.:** GREGORY WADE, DEPUTY DIRECTOR *GW*

**SUBJECT:** ADOPTION OF RESOLUTION NO. SA-13-36 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND RECORD A SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE OF THE PROJECT DEED OF TRUST RELATED TO THE IMPERIAL BEACH COMMUNITY HEALTH CENTER LOCATED AT 949 PALM AVENUE IN IMPERIAL BEACH, CALIFORNIA

**EXECUTIVE SUMMARY:**

Successor Agency staff requests that the Successor Agency Board adopt Resolution No. SA-13-36 authorizing the Executive Director to execute and record a Substitution of Trustee and Full Reconveyance of a Deed of Trust in connection with an Owner Participation Agreement ("OPA") between the former Imperial Beach Redevelopment Agency ("Former Agency") and the Imperial Beach Community Clinic ("IBCC") which was entered into on November 13, 2002. IBCC has complied with all of the terms of the a Promissory Note secured by the Project Deed of Trust, and the Loan provided by the Former Agency to the IBCC pursuant to the OPA and has been completely forgiven under the terms of the Promissory Note and the OPA. This matter is a housekeeping matter for the Successor Agency, as successor-in interest to the Former Agency, in order to carry out and satisfy its obligations and responsibilities under the terms of the OPA.

**BACKGROUND:**

On November 13, 2002, the Former Agency adopted Resolution No. R-02-37 and the City Council adopted Resolution No. 2002-5694 approving the OPA with the IBCC for the Former Agency to provide financial assistance to the IBCC toward the rehabilitation or construction of public access and streetscape improvements ("Improvements") in connection with the construction of a new, 7,225 square foot medical office building for the Imperial Beach Community Health Center located at 949 Palm Avenue in the City of Imperial Beach ("Property"). The OPA and financial assistance toward the Improvements were in furtherance of the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project Area ("Project Area"). The OPA outlines the responsibilities of the IBCC for the construction of the Improvements and the Project, funding for construction, maintenance, design and sign guidelines, and payment of \$25,000 in financial assistance from the Former Agency to the IBCC.

Pursuant to the OPA, the Former Agency made an interest-free forgivable loan to the IBCC in the total amount of twenty-five thousand dollars (\$25,000.00) ("Loan") to assist in the rehabilitation or construction of the Improvements. As required by the OPA, the IBCC executed a Promissory Note evidencing the Loan in the amount of \$25,000, which Promissory Note specifies the terms under which repayment of the Loan was to be made and the amortization period of the Loan (see Attachment 2). A Project Deed of Trust securing the Promissory Note and the IBCC's obligations under the OPA and the Promissory Note was recorded against the Property (see Attachment 3). Also pursuant to the OPA, the IBCC was responsible for all planning approvals, discretionary permits, discretionary approvals, and building permits to design, finance, and construct all improvements, including all public access and streetscape improvements, and to secure long-term financing commitments for the Project..

The Promissory Note requires the IBCC to repay the Former Agency the full amount of the \$25,000 Loan on January 1, 2013, but allowed the IBCC to receive credit at the rate of two thousand five hundred dollars (\$2,500.00) per year for each year the IBCC complies with the terms of the Promissory Note and the OPA and operates the facility at the Property as a health clinic as contemplated under the terms of the OPA. The amortization period forgiving \$2,500 per year is set forth in the Promissory Note. On October 11, 2013, at the request of the IBCC, the Successor Agency provided a letter indicating that the terms of the Promissory Note had been met and that the principal sum of the Loan of \$25,000 was deemed fully repaid and satisfied as of December 31, 2012 (see Attachment 4). Construction of the IBCC was completed in 2002 and the health clinic has been operating since that time as required under the terms of the OPA and Promissory Note. All other requirements and responsibilities of the IBCC as outlined in the OPA and Promissory Note have been met.

#### **ANALYSIS:**

The IBCC is attempting to refinance a separate loan on the Property and requested the removal of any encumbrances on title. In order to comply with that request, the Successor Agency must record a Substitution of Trustee and Full Reconveyance of the Project Deed of Trust in which the Successor Agency would substitute the current trustee, Fidelity National Title, with itself as Trustee under the Project Deed of Trust and accept the appointment as Trustee and then, as Trustee, reconvey all title and interest held by the Project Deed of Trust in the Property to the property owners. Fidelity National Title has consented to this substitution of Trustee. Included in Attachment 5 to this staff report is the required document which will be executed by the Executive Director and recorded with the San Diego County Recorder against the Property upon approval by the Successor Agency.

#### **ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

#### **FISCAL IMPACT:**

The Former Agency provided an interest-free forgivable loan in the amount of \$25,000 pursuant to an approved OPA for the development of certain Improvements in connection with the operation of a health clinic on the Property. The IBCC has complied with the terms of the Promissory Note and, pursuant those terms, the Successor Agency as successor-in-interest to the Former Agency considers the repayment terms for the Loan to have been fully satisfied as of December 31, 2012.

**RECOMMENDATION:**

Staff recommends that the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution No. SA-13-36 authorizing the Executive Director to execute and record a Substitution of Trustee and Full Reconveyance of Project Deed of Trust for the property located at 949 Palm Avenue in Imperial Beach, California, as all responsibilities required under the terms of the OPA and the Promissory Note connected therewith have been met by the IBCC.

Attachments:

1. Resolution No. SA-13-34
2. Owner Participation Agreement & Promissory Note – Imperial Beach Community Clinic
3. Project Deed of Trust
4. Letter to IBCC – October 11, 2013
5. Substitution of Trustee and Full Reconveyance of Project Deed of Trust

**RESOLUTION NO. SA-13-36**

**A RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND RECORD A SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE OF THE PROJECT DEED OF TRUST RELATING TO THE PROPERTY AT 949 PALM AVENUE IN IMPERIAL BEACH, CALIFORNIA**

**WHEREAS**, on November 13, 2002, the Imperial Beach Redevelopment Agency ("Former Agency") entered into an Owner Participation Agreement ("OPA") with the Imperial Beach Community Clinic ("Participant"), a non-profit corporation, to provide financial assistance toward the rehabilitation or construction of public access and streetscape improvements ("Improvements") in connection with the Imperial Beach Community Health Center located at 949 Palm Avenue in the City of Imperial Beach ("Property") in order to carry out and implement the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project Area ("Project Area"); and

**WHEREAS**, pursuant to the terms of the OPA, the Former Agency provided to Participant an interest-free forgivable loan in the total amount of twenty-five thousand dollars (\$25,000.00) ("Loan") to assist in the rehabilitation or construction of the Improvements; and

**WHEREAS**, also pursuant to the terms of the OPA, a certain Promissory Note was executed by the Participant for the benefit of the Former Agency evidencing the Loan and specifying the terms under which repayment of the Loan was to be made and the amortization period of the Loan; and

**WHEREAS**, the Promissory Note is secured by a certain Project Deed of Trust recorded against the Property; and

**WHEREAS**, terms of the Promissory Note have been satisfied by the Participant and the Loan has been completely forgiven; and

**WHEREAS**, on February 1, 2012, the Former Agency was effectively dissolved and the Imperial Beach Redevelopment Agency Successor Agency ("Successor Agency") assumed the responsibility of the Former Agency and of winding down the affairs thereof; and

**WHEREAS**, the Successor Agency now desires to execute and record a Substitution of Trustee and Full Reconveyance of the Property Deed of Trust in light of the Participant's satisfaction of the terms of the Promissory Note and forgiveness of the Loan and in order to carry out the obligations and responsibilities of the Successor Agency as successor-in-interest to the Former Agency as provided under the terms of OPA.

**NOW, THEREFORE, BE IT RESOLVED** by the Imperial Beach Redevelopment Agency Successor Agency, as follows:

**Section 1.** The foregoing recitals are true and correct.

**Section 2.** The Successor Agency hereby authorizes the Executive Director to execute and record against the Property a Substitution of Trustee and Full Reconveyance of the Property Deed of Trust in order to carry out the

obligations and responsibilities of the Successor Agency as successor-in-interest to the Former Agency under the terms of the OPA.

**Section 3.** The Executive Director, or designee, of the Successor Agency is hereby authorized and directed to execute, carry out and complete any and all documents necessary to carry out and satisfy its obligations and responsibilities as provided under the terms of the OPA.

**PASSED, APPROVED, AND ADOPTED** by the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 20<sup>th</sup> day of November 2013, by the following vote:

**AYES: BOARD MEMBERS:**  
**NOES: BOARD MEMBERS:**  
**ABSENT: BOARD MEMBERS:**

\_\_\_\_\_  
**JAMES C. JANNEY**  
**CHAIRPERSON**

**ATTEST:**

\_\_\_\_\_  
**JACQUELINE M. HALD, MMC**  
**SECRETARY**

**IMPERIAL BEACH REDEVELOPMENT AGENCY  
COMMERCIAL REHABILITATION LOAN PROGRAM  
OWNER PARTICIPATION AGREEMENT**

THIS AGREEMENT IS entered into on this 13<sup>th</sup> day of November 2002, by and between the **IMPERIAL BEACH REDEVELOPMENT AGENCY** (the "Agency") and the **IMPERIAL BEACH COMMUNITY CLINIC**, a non-profit corporation (the "Participant"). The Agency and the Participant agree as follows:

**SECTION 1. PURPOSE OF AGREEMENT – FINDINGS OF BENEFIT**

- 1.1 The purpose of this Agreement is to effectuate and implement the Redevelopment Plan for the Imperial Beach Community Health Center (the "Project") and to provide for participation in the Project by the Participant through the rehabilitation or construction of public access and streetscape improvements ("the Improvements") to benefit the Imperial Beach Redevelopment Project Area on the real property owned by the Participant and located at 949 Palm Avenue, Imperial Beach, California, (the "Site"). The Site is more fully described in Attachment A.
- 1.2 The Project is located within the Imperial Beach Redevelopment Project Area, and the improvements affect portions of Palm Avenue and Emory Street.
- 1.3 The Project benefits the Agency, the Participant, the City of Imperial Beach (the "City"), and the public. Among other things, it discourages blight and provides additional employment opportunities in the Redevelopment Project Area.
- 1.4 The installation of public access and streetscape improvements corrects adverse health and safety conditions.
- 1.5 The public access improvements will be a catalyst, providing an incentive for private investment in the rehabilitation of the project area.

**SECTION 2. CONSTRUCTION OF IMPROVEMENTS**

- 2.1 The Participant has submitted plans for the Improvements, as required by the Imperial Beach Municipal Code, and approvals have been obtained.
- 2.2 The Participant will pay all fees and assessments that may be levied against the Project or the Site.
- 2.3 The Participant will complete construction of all the Improvements pursuant to the approved bid within two years of the date of execution of this Agreement.
  - 2.3.1 The Improvements will be constructed in accordance with the approved plans, except as changes may be mutually agreed upon in writing between the Participant and redevelopment staff.
- 2.4 During the construction period, the Participant agrees that the Agency may place a sign mutually satisfactory to the Participant and the Agency upon the Site at a location selected by the Participant and the Agency, advising of the financing of the Improvements by the Agency.
- 2.5 Promptly after completion of the Improvements, the Participant will provide the Agency with a copy of the recorded Notice of Completion of the Improvements.

### SECTION 3. FUNDING OF CONSTRUCTION

- 3.1 In consideration of the Participant's construction of the Improvements, the Agency will lend to the Participant the amount of twenty-five thousand dollars (\$25,000), which will be an interest-free loan governed by and having an amortization period specified in the promissory note in Attachment B ("the Agency loan"). The Agency loan is due upon sale or transfer (except as authorized by the Agency in Section 9) or upon the date specified in the promissory note, whichever is earlier.
- 3.1.1 Before any funds under the Agency loan are disbursed, the Participant will:
- a. Execute the promissory note in Attachment B; and
  - b. Provide to the Agency (at the Agency's expense) a standard form lender's CLTA policy of title insurance issued by Fidelity National Title Company in the amount of the Agency loan and insuring the priority of the Agency's lien over all other monetary liens and encumbrances against the Site, including without limitation mechanic's liens, excepting only the lien of a deed of trust securing a note in an amount not to exceed \$600,000.00 and the lien of non-delinquent property taxes; and
  - c. Execute and record the project deed of trust attached to this agreement as Attachment C; and
  - d. Provide evidence of current workers' compensation, general liability, professional liability, and vehicle insurance in the amount of at least \$1,000,000 for all architects, engineers, and contractors that includes the Agency and the City as additional insureds, unless such insurance requirement has been waived or reduced in writing by the Agency.
  - e. Provide evidence of fire and hazard property insurance for the Site, in an amount no less than \$1,000,000, which includes the City, the Agency, and their elected or appointed officers, agents, volunteers, and employees as additional insureds for the term of the loan.
- 3.1.2 Keystone Escrow, Inc., on behalf of the Agency, will disburse the Agency loan funds at close of escrow.
- 3.2 The Agency will subordinate its lien to construction or permanent financing on the Site without requiring repayment of the Agency loan, subject to the terms in this section. The Participant's requests for subordination for refinancing or other reasons will be reviewed and determined by the Executive Director of the Agency. Approval will not be unreasonably withheld or delayed. The sum total of all liens may not exceed 100% of the Site's market value, as determined by the redevelopment staff by a method agreed to by the Agency and the Participant, or of the appraised fair market value of the Site. The appraisal will be provided at the expense of the Participant and performed by a certified local appraiser. The Executive Director reserves the right to review the appraisal for adequacy prior to subordination of the Agency lien. The Participant's credit history will also be

reviewed, along with the subordination request, to verify the Participant's financial rating.

- 3.3 The Participant will contribute to the construction costs of the Improvements any amount in excess of the Agency's loan. "Construction costs" include architectural and engineering fees, permit fees, title costs, and direct costs for the construction of the Improvements.

#### **SECTION 4. MAINTENANCE; DESIGN AND SIGN GUIDELINES**

- 4.1 Prior to completion of the Improvements, the Participant will maintain the portion of the Site undergoing construction in a neat and orderly condition to the extent practicable and in accordance with applicable health and safety standards.
- 4.2 Once Improvements are completed, the Participant will maintain the Site (including paving, walkways, landscaping, window treatments, signs, and ornamentation) in good repair and in a neat, clean, and orderly condition, ordinary wear and tear excepted. The Participant will provide all landscaping and cleaning services for the public access and streetscape improvements.
- 4.3 The Participant will comply with all applicable City and Agency design and signage guidelines and ordinances.
- 4.4 If a condition in contravention of the maintenance, signage, and design standards in this section exists, the City or the Agency will notify the Participant in writing of the condition and give the Participant thirty (30) days to cure the condition. If the Participant fails to cure or begin to cure the condition in the time allowed, a default under this Agreement will occur, and the Agency is entitled to remedies described in Section 6.

#### **SECTION 5. WORKERS' COMPENSATION, BODILY INJURY, AND INSURANCE**

- 5.1 Prior to receiving any funds under the Agency loan, the Participant will provide the Agency with certificates of compensation insurance, as required by the California Workers' Compensation Act, and of bodily injury and property damage insurance policies showing the City and the Agency as additional insureds in the amount of at least \$1,000,000 combined single limits, unless the insurance requirement has been waived or reduced in writing by the Agency.

#### **SECTION 6. REMEDIES**

- 6.1 Failure or delay by either party to perform any term or provision of this Agreement constitutes a default. The injured party must give written notice of the default to the party in default. Failure or delay in giving notice is not a waiver of a default and does not change the time of default. The party who has defaulted must begin to cure the default within thirty (30) days of receipt of notice of default and must complete the cure with reasonable diligence. During any period of curing, the party is not in default.

- 6.2 Default by the Participant gives the Agency the right to proceed with any and all remedies set forth in this Agreement and the loan documents, including but not limited to the following:
- a. The Agency may cause all indebtedness of the Participant to the Agency under this Agreement and the promissory note, together with any accrued interest, to become immediately due and payable if the cure period is not commenced in a thirty-day period.
  - b. The Agency may perform all acts necessary to cure any default and to receive from the Participant the Agency's costs in taking such action.
- 6.3 The Participant's sole remedy for the Agency's breach of this Agreement is to collect the undisbursed balance of the Agency loan, if otherwise due for disbursement.

## **SECTION 7. NON-DISCRIMINATION**

- 7.1 There will be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site. Neither the Participant nor any person claiming under or through the Participant may establish or permit any practice of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Site or any portion thereof. The Participant's sole use of the parking lot on Sundays is not considered to be a violation of this section.
- 7.2 All deeds, leases, and contracts with respect to the Site must contain or be subject to substantially the following non-discrimination or non-segregation clauses:
- 7.2.1 In deeds: "The grantee covenants by and for himself, his heirs, executors, administrators, and assigns, and all person claiming under or through them, that there will be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land conveyed. Neither the grantee nor any person claiming under or through the grantee will establish or permit any practice of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land conveyed. These covenants run with the land."
  - 7.2.2 In leases: "The lessee covenants by and for himself, his heirs, executors, administrators, and assigns, and all persons claiming under or through them, that this lease is made and accepted upon and subject to the following conditions: There will be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the leasing, subleasing, transferring, use, or enjoyment of the land leased. Neither the lessee nor any person claiming under or through the lessee will

establish or permit any practice of discrimination or segregation with tenants, lessees, sublessee, subtenants, or vendees in the land leased.”

7.2.3 In contracts: “There will be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of land. Neither the transferee nor any person claiming under or through the transferee will establish or permit any practice of discrimination or segregation with reference to the selection, location, use, or occupancy of tenants, lessees, or vendees of the land.”

7.3 The foregoing non-discrimination provisions will remain in effect in perpetuity.

## **SECTION 8. SALE OR TRANSFER**

8.1 The following actions affect the repayment of the Agency loan if they are undertaken prior to January 1, 2013:

- a. The Participant sells or transfers all or a portion of its interest in the Site;
- b. The Participant sells or transfers all or a portion of its interest in the Project;
- c. The Participant ceases to operate the Project as a health clinic in substantially the same manner as it was operated on the date this Agreement is executed.

8.2 If the Participant engages in any of the activities in section 8.1 without obtaining the Agency’s prior written consent, the amount remaining on the Agency loan under the terms of the promissory note is immediately due and payable.

8.3 If the Participant obtains the Agency’s written consent prior to engaging in any of the activities in section 8.1, the Agency loan need may continue to be amortized under the promissory note. The Agency will not unreasonably withhold its consent.

8.4 The Participant will notify the Agency in writing of any sales or transfers of any portion of its interest in the Site or the Project. The notice must contain the name, address, and formal description of the entity acquiring the interest.

## **SECTION 9. ENTIRE AGREEMENT WAIVERS, AND AMENDMENTS**

9.1 This Agreement integrates all of the terms and conditions agreed to by and supersedes all negotiations or previous agreements between the parties.

## **SECTION 10. NOTICES**

10.1 All notices and demands that one party may be required to serve upon the other must be served in writing by personal service or by certified or registered mail, postage prepaid, addressed as follows.

- 10.1.1 Executive Director  
Imperial Beach Redevelopment Agency  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932
- 10.1.2 Constance Kirk  
Imperial Beach Community Health Center  
949 Palm Avenue  
Imperial Beach, CA 91932
- 10.2 Service by mail is deemed received on the date actually received or three calendar days after the date of mailing, whichever is earlier.

**SECTION 11. APPLICABLE LAW**

- 11.1 This Agreement is governed by and must be construed under the laws of the State of California.

**SECTION 12. ASSIGNMENT**

- 12.1 The Participant may not assign any portion of its rights and obligations under this Agreement, or with respect to the Project, without the prior written approval of the Agency.

**SECTION 13. BINDING**

- 13.1 This Agreement is binding on and inures to the benefit of the parties' heirs and successors.

**SECTION 14. NO JOINT VENTURE**

- 14.1 The parties are not involved in a joint venture. The Participant will own the Improvements and operate the Project independently of the Agency.

**SECTION 15. AMENDMENTS**

- 15.1 This Agreement may be amended only through a written document that is executed by both parties.

**SECTION 16. SEVERABILITY**

- 16.1 Each section of this Agreement is a separate and independent covenant and agreement.
- 16.2 If any provision of this Agreement is found to be invalid or unenforceable, the remainder of the Agreement remains valid and enforceable.

**SECTION 17. INDEMNIFICATION**

- 17.1 The Participant will hold harmless, defend, and indemnify the Agency and the City, and their officials, employees, agents, and volunteers, from and against all claims, liability, damages, and expenses (including court costs and attorneys' fees) arising out of the Participant's performance under this Agreement or out of the use of the Site by the Participant or any person using the property for purposes related to the Project.
- 17.2 Neither the Agency, the City, nor their officials, employees, agents, or volunteers are liable to the Participant or to anyone else as to any obligation under this Agreement.

**SECTION 18. COUNTERPARTS**

- 18.1 This Agreement may be executed in counterparts, each of which is deemed an original.
- 18.2 All counterparts constitute one and the same agreement.

IMPERIAL BEACH REDEVELOPMENT  
AGENCY:

Signature on file

R. Matt Rodriguez, Executive Director

APPROVED AS TO FORM:  
Signature on file

BY

Lynn McDougall, Agency Counsel

IMPERIAL BEACH COMMUNITY HEALTH  
CENTER:

Signature on file

BY

Constance Kirk, Executive Director

**Attachment B**

**PROMISSORY NOTE**

\$ 25,000.00

November 14, 2002  
Imperial Beach, California

FOR VALUE RECEIVED, and in consideration of the project loan made by the Imperial Beach Redevelopment Agency ("the Agency") on November 14, 2002, the Imperial Beach Community Clinic ("IBCC") promises to pay to the Agency, or order, the principal sum of twenty-five thousand dollars (\$25,000.00), without interest, as follows:

1. Payment Terms. IBCC will make one (1) payment to the Agency in the amount of \$25,000.00 on January 1, 2013. Notwithstanding IBCC's obligation to repay the outstanding principal of this note, IBCC may receive credit toward the repayment of this note in accordance with the Owner Participation Agreement, dated November 13, 2002, by and between the Agency and IBCC ("the OPA"). The Agency will forgive two thousand five hundred dollars (\$2,500.00) of the loan for each year that IBCC complies with the OPA and operates the facility located at 949 Palm Avenue and improved under the OPA ("the property") as a health clinic in substantially the same manner as on the date the OPA was executed. For each year of compliance, the amount will be forgiven on the dates noted in Column 1 of Exhibit 1.
2. Sale or Discontinued Use. If IBCC sells, transfers, or otherwise disposes of the property, or ceases to operate the property as a health clinic, prior to January 1, 2013, the loan will revert to an interest-bearing loan, with interest accrued at the rate of seven percent (7%) per year. All un-amortized principal, plus interest accrued through the date of sale, transfer, disposal, or discontinued use, will become immediately due and payable to the Agency.
3. Means of Payment. IBCC will make payment in lawful money of the United States of America and in immediately available funds.
4. Acceleration on Default. If IBCC defaults in making any payment, or if IBCC is in default under the OPA, the Agency may, at its option, declare all amounts under this note immediately due and payable, with or without notice to IBCC. In that event, interest will accrue at the rate of ten percent (10%) per year from the date of the default.
5. Place of Payment. All payments must be made to the Agency at 825 Imperial Beach Boulevard, Imperial Beach, California 91932, or at another address identified by the Agency in writing.
6. Prepayment. This note may be prepaid in whole or in part, without penalty, at the option of IBCC and without the Agency's consent.

7. Security for Note. This note is secured by a project deed of trust that has been recorded with the San Diego County Recorder. The project deed of trust is not a purchase money deed of trust under California Code of Civil Procedure Section 580b.
8. Enforcement Costs. The prevailing party in any action to collect payment on this note, settle a dispute regarding enforcement, validity, or interpretation of this note (whether or not legal action is instituted or prosecuted to judgment) or enforce any judgment obtained in any related legal proceeding is entitled to all costs and expenses incurred, including attorneys' fees.
9. Severability. If any provision of this note is invalid for any reason, the remainder of the note will not be affected and will remain in full force and effect.
10. Waiver. The Agency may waive any of the terms or conditions of this note in writing. No such waiver affects or impairs the Agency's right to require performance or satisfaction of that term or condition as applied on a subsequent occasion or of any other term or condition of this note.
11. Assignment. IBCC may not assign or transfer any portion of this note without the prior, express, written consent of the Agency. Consent may be given or withheld in the Agency's sole discretion.
12. Governing Law. This note is governed by the laws of the State of California.

IMPERIAL BEACH COMMUNITY CLINIC:

Signature on file

BY: \_\_\_\_\_

Constance Kirk, Executive Director

**EXHIBIT 1**

**AMORTIZATION SCHEDULE**

Lender: Imperial Beach Redevelopment Agency  
Borrower: Imperial Beach Community Clinic  
Principal Amount: \$25,000  
Amortization Term: 10 years  
Interest Rate, If Applicable: 7.0%

1	2	3
AMORTIZATION DATE	AMORTIZATION AMOUNT	PRINCIPAL CARRYING AMOUNT
12/31/03	\$2,500	\$22,500
12/31/04	\$2,500	\$20,000
12/31/05	\$2,500	\$17,500
12/31/06	\$2,500	\$15,000
12/31/07	\$2,500	\$12,500
12/31/08	\$2,500	\$10,000
12/31/09	\$2,500	\$7,500
12/31/10	\$2,500	\$5,000
12/31/11	\$2,500	\$2,500
12/31/12	\$2,500	0

The principal carrying amount of the loan will be decreased on the City's books each year on the dates shown in Column 1, to the amount indicated in Column 3.

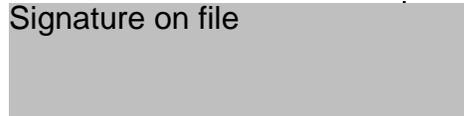
If the borrower sells or transfers the property upon which the loan is made, the 0% loan will revert to an interest-bearing loan, with an obligation to the borrower of the principal and accrued interest through the date of sale or transfer.

Signature on file



Matt Rodriguez, Executive Director  
IMPERIAL BEACH REDEVELOPMENT  
AGENCY

Signature on file



Constance Kirk, Executive Director  
IMPERIAL BEACH COMMUNITY CLINIC

Request Of  
FIDELITY NATIONAL TITLE  
WHEN RECORDED MAIL TO:

Imperial Beach Redevelopment Agency  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932

Attention: Executive Director

25389

Doc # 2002-1102736

DEC 05 2002 4:44 PM

OFFICIAL RECORDS  
SAN DIEGO COUNTY RECORDER'S OFFICE  
GREGORY J. SMITH, COUNTY RECORDER  
FEES: 0.00



2002-1102736

Space above this line for Recorder's use

Exempt from recording fees  
under Government Code § 6103.

**PROJECT DEED OF TRUST**

THIS PROJECT DEED OF TRUST ("this deed") is effective as of January 1, 2003, and affects the following parties:

Trustor: Imperial Beach Community Clinic ("IBCC")  
949 Palm Avenue  
Imperial Beach, CA 91932

Trustee: Fidelity National Title  
\_\_\_\_\_  
\_\_\_\_\_

Beneficiary: Imperial Beach Redevelopment Agency ("the Agency")  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932

IBCC OWES THE AGENCY the principal sum of twenty-five thousand dollars (\$25,000.00). This debt is evidenced by the promissory note dated November 14, 2002 ("the note") and secures to the Agency the following:

- (a) The repayment of the debt evidenced by the note, on the terms indicated in the note;
- (b) The repayment of any sums lent by the Agency to protect the security under this deed.
- (c) The repayment of additional sums that may be lent to IBCC or its successors by the Agency, when evidenced by a promissory note or other document reciting that they are secured by this deed.
- (d) The performance of IBCC's obligations under this deed, the note, and the Owner Participation Agreement entered into by and between IBCC (as "the Participant") and the Agency (as "the Agency") and dated November 13, 2002 ("the OPA"). The OPA is on file with the Agency as a public record and is incorporated by reference.

19116

11/11  
11/11  
11/11

ORIGINAL

# 121891-7

FOR THESE PURPOSES, and for good and valuable consideration, receipt of which is acknowledged, IBCC irrevocably grants and conveys to Trustee, in trust, with power of sale, for the benefit and security of the Agency, under the terms and conditions set forth below, the property located at 949 Palm Avenue, Imperial Beach, San Diego County, State of California ("the property"). The property is more fully described in Exhibit 1, which is attached and incorporated by reference.

All of the following, together with the property, are referred to as "the security":

- (a) All rents, profits, and other benefits derived from the property (collectively, "the rents"). As long as IBCC is not in default, IBCC may collect rents and operate the property as allowed in the OPA.
- (b) All interests, estates, and other claims, both in law and in equity which IBCC now has or may acquire in the property and the rents.
- (c) All easements, rights-of-way, and rights used in connection with or as a means of access to the property, including without limitation all tenements, hereditaments, and appurtenances.
- (d) All buildings and improvements on the property, not including fixtures, attachments, appliances, furnishings, equipment, and machinery (whether fixed or movable).
- (e) All of IBCC's interest in all leases or subleases covering the property, including without limitation all cash or security deposits, advance rentals, and deposits or payments of a similar nature.
- (f) All of IBCC's interest in and right to options to lease or purchase the property or any greater estate in the property.
- (g) All of IBCC's interest in and right to any land lying within the right-of-way of any street adjoining the property and all sidewalks, alleys, and strips of land adjacent to or used in connection with the property.
- (h) All interest, right, title, or other claim, of every nature, in and to the property, both in law and in equity, including without limitation all deposits made with or other security given by IBCC to utility companies, proceeds from the property, claims or demands with respect to the proceeds of insurance, all awards made for the taking by eminent domain or by any proceeding or purchase in lieu of condemnation, including without limitation any award resulting from a change of grade of streets and awards for severance damages.

IBCC and the Agency covenant and agree as follows:

ARTICLE I  
MAINTENANCE; GRANTING OF EASEMENTS

Section 1.1 Maintenance of the Property. At all times prior to reconveyance of this deed, IBCC will, at its own expense, maintain and operate the property in compliance with the OPA. IBCC will make or cause to be made all repairs, replacements, and renewals its deems proper and necessary. The Agency has no responsibility for making improvements or additions to the property.

Section 1.2 Granting of Easements. IBCC may grant easements, licenses, rights-of-way, or other similar rights or privileges with respect to any property or rights included in the security with the prior written approval of the Agency, which approval will not be unreasonably withheld.

ARTICLE II  
TAXES AND INSURANCE; ADVANCES

Section 2.1 Taxes and Other Charges. IBCC will pay, prior to delinquency, all taxes, assessments, charges, and levies imposed by any public authority or utility company which are or may become a lien affecting the security. IBCC is not required to pay any tax or charge so long as the legality of the tax or charge is promptly and actively contested in good faith and by appropriate proceedings.

If IBCC fails to pay any of the foregoing items within five (5) business days of the date the Agency mails notice of the delinquency to IBCC, the Agency may (but is under no obligation to) make the payment. Any payment made by the Agency, together with interest from the date of the payment at the maximum rate permitted under Section 1(2) of Article XV of the California Constitution, will become an additional obligation of IBCC to the Agency and will be secured by this deed.

Section 2.2 Insurance.

(a) As noted in section 6.1 of the OPA, IBCC agrees to carry comprehensive general liability insurance on the security with limits of not less than one million dollars \$1,000,000 for each occurrence, combined single-limit bodily injury and property damage.

(b) All insurance policies must contain a provision to the effect that the insurer will not cancel the policy or modify it materially and adversely to the Agency's interests without first giving at least thirty (30) days' prior written notice.

Section 2.3 Advances. If IBCC fails to maintain the insurance coverage required by this deed or fails to maintain the security in good condition, the Agency may (but is under no obligation to) take out and pay for the required insurance policies and may make and pay for necessary repairs or replacements. The Agency must give five (5) business days' notice to IBCC before taking action. Upon demand by the Agency, IBCC agrees to pay the amount advanced and, if payment is not made, interest from the date of the advance at the maximum rate permitted by Section 1(2) of Article XV of the California Constitution. All amounts advanced by the Agency (together with interest, if applicable) will be secured by this deed.

ARTICLE III

DAMAGE, DESTRUCTION, OR CONDEMNATION

Section 3.1 Damage and Destruction. If, prior to January 1, 2013, all or a portion of the security is destroyed or damaged, IBCC will use any insurance proceeds to promptly rebuild and replace the security.

Section 3.2 Condemnation. Subject to the provisions of senior obligations to which this deed is subordinate, if title to or any interest in or the temporary use of all or part of the security is taken under the exercise of the power of eminent domain by any governmental body or by any person acting under governmental authority, including any proceeding or purchase in lieu of condemnation, the proceeds resulting from the taking will be paid as provided by the laws of the State of California to all persons or entities as their interests appear of record.

ARTICLE IV

ARTICLE IV  
REPRESENTATIONS, COVENANTS, AND WARRANTIES OF IBCC

Section 4.1 Defense of Title. IBCC covenants that it is lawfully seized and possessed of title in fee simple to the security, that it has good right to sell, convey, or otherwise transfer or encumber the security. IBCC, for itself and its successors and assigns, warrants and will forever defend the right and title to the property of the Agency, and its successors and assigns, against all claims, excepting only encumbrances approved by the Agency.

Section 4.2 Inspection of the Security. At any and all reasonable times and upon reasonable notice, the Agency and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives, may inspect the security without charge or fee.

ARTICLE V  
AGREEMENTS AFFECTING THE SECURITY; FURTHER ASSURANCES

Section 5.1 Other Agreements Affecting the Security. IBCC will duly and punctually perform all terms and conditions binding upon it under any other agreement affecting all or part of the security.

Section 5.2 Acceleration of Maturity. If IBCC sells or alienates all or part of the security or any interest therein, or is divested of its title or any interest therein, whether voluntarily or involuntarily, without the prior written consent of the Agency or as otherwise provided in the OPA, or if default is made in the payment of any principal payable under the note or in the performance of this deed, the Agency may, at its option, declare any indebtedness or obligations secured by this deed immediately due and payable, regardless of the maturity date specified in the note.

Section 5.3 Further Assurances. At any time upon request by the Agency, IBCC will execute and deliver to the Agency (and, where appropriate, record and file) any other deeds of trust, security agreements, financing statements respecting personal property, instruments of further assurance, certificates, and other documents that the Agency deems necessary or desirable to perfect or preserve IBCC's obligations under this deed or the lien created by this deed as a lien prior to all liens except those which are senior obligations under the terms of this deed and the OPA. If IBCC fails to do so, the Agency may execute, record, and file any deed of trust, security agreement, instrument, certificate, and document for and in the name of IBCC. IBCC irrevocably appoints the Agency as its agent and attorney-in-fact to do so. The lien will automatically attach to all after-acquired property deemed to be part of the security.

Section 5.4 Attorney's Fees and Expenses. If, in the event of a default, the Agency employs attorneys or incurs other expenses to collect amounts due or to enforce performance or to observe an obligation on the part of IBCC, IBCC will, on demand, pay to the Agency the reasonable attorney fees and other reasonable expenses. Any amounts paid by the Agency bear interest from the date the expense is incurred at the maximum rate permitted by Section 1(2) of Article XV of the California Constitution.

Section 5.5 Subrogation; Payment of Claims. If the Agency gives notice of at least five (5) business days to IBCC, the Agency will be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid by the Agency pursuant to the provisions of this deed. If permitted under the loan, the Agency may pay and discharge the obligations secured by the loan.

Section 5.6 Transfer. No sale, transfer, lease, encumbrance, or other hypothecation of the security relieves IBCC from primary liability under this deed or the OPA.

ARTICLE VI  
EVENTS OF DEFAULT AND REMEDIES

**25393**

Section 6.1 Default Defined. A default means IBCC's failure to perform any act, obligation, or promise under this deed and to correct the failure within sixty (60) days of receiving written notice from the Agency, specifying the failure and requesting remediation.

Section 6.2 The Agency's Right to Enter and Take Possession. If a default occurs, the Agency may:

- (a) In person or by agent (including a court-appointed receiver), with or without bringing any action or proceeding, and without regard to the adequacy of the security, enter upon and take possession of the property and the security and do any acts deemed necessary or desirable to preserve the value, marketability, or rentability of the property or to protect the security. With or without taking possession of the security, the Agency may sue for or otherwise collect the rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection (including attorney fees), to any amounts owed to the Agency. Entering upon the property, taking possession of the security, and collecting and applying the rents will not cure or waive any default or invalidate any act done in response to the default. Notwithstanding continued possession of the property or the collection and application of the rents, the Agency may exercise every right provided for in this deed, the OPA, or any law, including the right to exercise the power of sale. A copy of any notice of default and a copy of any notice of sale must be mailed to IBCC;
- (b) Commence an action to foreclose this deed as a mortgage, appoint a receiver, or specifically enforce any of the covenants of this deed;
- (c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause IBCC's interest in the property to be sold. Trustee or the Agency must file and record the declaration with the County of San Diego; or
- (d) Exercise all other rights and remedies provided in this deed, the OPA, or any pertinent law.

Section 6.4 Foreclosure By Power of Sale. If the Agency forecloses by exercising the power of sale, the Agency must notify Trustee and deposit with Trustee the note and other receipts or evidences of expenditures that Trustee may require.

- (a) Upon receipt of notice from the Agency, Trustee will record, publish, and deliver to IBCC the notice of default and election to sell. Without demand on IBCC, after lapse of such time as may be required by law, after recordation of the notice of default, and after notice of sale has been given as required by law, Trustee must sell the security at the time and place fixed in the notice of sale. The security may be sold either as a whole or in separate parcels or items, as Trustee deems appropriate and in the order Trustee determines. The sale must be made at public auction to the highest bidder, for cash in lawful money of the United States, payable at the time of sale. Any person, including IBCC, Trustee, and the Agency, may purchase the security. IBCC agrees to warrant and defend the title of the purchaser.
- (b) After deducting all reasonable costs, fees, and expenses, including costs of evidence of title in connection with the sale, Trustee must apply the proceeds of the sale to pay all sums then secured by this deed and the remainder, if any, to the person legally entitled thereto.

25394

- (c) Trustee may postpone the sale of all or any portion of the security by public announcement <sup>25304</sup> the time and place originally fixed for the sale, and may conduct the postponed sale without further notice. Trustee may also, in its discretion, give a new notice of sale.

Section 6.5 Receiver. If a default occurs, the Agency may apply to any court of jurisdiction to appoint a receiver of all or part of the security. The Agency may apply for a receiver without regard to the value of the security or IBCC's interest in the security. IBCC irrevocably consents to the appointment and waives further notice of any application for a receiver. A receiver has all the powers and duties of receivers in similar cases and all the powers and duties of the Agency in case of entry as provided in section 4.2. A receiver may continue to exercise all powers until sale of the security is confirmed, unless the receivership is terminated before then.

Section 6.6 Remedies Cumulative. No right, power, or remedy conferred upon or reserved to the the Agency by this deed is exclusive of any other right, power, or remedy. Every right, power, and remedy under this deed is cumulative and concurrent and exists in addition to any other right, power, or remedy.

Section 6.7 No Waiver.

- (a) No delay or failure of the Agency to exercise any right, power, or remedy will exhaust or impair the right, power, or remedy and may not be construed to waive any default. Every right, power, and remedy under this deed may be exercised as often as may be deemed appropriate by the Agency. No consent to or waiver (express or implied) of any breach by IBCC may be deemed or construed to be a consent to or waiver of IBCC's obligations under this deed. Failure on the part of the Agency to complain of any act, failure to act, or failure to declare a default, regardless of how long the failure continues, is not a waiver by the Agency and does not affect its rights.
- (b) The obligations of IBCC, and its agents and successors, under this deed are not affected if the Agency (i) takes additional security; (ii) waives or does not exercise any right granted in this deed or the OPA; (iii) certifies completion of any part of the security from the lien of this deed, or otherwise changes any of the terms this deed or the OPA; (iv) consents to the filing of any map or plat affecting the security; (v) consents to the granting of any easement or other right affecting the security; or (vi) makes or consents to any agreement subordinating the lien. No such act or omission precludes the Agency from exercising any right, power, or privilege granted authorized in the event of a default. Except as otherwise expressly provided in an instrument executed by the Agency, the lien of this deed may not be altered by such an act or omission. If all or part of the security is sold or transferred, the Agency, without notice, may deal with the purchaser or transferee as fully and to the same extent as it might deal with IBCC, without in any way releasing or discharging any of IBCC's obligations.

Section 6.8 Suits to Protect the Security. Upon ninety (90) days' notice to IBCC, the Agency may (a) institute and maintain legal proceedings it deems appropriate to prevent impairment of the security or the rights of the Agency by any acts which may be unlawful or may violate this deed; (b) protect its interest in the security and in the related rents and profits; and (c) restrain the enforcement of a governmental enactment, rule, or order that may be unconstitutional or otherwise invalid, if the enforcement would impair the value of the security or be prejudicial to the Agency's interest.

Section 6.9 Proofs of Claim. If any receivership, bankruptcy, reorganization, or other proceeding affects the IBCC, its creditors, or its property, the Agency may file proofs of claim and other documents necessary or advisable to have the Agency's claims allowed in the proceedings.

ARTICLE VII  
MISCELLANEOUS

Section 7.1 Amendments. This instrument cannot be waived, changed, discharged, or terminated unless a written instrument is signed by the party against whom the waiver, change, discharge, or termination is sought.

Section 7.2 IBCC Waiver of Rights. IBCC acknowledges that it is aware of and has the advice of counsel of its choice regarding its constitutional rights. IBCC expressly waives its constitutional rights with respect to the Agency's exercise of its rights, including but not limited to IBCC's rights, if any, to notice and a hearing upon the occurrence of a default. Nothing in this deed is a waiver of IBCC's right to reinstate or redeem this deed in accordance with applicable law. IBCC further waives, to the extent permitted by law, (a) the benefit of all laws providing for any appraisal before sale of any portion of the security; (b) all rights of valuation, appraisal, stay of execution, and marshaling in the event of foreclosure of the lien created by this deed; and (c) all rights and remedies that IBCC may have or be able to assert by reason of the laws of the State of California pertaining to the rights and remedies of sureties.

Section 7.3 Reconveyance of Trustee. Upon surrender of this deed to Trustee for cancellation and retention, and upon payment by IBCC of Trustee's reasonable fees, Trustee will reconvey to IBCC, or to the person legally entitled to the reconveyance, without warranty, any portion of the property it holds under this deed. The recital in the reconveyance of any matters or facts are conclusive proof of their truthfulness.

Section 7.4 Notices. Whenever the Agency, IBCC or Trustee desires to give any notice, demand, or other communication, the notice, demand, or other communication must be in writing and is effective only if it is delivered by personal service or by registered or certified mail, postage prepaid and return receipt requested, to the address in the first paragraph of this deed. A party may change its address by delivering or mailing to the other parties a notice of the change.

Section 7.5 Acceptance by Trustee. Trustee accepts this trust when this deed, duly executed and acknowledged, is made a public record as provided by law.

Section 7.6 Captions. The captions at the beginning of each section are for the convenience of the parties and are not a substantive part of this deed.

Section 7.7 Invalidity of Certain Provisions. Every provision of this deed is severable. If any term or provision is declared to be invalid for any reason, the remaining terms and provisions will remain valid and enforceable.

Section 7.8 No Merger. If title to the property is vested in the Agency, this deed and the lien it creates will not be destroyed or terminated by the doctrine of merger. In that event, the Agency will continue to have all of the rights and privileges conveyed to it by this deed. In addition, upon foreclosure, any leases or subleases affecting all or any portion of the security will not be destroyed or terminated by application of the law of merger unless the Agency or the foreclosure purchaser so elects and gives written notice of termination to the tenant or subtenant.

Section 7.9 Governing Law. This deed is governed by and must be construed in accordance with the laws of the State of California.

IMPERIAL BEACH REDEVELOPMENT  
AGENCY

Signature on file



Matt Rodriguez, Executive Director

IMPERIAL BEACH COMMUNITY CLINIC

Signature on file



Constance Kirk, Executive Director

*(All signatures must be acknowledged.)*

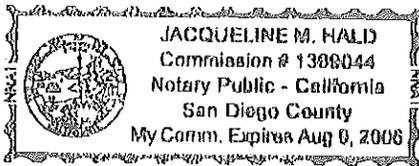
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }  
County of San Diego } ss.

On November 25, 2002 before me, Jacqueline M. Hald  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared Matt Rodriguez  
Name(s) of Signer(s)

personally known to me  
 proved to me on the basis of satisfactory evidence

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



WITNESS my hand and official seal  
Signature on file

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Project Deed of Trust  
Document Date: 11/25/02 Number of Pages: 8 10  
Signer(s) Other Than Named Above: \_\_\_\_\_

Capacity(ies) Claimed by Signer

Signer's Name: Matt Rodriguez  
 Individual  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Attorney-in-Fact  
 Trustee  
 Guardian or Conservator  
 Other: Executive Director  
Signer Is Representing: Imperial Beach Redevelopment Agency



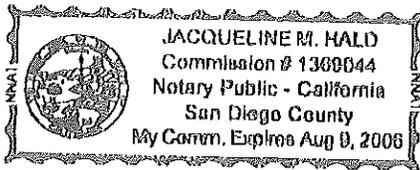
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }  
County of San Diego } ss.

On November 25, 2002 before me, Jacqueline M. Hald  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared Constance Kirk  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

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



WITNESS my hand and official seal.  
Signature on file

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Project Deed of Trust

Document Date: 11/25/02 Number of Pages: 10

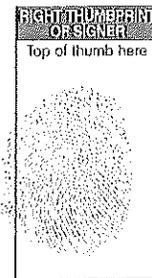
Signer(s) Other Than Named Above: \_\_\_\_\_

Capacity(ies) Claimed by Signer

Signer's Name: Constance Kirk

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: Executive Director

Signer is Representing: Imperial Beach Community Clinic

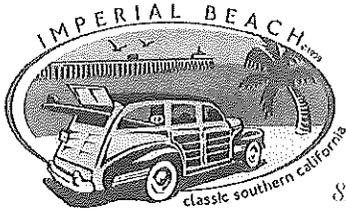


**EXHIBIT "ONE"**

The Southerly 15 feet of Lot 39 and all of Lots 36 through 38 inclusive in Block 107 of South San Diego Company's Addition to South San Diego, in the City of Imperial Beach, County of San Diego, State of California, according to Map thereof No. 497, filed in the Office of the County Recorder of said San Diego County, October 4, 1887.

Together with that portion of the Easterly Half of the alley in said Block 107, now vacated and closed to public use, by Resolution of the Board of Supervisors of the County of San Diego, a Certified Copy of said Resolution was filed in the Office of the County Recorder of San Diego County, August 16, 1946 as File No. 88825 of Official Records, immediately adjoining the above described property on the West.

Assessor's Parcel No: 626-281-17



# City of Imperial Beach, California

IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8303 Fax: (619) 628-1395

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October 11, 2013

\*Via Electronic Mail\*

Glen Conerty, Chief Financial Officer  
Imperial Beach Community Health Center  
949 Palm Avenue  
Imperial Beach, CA 91932  
gconerty@ibclinic.org

RE: Satisfaction of Promissory Note dated November 13, 2002 in Principal Amount of \$25,000

Dear Mr. Conerty:

As you are aware, the Imperial Beach Community Health Center ("IBCHC") executed a Promissory Note ("Note") dated November 13, 2002 in favor of the Imperial Beach Redevelopment Agency ("Redevelopment Agency") for a principal sum of Twenty Five Thousand Dollars (\$25,000.00) ("Loan"). The Note was signed by Constance Kirk, as the Executive Director of IBCHC, pursuant to that certain Owner Participation Agreement ("Agreement") dated November 13, 2002 and entered into by and between IBCHC and the Redevelopment Agency, pursuant to which the Redevelopment Agency provided IBCHC with the Loan at zero percent interest in furtherance of the Redevelopment Agency's Commercial Rehabilitation Loan Program.

Pursuant to the terms of the Note, IBCHC has received credit toward repayment of the Loan at the rate of \$2,500.00 per year for each year that IBCHC has complied with the Agreement and has operated the health facility at 949 Palm Avenue and improved under the terms and conditions of the Agreement as a health clinic in substantially the same manner as it was on the date the Agreement was executed.

Specifically, according to the Note, since December 31, 2003 through December 31, 2012, the principal amount of the Loan of \$25,000 has been incrementally forgiven annually by \$2,500 upon the IBCHC's compliance with the terms referenced above and described in greater detail in the Note and Agreement. Consequently, based on the terms of the Note and IBCHC's compliance with the terms of the Note and the Agreement, the principal sum of the Loan of \$25,000 was deemed fully repaid and satisfied as of December 31, 2012.

Pursuant to California Health and Safety Code Section 34175(b), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings and equipment of the Redevelopment Agency, including the Redevelopment Agency's rights and interests under the Note and the Agreement, transferred by operation of law to the control of the Imperial Beach Redevelopment Agency Successor Agency ("Successor Agency").

In light of the above, as of this date and according to the Successor Agency, the Loan has been fully forgiven and the Note satisfied. The Successor Agency will prepare and record with the San Diego

County Recorder's Office a release of any previously recorded Deed of Trust against the subject property securing the Note upon written request to the Successor Agency.

Should you have any questions or comments, please do not hesitate to contact Greg Wade, Deputy Director of the Successor Agency, at (619) 628-1354.

Sincerely,

IMPERIAL BEACH REDEVELOPMENT AGENCY  
SUCCESSOR AGENCY,  
a public entity

Signature on file

By:

Andy Hall, Executive Director

Dated: 10-11-13

FREE RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

IMPERIAL BEACH REDEVELOPMENT AGENCY  
SUCCESSOR AGENCY  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932  
Attn: Executive Director

---

(Space Above This Line for Recorder's Office Use Only)

(Exempt from Recording Fee per Cal. Gov. Code Section 27383)

APN: 626-281-17

**SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE OF  
PROJECT DEED OF TRUST**

The undersigned, IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY, a public entity duly organized under the laws of the State of California, as beneficiary and holder of the promissory note secured by the Project Deed of Trust, made and executed by IMPERIAL BEACH COMMUNITY CLINIC ("IBCC") as Trustor to FIDELITY NATIONAL TITLE as Trustee, effective January 1, 2003, and recorded on December 5, 2002 as Instrument No. 2002-I102736, in the Official Records of the Office of the Recorder of San Diego County, State of California ("Deed of Trust"), and as requested by the Trustee, hereby substitutes THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY, a public entity duly organized under the laws of the State of California, whose address is 825 Imperial Beach Boulevard, Imperial Beach, California 91932, as trustee in lieu of the Trustee named therein.

THE IMPERIAL BEACH REDEVELOPMENT SUCCESSOR AGENCY hereby accepts the appointment as trustee under the Deed of Trust and as successor trustee, and pursuant to the request of said beneficiary and holder and in accordance with the provisions of said Deed of Trust DOES HEREBY RECONVEY, in accordance with said request, without warranty, to the person or persons legally entitled thereto, all of the estate, title and interest heretofore acquired now held by said Trustee, in and to the real property located in the County of San Diego, State of California and described in Exhibit "A" attached hereto.

[remainder of page intentionally blank]

[signatures on following page]

IN WITNESS WHEREOF, THE IMPERIAL BEACH RDEVELOPMENT AGENCY SUCCESSOR AGENCY has caused its duly authorized representative to acknowledge this instrument.

Trustee/Beneficiary

IMPERIAL BEACH RDEVELOPMENT AGENCY  
SUCCESSOR AGENCY, a public entity duly organized  
under the laws of the State of California

---

Andy Hall, Executive Director

ATTEST:

---

Jacqueline M. Hald, MMC, Secretary

APPROVED AS TO FORM:

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Jennifer M. Lyon, Successor Agency Counsel

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KANE, BALLMER & BERKMAN  
Special Counsel

Exhibit "A"

LEGAL DESCRIPTION

The Southerly 15 feet of Lot 39 and all of Lots 36 through 38 inclusive in Block 107 of South San Diego Company's Addition to South San Diego, in the City of Imperial Beach, County of San Diego, State of California, according to Map thereof No. 497, filed in the Office of the County Recorder of said San Diego County, October 4, 1887.

Together with that portion of the Easterly Half of the alley in said Block 107, now vacated and closed to public use, by Resolution of the Board of Supervisors of the County of San Diego, a Certified Copy of said Resolution was filed in the Office of the County Recorder of San Diego County, August 16, 1946 as File No. 88825 of Official Records, immediately adjoining the above described property on the West.

Assessor's Parcel No: 626-281-17

State of California )

San Diego County )

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)