

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE  
REDEVELOPMENT AGENCY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

154



**FROM:** Redevelopment Agency

**SUBMITTAL DATE:**  
September 1, 2010

**SUBJECT:** Request for Economic Development Assistance by AMA Plastics

**RECOMMENDED MOTION:** That the Board of Directors:

1. Conduct a public hearing pursuant to Health and Safety Code 33444.6;
2. Approve the request by AMA Plastics for Economic Development Assistance in an amount not to exceed \$2 million;
3. Authorize the Chairman of the Board of Directors to execute the attached loan agreement; and
4. Authorize the Executive Director, or designee, to execute and take all necessary steps to administer the Loan Agreement including signing subsequent, necessary related documents to complete this transaction.

**BACKGROUND:** On August 10, 2010, the Board of Directors approved an Economic Development Assistance program designed to assist certain businesses located within county Redevelopment Project

(Continued)

*Robert Field*

Robert Field  
Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 2,000,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

**COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA:** No

**SOURCE OF FUNDS:** Tax Increment Funds

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Dean Deines*  
Dean Deines

**County Executive Office Signature**

**MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY**

On motion of Supervisor Ashley, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: None  
Date: September 14, 2010  
xc: RDA, EDA

Kecia Harper-Ihem  
Clerk of the Board  
By: *Kecia Harper-Ihem*  
Deputy

Prev. Agn. Ref.: 8/10/10, Item 4.8

District: 1

Agenda Number:

4.5

FORM APPROVED COUNTY COUNSEL  
BY: *Anita C. Willis*  
DATE: 9-2-10  
Departmental Concurrence

Dept't Recomm.:  Consent  Policy  
Per Exec. Ofc.:  Consent  Policy

**BACKGROUND:** (Continued)

Areas obtain financing for their projects. Access to capital for business expansion and growth has been difficult even for businesses with strong credit. The Redevelopment Agency (RDA) has received numerous requests for financial assistance including AMA Plastics, Inc. (AMA). On the same Form 11, the Board of Directors also approved the initiation of review of AMA's request for assistance.

AMA submitted a request for assistance from the RDA in the amount of \$4 million in order to facilitate the acquisition of an existing 150,000 square foot industrial building in the Hunter Park industrial area in the city of Riverside and within the Highgrove Sub-Area of the I-215 Redevelopment Project Area.

AMA is the largest independent custom plastic injection molding company on the west coast. The company employs 250 full-time employees at an approximately 90,000 square foot building in the city of Corona. The building's lease expires in March of 2011 and AMA's ownership desires to purchase a facility that will accommodate long-term growth and expansion. AMA, with the Economic Development Agency's assistance, conducted a thorough site search in the western Riverside County region. In addition, AMA considered facilities in Orange County and the Las Vegas, Nevada metropolitan area. AMA selected a larger building in the city of Riverside that will accommodate their anticipated growth. As part of this expansion, not only will AMA increase its general injection molding operations but they will increase their clean room operations which will allow for growth in the medical device industry. The Riverside location also offers synergy with newly developed customers in the area.

The total purchase price of the facility is \$7.1 million. The primary financing in the amount of approximately \$4.3 million will come from Small Business Administration (SBA) loans from Comerica Bank and the Southland Economic Development Corporation, an SBA Certified Development Company. In addition to these loans, AMA is seeking to utilize the RDA's assistance program due to its favorable interest rate and principal reduction provisions. The Chief Executive Officer of AMA will put approximately \$800,000 down of the purchase price. Pursuant to program's guidelines, the maximum amount available would be \$2 million. RDA contracted with the AmPac Tri State CDC, an SBA Certified Development Company to conduct a credit analysis and underwriting on AMA's finances. After reviewing AMA's finances and job retention and creation impact, it is proposed that the RDA provide \$2 million of assistance in accordance with the program's guidelines. Due to AMA's retention of existing employees and anticipated future job creation, it is recommended that fifty percent of the principal be reduced during the first five years. Payments on \$1 million would begin in early 2011 with a term of ten years at four percent interest. No payments would begin on the additional \$1 million and the principal owed would be reduced \$200,000 per year during the first five years as long as AMA maintains employment levels specified in the agreement. If employment levels are not maintained in accordance with the agreement, AMA would be required to make a balloon payment on the outstanding principal at the maturity date. Security for the loan would be junior liens on both the industrial building being purchased and the Chief Executive Officer's personal residence. It should also be noted that the City of Riverside has approved approximately \$500,000 worth of utility incentives and financing.

RDA has reviewed the request for assistance and recommends that the Board of Directors approve the request.

Attachments:  
Loan Agreement

WHEN DOCUMENT IS FULLY EXECUTED RETURN  
**CLERK'S COPY**  
to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

**LOAN AGREEMENT**

**BY AND BETWEEN THE**

**REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**

**AND**

**AMA PLASTICS, INC.**

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Exhibit A	Map of the Property
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Exhibit G	Legal Description of the Property
Exhibit H	Legal Description of the Additional Security Real Property
Exhibit I	Additional Deed of Trust

## LOAN AGREEMENT

### *Redevelopment Agency for the County of Riverside Commercial Rehabilitation Program*

This Loan Agreement (the "Agreement") is entered into as of September 14, 2010 (the "Effective Date"), by and between the Redevelopment Agency for the County of Riverside, a public body, corporate and politic (the "Agency") and AMA Plastics, Inc., a California corporation (the "Participant"). The Agency and the Participant are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

### RECITALS

WHEREAS, the Riverside County Board of Appraisers established Redevelopment Project No. 5 (the "Project") by Ordinance No. 639 adopted December 23, 1986 and has been subsequently amended (as so amended, the "Redevelopment Plan"). The redevelopment project area for the Redevelopment Plan as so amended constitutes the "Project Area;" and

WHEREAS, in the implementation of the Redevelopment Plan, from time to time pursuant to the authorization of Health and Safety Code Section 33444.6, the Agency makes certain funding available to owners of buildings or structures devoted to industrial uses within the Project Area; and

WHEREAS, the Participant has entered into an agreement with Oakmont Riverside Hunter Park, LLC, a Delaware limited liability company (the "Current Owner") for the purchase of certain real property located at 1100 Citrus Avenue, Riverside, California 92507 (the "Property"); the Property is delineated on the map attached hereto as Exhibit "A" (the "Map of the Property"); and

WHEREAS, the Participant will benefit materially by virtue of the Agency furnishing a loan to the Participant under the terms and conditions as set forth in this Agreement; and

WHEREAS, the Participant and the Agency desire to provide for the Agency to disburse certain moneys to the Participant as a loan to be used for the purchase of the Property, all as more particularly set forth herein. The loan is to be secured by a deed of trust as to each of the Property and certain other property owned by the Chief Executive Officer of the Participant, which other property is designated below as the "Additional Security Real Property;" and

WHEREAS, in consideration of the making of the loan by the Agency, the Participant agrees: (i) to acquire the Property, (ii) to operate a business devoted to the manufacture of equipment and manufacture of plastic products operating under the trade name "AMA Plastics," which business heretofore has been operated by the Participant at a location which Participant deems no longer suitable for the present operation of its business or for potential future expansion, if any, (iii) operate a full line business devoted to the manufacture of equipment and manufacture of plastic products under the trade name "AMA Plastics" on the Property continuously for no less than ten (10) Years, (iv) to achieve and maintain employment levels at the Property as provided under this Agreement, (v) to maintain the Property in conformity with this Agreement, (vi) to provide security for repayment of the Agency's loan, and (viii) to satisfy the other requirements of the Participant as set forth in this Agreement; and

WHEREAS, the Agency's making of the loan to the Participant pursuant to the terms of this Agreement is in the vital and best interest of the County of Riverside (the "County"), and the health, safety and welfare of its residents.

**NOW, THEREFORE**, the Parties hereto agree as follows:

**1. Definitions.**

"Act" or "Redevelopment Law" means the Community Redevelopment Law of the State of California, Health and Safety Code Section 33000, et seq.

"Addendum No. 1 to the Participant Certificate" means the conditions precedent to the obligation of the Agency to disburse the Loan Amount which are set forth in Section 6 hereof.

"Additional Amount" means the sum of Four Million Two Hundred Ninety Thousand Dollars (\$4,290,000.00).

"Additional Deed of Trust" means Exhibit "I" to this Agreement.

"Adverse Litigation" means any litigation (including without limitation the filing of a claim) concerning (i) the Agreement, (ii) the subject matter of the Agreement, (iii) the acquisition of the Property, or (iv) any land use approvals, zoning classifications, or environmental process with respect to the Property, the Agreement, or the activities to be undertaken by the Participant under the Agreement, which, in the opinion of Participant or Agency, will have a material adverse effect on the ability of either party to perform their obligations under this Agreement or to realize the intended benefits of this Agreement.

"Agency" means the Redevelopment Agency of the County of Riverside, a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of California, and any assignee of or successor to its rights, powers and responsibilities.

"Agreement" means this Loan Agreement by and between the Agency and the Participant.

"Annual Compliance Report" means a report to be provided once a Year by the Participant (as of March 1, commencing March 1, 2012, for the preceding calendar Year or portion thereof) in the form of Addendum No. 1 to the Participant Certificate.

"Annual Period" means that three hundred sixty five (365) day period commencing as of the Closing and ending the day prior to the anniversary of the Closing, and each succeeding three hundred sixty five (365) day period (or for a leap year, a three hundred sixty six (366) day period).

"Applicable Interest Rate" means the lesser of ten percent (10%) simple interest per annum or the highest non-usurious rate that may be charged by a redevelopment agency.

"Certificate Condition" is defined in Section 7 hereof.

"City" means the City of Riverside, a municipal corporation.

"City Code" means the City of Riverside Municipal Code.

“Closing” means the acquisition of title to the Property by the Participant.

“Conditions of Ongoing Compliance” means all of the Conditions to Disbursement, the Default Condition, the Security Condition, the Fee Condition, the Indemnification Condition, the Maintenance Condition, the Certificate Condition, the Guaranty Condition, the Employment Condition and the Operation Condition.

“Conditions to Disbursement” means the conditions precedent to the obligation of the Agency to disburse the Loan Agreement which are set forth in Section 6 hereof.

“Conforming Activities” means the operation of a plastics manufacturing facility, which may include sales, under Designated Trade Name.

“Conforming Activities” means the operation of a business devoted to the manufacture and sale of plastics, operated under the Designated Trade Name, together with such related accessory uses as are customary for businesses devoted to injection molding of plastics, all accomplished in compliance with the provisions of this Agreement.

“County” shall mean the County of Riverside, California.

“County Administrator Officer” means the County Administrator Officer or his designee.

“County Code” means the County Code of the County of Riverside.

“Date of Agreement” means the date first above written [which shall be the date this Agreement is approved by the Agency].

“Default” means the failure of a party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and opportunity to cure, as set forth in Section 22 hereof.

“Default Condition” is defined in Section 7 hereof.

“Designated Trade Name” means “AMA Plastics,” or another trade name that is approved by the Agency in its reasonable discretion.

“Employment Condition” is defined in Section 7 hereof.

“Executive Director” means the Executive Director of the Agency or his or her designee.

“Fee Condition” is defined in Section 7 hereof.

“Governmental Requirement” means each and every law, ordinance, statute, code, rule, regulation, order, and decree of the United States, the state, the County, or any other political subdivision in which the Property are located, and of any other political subdivision, agency, or instrumentality exercising jurisdiction over the Participant or the Property.

“Guaranty” means a guaranty by Mark Atchison and Lisa Atchison in the form of Exhibit “E” hereto.



“Guaranty Condition” is defined in Section 7 hereof.

“Hazardous Materials” means any substance, material, or waste which is or becomes regulated by any local governmental authority, the County, the State of California, regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903) or (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §6901 et seq.

“Improvements” means all improvements present on the Property as of the Date of Agreement or thereafter undertaken on the Property.

“Indemnification Condition” is defined in Section 7 hereof.

“Legal Description of the Additional Security Real Property” means Exhibit H hereto.

“Legal Description of the Property” means Exhibit G hereto.

“Loan Amount” means the sum of Two Million Dollars (\$2,000,000).

“Maintenance Agreement” means Exhibit D hereto.

“Maintenance Condition” is defined in Section 7 hereof.

“Map of the Property” means Exhibit A hereto.

“Notice” shall mean a notice in the form prescribed by Section 26 hereof.

“Operating Covenant Period” means that period commencing as of the Date of Agreement and continuing until the tenth (10th) anniversary of the Closing.

“Operation Condition” is defined in Section 7 hereof.

“Participant Certificate” means a certificate in the form of Exhibit “F” to this Agreement.

“Participant Deed of Trust” means Exhibit “C” to this Agreement.

"Participant Note" means Exhibit "B" to this Agreement.

"Property" is defined in the Recitals hereof and more particularly described in the Legal Description of the Property and depicted in the Map of the Property. The Participant has represented that they have an enforceable option to acquire and intend to proceed to acquire the Property whereupon Participant will conduct the Conforming Activities thereon under the Designated Trade Name throughout the Operating Covenant Period.

"Qualifying Employee(s)" is defined as follows: the number of persons constituting Qualifying Employees during any Annual Period shall equal the sum of (i) the number of "Full Time Employees" for such Annual Period plus (ii) the number of "Composite Full Time Employees" for such Annual Period, calculated in accordance with the following:

(a) In order to qualify as a Full Time Employee of Participant for the applicable Annual Period, a person must be a salaried or hourly employee who is employed at the Property not less than forty (40) hours per week for not less than fifty (50) weeks, with such fifty two (52) week calculation to be inclusive of vacations, holidays, disability leaves required pursuant to state law, sick leave and similar benefits generally afforded employees generally deemed to be full time employees by prevailing community standards during the corresponding Annual Period. An employee who is terminated during any Annual Period, and the employee who replaces such terminated employee in such position, shall be aggregated for purposes of the foregoing calculation. The Participant shall provide substantiation to the Executive Director (or his designee) as to replacement of terminated employees, and the Executive Director (or his designee) shall in good faith review whether the employees involved are countable for purpose of the foregoing calculation.

(b) For purposes of this Agreement, one Composite Full Time Employee shall be deemed to exist for each two thousand (2,000) hours worked per Annual Period, not inclusive of vacations, holidays, disability leaves, sick leaves, or similar benefits, performed by part time employees (other than qualifying Full Time Employees), contract employees, independent contractors, or temporary personnel (collectively, "Part Time Employees") at the Property.

Hours worked in one Annual Period shall be countable only with respect to that Annual Period and cannot be carried forward or carried back to be applied as to a different Annual Period.

"Redevelopment Plan" is defined in the Recitals hereof.

"Redevelopment Project" is defined in the Recitals hereof.

"Redevelopment Project Area" means that area designated as the project area in the Redevelopment Plan.

"Security Condition" is defined in Section 7 hereof.

"Title Company" means Stewart Title of California (Irvine office) or another mutually acceptable title insurer.

"Year" means that three hundred sixty five (365) day period commencing as of the Date of Commencement, and each succeeding three hundred sixty five (365) day, or for leap years three hundred sixty six (366) day periods, ending the day prior to the anniversary of the Date of Commencement.

2. **Agency Loan.** Subject to the terms and conditions of this Agreement, the Agency agrees to loan to the Participant (the "Agency Loan") the amount of Two Million Dollars (\$2,000,000.00) (the "Agency Loan Amount"). The disbursement of the Agency Loan Amount shall be accomplished in accordance with Section 6 of this Agreement.

3. **Loan Escrow.** Within ten (10) days after the Effective Date, the Agency shall open escrow in connection with the Agency Loan (the "Loan Escrow") with a licensed escrow designated by the Agency (the "Loan Escrow Holder"). In addition, by such time, the Participant shall designate real property owned by the Participant against which the Participant Deed of Trust is to record securing payment of the Agency Loan.

(a) Loan Escrow Fees, Charges and Costs. The Participant shall pay all of the fees, charges, and costs arising from the Loan Escrow. The Participant shall pay the premium for the lender's title policies described in (iv)(D) of this Section 3 (the "Lender's Title Policies"), including any additional premiums charged for the issuance of extended coverage title insurance or any endorsements requested by the Agency. If mutually consented to by the Agency and the Participant, escrow charges and premium for the Lender's Title Policies may be treated as an advance on the Agency Loan, in which event the Agency will so inform the Loan Escrow Holder; thereupon, the Loan Escrow Holder will prepare supplemental escrow instructions so reflecting.

(b) Loan Escrow Instructions. This Agreement constitutes the joint escrow instructions of the Agency and the Participant, and the Loan Escrow Holder to whom these instructions are delivered is hereby empowered to act under this Agreement with respect to the Agency Loan. The Agency and the Participant hereto agree to do all acts necessary to close the Loan Escrow in the shortest possible time.

(i) Additional Documents. The Agency and the Participant agree to deposit with the Loan Escrow Holder any instruments or documents as may be necessary to complete this transaction, in addition to those described elsewhere in this Agreement. The Participant shall execute and deliver to the Agency the Maintenance Agreement as part of the Loan Escrow. The Participant shall deliver or cause to be delivered to the Loan Escrow Holder a writing satisfactory to the Loan Escrow Holder and a title insurer designated by the Agency (the "Title Insurer") that the Participant has executed and agrees that the Participant Deed of Trust shall be recorded against the Property and the Additional Deed of Trust shall have been recorded as to the Additional Security Real Property.

(ii) Escrowed Funds. All funds received in the Loan Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any state or national bank doing business in the State of California. All disbursements shall be made by check or wire transfer from such account.

(iii) Supplemental Escrow Instructions. If in the opinion of the Loan Escrow Holder it is necessary or convenient in order to accomplish the closing of the Loan Escrow, and as provided in subsection (A) of this Section 3, the Loan Escrow Holder may require that the Agency and the Participant sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The Agency and the Participant agree to execute such other and further documents as may be necessary, helpful, or appropriate to effectuate the Loan Escrow in accordance with the terms and provisions hereof. The closing of the Agency Loan (the "Loan

Closing”) shall take place when the conditions of the Loan Closing as set forth in Section 4 have been satisfied. The Loan Escrow Holder is instructed to release an escrow closing statement to each of the Agency and the Participant.

(iv) Authority of Loan Escrow Holder. The Loan Escrow Holder is authorized to, and shall:

(A) Pay and charge the Participant for any amount necessary to remove exceptions to title which the Participant has agreed to remove pursuant to Section 4 of this Agreement for any escrow fees, charges and costs payable by the Participant; and for any amount necessary to pay the premiums on the Lender’s Title Policies pursuant to Section 4 of this Agreement.

(B) Pay and charge the Participant for any escrow fees, charges, and costs payable by the Participant.

(C) Disburse funds and record the Participant Deed of Trust (in the form of Exhibit “C” hereto) and the Additional Deed of Trust (in the form of Exhibit “A” hereto) and deliver to the Agency the Participant Deed of Trust, the Additional Deed of Trust and the Maintenance Agreement (in the form of Exhibit “D” hereto) when the Conditions to Disbursement set forth in Section 6 have been satisfied. The Loan Escrow Holder is further authorized to deliver to the Agency the Participant Note (in the form of Exhibit “B” hereto) and the Guaranty (in the form of Exhibit “G” hereto).

(D) Complete such other actions as necessary, including obtaining the Lender’s Title Policies described in this subsection (D) and in Section 4 of this Agreement, to effectuate the Loan Closing and to fulfill its obligations under this Agreement with respect to the Agency Loan; provided the authority of the Escrow Holder to proceed with the Loan Closing shall be subject to the readiness of the Title Insurer to execute and deliver lender’s policies of Title Insurance insuring Agency’s beneficial interest under the Participant Deed of Trust (as to the Property) and the Additional Deed of Trust (as to the Additional Security Real Property) subject only to those exceptions to title approved by the Agency pursuant to Section 4 hereof.

(E) Prepare and deliver to each of the Agency and the Participant a closing statement for the Loan Escrow.

**4. Title Review for Loan Escrow.** Within fifteen (15) days after the Date of Agreement, the Participant shall cause the Title Insurer to deliver to the Agency a preliminary title report (the “Property Title Report”) with respect to the Property, together with legible copies of all documents underlying the exceptions to title (the “Exceptions”) set forth in the Property Title Report. The Agency shall have twenty (20) days from its receipt of the Property Title Report within which to give written notice to the Participant of the Agency’s approval or disapproval of any such Exceptions. Only the lien of property taxes and assessments not yet due and those deeds of trust, mortgages or other liens specifically disclosed by the Participant and approved by the Agency on or before the Effective Date shall be approved Exceptions.

In addition, and within fifteen (15) days after the Date of Agreement, the Participant shall cause the Title Insurer to deliver to the Agency a preliminary title report (the “Additional Security Real Property Title Report”) with respect to the Additional Security Real Property, together with

legible copies of all documents underlying the exceptions to title (the "Exceptions") set forth in the Additional Security Real Property Title Report. The Agency shall have twenty (20) days from its receipt of the Additional Security Real Property Title Report within which to give written notice to the Participant of the Agency's approval or disapproval of any such Exceptions. Only the lien of property taxes and assessments not yet due and those deeds of trust, mortgages or other liens specifically disclosed by the Participant and approved by the Agency on or before the Effective Date shall be approved Exceptions.

If the Agency notifies the Participant of its disapproval of any Exceptions in the Property Title Report and/or the Additional Security Real Property Title Report, the Participant shall use good faith efforts to remove any disapproved Exceptions within ten (10) days after receiving written notice of the Agency's disapproval, or provide assurances satisfactory to the Agency that such Exception(s) will be removed on or before the recording of the Participant Deed of Trust (the "Loan Closing"). If the Participant cannot remove any of the disapproved Exceptions within that period, or provide assurances satisfactory to the Agency that such Exception(s) will be removed on or before the Loan Closing, the Agency shall have ten (10) days after the expiration of such ten (10) day period to either give the Participant written notice that the Agency elects to proceed with the Loan Closing subject to the disapproved Exceptions or to give the Participant written notice that the Participant shall be required to remove such disapproved Exceptions. The failure by the Participant to remove such Exceptions shall constitute an Event of Default under this Agreement. The Agency shall have the right to approve or disapprove any Exceptions reported by the Title Insurer after the Agency has approved the condition of title in connection with the Agency Loan in accordance with this Section 4.

Upon Participant obtaining the Additional Amount, or concurrently therewith, the Executive Director is authorized, without necessity of further approval by the governing board of the Agency, provided that the requirements of the this Agreement regarding lien position and loan to value ratios remain applicable, to approve and execute instruments subordinating the lien of the Participant Deed of Trust; provided further that any and all costs associated with any such subordination, including without limitation escrow and recording costs and as incurred by the Agency, shall be borne by the Participant.

**5. Promise to Repay the Agency Loan.** The Participant hereby agrees to execute a promissory note in the form of the Participant Note and, by which the Participant shall agree to repay to the Agency the full amount of the Agency Loan, on or before April 1, 2021 (the "Maturity Date"). Simple interest shall accrue upon the Note Amount at two interest rates: (i) for the first One Million Dollars (\$1,000,000) an interest rate of four percent (4%) simple per annum, fully amortized over the term (the "Term"), and (ii) for the second One Million Dollars (\$1,000,000) an interest rate of zero percent (0%) simple per annum, as more fully set forth in the Participant Note. Interest shall accrue except in the event of: (i) a transfer or sale of the Property without first having obtained the prior written approval of the Agency, (ii) a transfer, sale, or closure of the Designated Business (or the sale or transfer of a controlling interest in the Designated Business) without first having obtained the prior written approval of the Agency, or (iii) the occurrence of any Event of Default, in which event interest shall thereupon accrue at the Applicable Interest Rate. The Agency Loan Amount, together with any other amounts as may become due and payable to the Agency pursuant to the Participant Note, shall be due and payable to the Agency upon the occurrence of any violation or failure of the Participant to perform under one or more of the provisions of this Agreement, including, without limitation the Exhibits hereto (an "Event of Default") which is not cured within the time set forth herein, or sooner upon the sale or other transfer of the Property, the transfer, sale or closure of the Designated Business (or the sale or transfer of a controlling interest in the Designated Business), or

the occurrence of any Event of Default. If the Participant proposes to transfer an interest in the Property or in the Participant, Participant shall first provide information in sufficient detail to the Executive Director concerning the proposed new operator and/or ownership structure, setting forth in detail the capitalization of the new entity as well as detail concerning operation and control. The Executive Director shall act reasonably and in good faith in evaluating such requests.

**6. Conditions to Disbursement of Loan Amount.** The obligation of the Agency to make disbursements of the Loan Amount to the Participant shall be subject to the prior satisfaction of the following conditions (a) to (i), inclusive (the "Conditions to Disbursement"), as determined to the reasonable satisfaction of the Executive Director:

(a) The Participant shall have provided proof satisfactory to the Executive Director that all real property taxes and assessments levied with respect to each the Property and the Additional Security Real Property have been paid, and that no such taxes or assessments are delinquent;

(b) The Title Insurer shall have committed to issue to the Agency an ALTA lender's policy of title insurance for the Additional Deed of Trust insuring such deed of trust as to the Additional Security Real Property as prescribed by Sections 3(b)(iv)(D) and 4 hereof with the Additional Deed of Trust in a position not lower than second;

(c) The Participant shall have duly executed and delivered to the Agency the Participant Note, and shall have executed, caused to be recorded and thereupon delivered to the Agency, the Maintenance Agreement, the Participant Deed of Trust (duly executed by the Participant), with the Participant Deed of Trust having been recorded with respect to the Property as a deed of trust which Participant Deed of Trust: (i) is not below a third deed of trust as to the Property, (ii) the Participant Deed of Trust, when combined when any deeds of trust (or other encumbrances) senior to the Participant Deed of Trust, does not exceed Ninety-Five Percent (95%) of the fair market value of the Property (as determined by the Executive Director), and, further, the Additional Deed of Trust having been recorded with respect to the Additional Security Real Property as a deed of trust which: (i) is not below a second deed of trust as to the Additional Security Real Property, and (ii) the Additional Deed of Trust, when combined when any deeds of trust (or other encumbrances) senior to the Additional Deed of Trust, does not exceed Ninety-Five Percent (95%) of the fair market value of the Additional Security Real Property (as determined by the Executive Director).

(d) The Title Insurer shall have committed to issue to the Agency an ALTA lender's policy of title insurance for the Participant Deed of Trust insuring such deed of trust as to the Property as prescribed by Sections 3(b)(iv)(D) and 4 hereof with the Participant Deed of Trust in a position not lower than third;

(e) The Participant shall have presented evidence to the Agency of the insurance policies and endorsements required pursuant to Section 12 hereof;

(f) There shall exist no violation of the County Code or the City Code on the Property; and

(g) Escrow instructions in connection with Participant's acquisition of the Property consistent with the terms hereof, and which provide for all escrow fees and premiums for

title insurance to be borne by Participant and which are otherwise satisfactory to Agency and its legal counsel and which provide and for disbursement of the Loan Amount to escrow for payment to the Current Owner, shall have been executed by Participant and Agency and assented to by the escrow holder (which escrow holder shall be reasonably acceptable to Agency);

(h) Participant shall have provided evidence satisfactory to the Executive Director that Participant has obtained a commitment for financing from an institutional lender, to close concurrent or within sixty (60) days of the Closing, under which Participant will borrow an amount of not less than Additional Amount; and

(i) There shall exist no condition, event or act which would constitute an Event of Default (as hereinafter defined) hereunder or which, upon the giving of notice or the passage of time, or both, would constitute an Event of Default.

Subject to the prior satisfaction of the Conditions to Disbursement as determined by the Executive Director, the Agency will disburse the Agency Loan Amount to an escrow for the acquisition of the Property by Participant.

**7. Conditions of Ongoing Performance.** As consideration for the Agency to enter into this Agreement, the Participant agrees to operate, maintain and use the Property in conformity with this Agreement and the Redevelopment Plan. Participant assumes all responsibility for any costs to perform under this Agreement.

The performance by the Participant shall include, throughout the Operating Covenant Period: (i) the satisfaction of the Conditions to Disbursement; (ii) the payment in full of all County fees and/or business licenses payable in respect to the operation of the Conforming Activities (the "Fee Condition"); (iii) provision of defense, indemnification, assumption of responsibility for, and provision of insurance as required pursuant to Section 12 of this Agreement (the "Indemnification Condition"); (iv) operation of Conforming Activities on an ongoing, continuous basis on the Property including a plastics manufacturing business operated under the Designated Trade Name (the "Operation Condition"); delivery of the Guaranty, duly executed by the Guarantors (the "Guaranty Condition"), (vi) maintenance of the Property in conformity with the Maintenance Agreement (the "Maintenance Condition"); (vii) maintenance of the security interests of the Agency under each of the Participant Deed of Trust and the Additional Deed of Trust with a priority not less than provided for the corresponding deed of trust required under this Agreement to be present at Closing (the "Security Condition"); (viii) there are no defaults under this Agreement (the "Default Condition"); (ix) maintaining employment at the level of not less than one hundred fifty (150) Qualifying Employees for each Annual Period during the term of the Participant Note (the "Employment Condition"); and (x) the Participant shall provide its certification in connection with the satisfaction of the foregoing Conditions in the form of the Participant Certificate, on an annual basis, on or before each March 1 that occurs during the Operating Covenant Period, and during such period shall provide such additional information with respect to any of such matters as the Executive Director or his designee shall determine to be necessary or covenant in connection with the review of the Participant Certificate(s) (the "Certificate Condition"). All of the Conditions set forth in this Section 7 together constitute the "Conditions of Ongoing Performance."

**8. Improvements to the Property; Maintenance.** The Participant is not required by this Agreement to make improvements to the Property. In the event Participant elects to make any improvements to the Property, the Participant shall cause all such improvements to be constructed,

rehabilitated or installed in compliance with all zoning, planning, design review and building regulations of the County and the Agency and shall carry out such improvements in conformity with this Agreement and all applicable laws, including federal, state and local laws. The Participant shall be responsible for any such improvements. Prior to commencing any work or improvement pursuant to this Agreement, the Participant shall secure all required permits of the County, the City and all other governmental agencies having jurisdiction with respect thereto.

The Participant shall maintain the Property in good condition, free of debris, waste and graffiti, in a clean and presentable manner, and in compliance with the terms of the Redevelopment Plan and with all applicable provisions of the City Code and the County Code. The Property shall be maintained in accordance with this Section 8 for not less than ten (10) consecutive Years after the approval by the Agency of this Agreement. If such buildings, landscaping or side areas are not so maintained, and such condition is not corrected as soon as possible after notice thereof from the Agency or the County, then either the Agency or the County may perform the necessary maintenance and the Participant shall pay such costs as are reasonably incurred for such maintenance. The Participant shall execute and cause to be recorded as to the Property the Maintenance Agreement.

**9. Credits.** Agency shall, subject to satisfaction on an annual basis each Year during the first five (5) Years of the Operating Current Period, provide a credit of Two Hundred Thousand Dollars (\$200,000.00) against the principal amount payable under the Participant Note. Application of such credit for the corresponding Annual Period is subject to satisfaction of each of the following conditions, as determined in good faith by the Executive Director:

- (a) The Participant is the fee owner of the Property;
- (b) The position of the Participant Deed of Trust is not lower than required under this Agreement at Closing with respect to either the Property and the position of the Additional Deed of Trust is not lower than required under this Agreement at closing with respect to the Additional Security Real Property;
- (c) The Designated Business has been operated continuously on the Property and has satisfied the Employment Condition for the preceding Annual Period;
- (d) Participant has satisfied each of the Conditions of Ongoing Performance on a continuous basis, provided that in no event will Agency make any payment to Participant under this Section 9 (this Section 9 being limited to the portion of credits against Participant's obligation or to a portion of the Participant Note).

**10. Operating Covenant.** The Participant shall operate on the Property only the Designated Business, and shall cause the Property to conform in all respects to all applicable regulations of federal, state and local agencies regulating the establishment or operations of such facilities. The Participant covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that the Participant and such successors and such assignees, shall devote the Property to the operation of the Designated Business on a continuous basis through a period equal to the greater of: (i) ten (10) Years from the Closing, or (ii) until the Agency Loan Agreement, with accrued interest, has been repaid in full (which period shall constitute the "Operating Covenant Period"); the Participant additionally agrees that throughout the Operating Covenant Period the use of the Property shall be limited to the conduct of Designated Business.



The Participant shall carry out all of its undertakings pursuant to this Agreement in conformity with the Redevelopment Plan, all applicable laws, and the Maintenance Agreement.

The Agency and the County are deemed the beneficiaries of the terms and provisions of this Agreement and of the covenants running with the land, for and in their own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided, without regard to whether the Agency or County have been, remain or are an owner of any land or interest therein in the Property or in the Project Area. The Agency and County shall have the right, if this Agreement or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which they or any other beneficiaries of this Agreement and covenants may be entitled.

**11. Participant's Representations and Warranties.** The Participant represents and warrants to the Agency as follows:

(a) No Conflict. The Participant's execution and delivery of this Agreement and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which the Participant is a party or by which the Participant is bound or other agreement or instrument which affects the Property.

(b) Governmental Compliance. The Participant has not received any notice from any governmental agency or authority alleging that the Property is currently in violation of any law, ordinance, rule, regulation or requirement applicable to its use and operation.

(c) Legal Actions. To the best of the Participant's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Property or any portion thereof or the Additional Security Real Property or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign.

(d) Impairment of Title. Until the Agency Loan has been satisfied, the Participant shall not do anything which would impair the Participant's title to the Property, or any portion of or rights therein or Guarantor's title to the Additional Security Real Property, or any portion of or rights thereon.

(e) FIRPTA. The Participant is not a "foreign person" within the definitions of FIRPTA, or is exempt from the provisions of FIRPTA, or the Participant has complied and will comply with all the requirements under FIRPTA.

(f) Bankruptcy. Neither the Participant nor the Guarantor is the subject of a current or threatened bankruptcy proceeding.

Until the repayment in full of the Agency Loan, the Participant shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 11 not to be true, immediately give written notice of such fact or condition to the Agency.

All of the representations and warranties set forth in this Section 11 are effective as of the Effective Date and shall be effective as of the Loan Closing.

**12. Insurance and Indemnity.** A certificate of all such insurance policies required by this Agreement shall be delivered to the Executive Director prior to the commencement of any work which Participant elects to undertake on the Property. No such insurance shall be canceled or modified without thirty (30) days prior written notice to the Agency.

(a) Indemnification. The Participant shall defend, indemnify and hold harmless the Agency, and its officers, employees, representatives and agents, from and against any and all liability, damages, costs, losses, claims and expenses, suits, actions, proceedings and judgments including attorney fees however caused, resulting directly or indirectly from or connected with the Property, the Additional Security Real Property, and/or this Agreement.

If the Participant defaults under the terms of this Agreement and such default remains uncured after the Agency has given Participant written notice thereof as set forth in Section 26, the Participant agrees to reimburse the Agency and the County immediately upon written demand for all costs reasonably incurred by the Agency and the County (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants, whether the same are independent contractors or employees of Agency) in connection with the enforcement of the Agreement, including the attachments thereto, and all related matters including the following: (a) the Agency's and/or County's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the parties to this Agreement, and (b) all claims, demands, causes of action, liabilities, losses, commissions and other costs against which the Agency and/or the County is indemnified under this Agreement. Such reimbursement obligations shall bear interest from the date occurring ten (10) days after the Agency or the County gives written demand to the Participant at the Applicable Interest Rate.

The Participant shall indemnify each of the County and the Agency from any real estate commissions or brokerage fees which may arise from this Agreement, the Property. The Participant represents that it has engaged no broker, agent, or finder in connection with this transaction, and the Participant agrees to hold each of the County and the Agency harmless from any claim by any broker, agent or finder in connection with this Agreement, the activities by the Participant, the Property or the Additional Security Real Property.

(b) Workers' Compensation. The Participant shall comply with, and shall cause its contractors to comply with, all of the provisions of the Worker's Compensation Insurance and Safety Acts of the State of California, the applicable provisions of the California Government Code and all amendments thereto; and all similar state or federal acts or laws which are applicable; and shall indemnify, defend and hold harmless each of the Agency and the County and their respective agents, representatives, officers and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including attorney's fees and costs presented, brought or recovered against the Agency or the County and their respective agents, officers, representatives and/or employees, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the Participant under this Agreement.

(c) Liability Insurance. The Participant shall furnish to the Agency and maintain in force during the Operating Covenant Period a policy of comprehensive general liability insurance in which each of the Agency, the County and their respective officers, employees, agents and representatives are named as additional insureds. The policy shall indemnify each of the Agency, the County and their respective officers, representatives, agents and employees, while acting within the

scope of their duties, against any and all claims arising out of or in connection with the Property and the Participant's performance of this Agreement. The policy shall provide coverage for combined single limit bodily injury and/or property damage in an amount not less than One Million Dollars (\$1,000,000) per occurrence and not less than Two Million Dollars (\$2,000,000) aggregate. Such policy of insurance shall specifically provide that: (i) any other insurance coverage which may be applicable to the loss shall be deemed excess coverage and the Participant's insurance shall be primary; (ii) the Agency and the County and their respective officers, agents and employees, shall be additional insureds; and (iii) coverage may not be terminated or modified excepting upon 30-days prior written notice to the Executive Director.

(d) Property Damage Insurance. The Participant shall furnish to the Agency and maintain throughout the Operating Covenant Period property damage insurance in amounts reasonably required by the Executive Director from time to time, with the Agency named as loss payee (if such coverage is available) and in no event less than \$1,000,000.

All insurance as made available pursuant to this Section 12 shall provide that it may not be canceled or materially modified without 30 days prior written notice to the Agency. The Agency shall be an additional insured in the policies required under subparagraphs (c) and (d) if such endorsements are available. No such insurance shall include deductible amounts to which the Agency has not previously consented in writing. Certificates of insurance for the above policies (and/or original policies, if required by the Agency) shall be delivered to the Agency from time to time within ten (10) days after demand therefor.

Coverage provided hereunder by Participant shall be primary insurance and not be contributing with any insurance maintained by Agency or County, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the County and Agency. None of the above-described policies shall require Participant to meet a deductible or self-insured retention amount of more than Five Thousand Dollars (\$5,000.00) unless approved in writing by the Executive Director. All policies shall be written by good and solvent insurers qualified to do business in California and shall have a policyholder's rating of A or better in the most recent edition of "Best's Key Rating Guide -- Property and Casualty." The required certificate shall be furnished by Participant at the time set forth herein.

Participant hereby waives all rights to recover against Agency or County (or any officer, employee, agent or representative of Agency or County) for any loss incurred by Participant from any cause insured against or required by this Agreement to be insured against; provided, however, that this waiver of subrogation shall not be effective with respect to any insurance policy if the coverage thereunder would be materially reduced or impaired as a result. Participant shall use its best efforts to obtain only policies which permit the foregoing waiver of subrogation.

**13. Release of Lien as to Additional Security Real Property, Release of Guaranty upon Earning of Credits.** In the event the Participant has earned and been awarded credits, pursuant to Section 9 of this Agreement, aggregating One Million Dollars (\$1,000,000), or if the Participant otherwise, by a combination of earning of credits and payments of principal, causes the principal amount outstanding under the Participant Note to be reduced by at least One Million Dollars (\$1,000,000) as against the original principal amount of the Participant Note, upon receipt of written request therefor, the Executive Director will, within a reasonable time upon receipt of such request: (i) provide evidence to Participant and Guarantors that the Guaranty shall be released and of no further force and effect, and (ii) prepare and deliver to Participant in recordable form a partial

release and reconveyance as to the Additional Security Real Property; provided that the Participant Deed of Trust shall remain as to the Property and provided further that all executory provisions of this Agreement shall remain in full force and effect.

**14. Assumption of the Agency Loan; Requests for Subordination by the Participant.**

The Agency Loan is made to the Participant based upon the Participant's qualifications and is personal to the Participant. It is because of those qualifications that the Agency has entered into this Agreement with the Participant. Accordingly, the Participant's rights and obligations under this Agreement, the Participant Note, the Participant Deed of Trust and the Maintenance Agreement shall not be assignable or assumable by successors and assigns of the Participant, and no voluntary or involuntary successor in interest of the Participant shall acquire any rights or powers under this Agreement, the Participant Note, the Participant Deed of Trust or the Maintenance Agreement except as expressly set forth and/or permitted herein.

**15. Compliance With Laws.** The Participant shall carry out the conduct of the Designated Business in conformity with all applicable laws, including all applicable state labor standards, the County zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Code, the County Code, all applicable environmental laws, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*

Labor Code Section 1720(b)(3) treats work performed under contract with certain public entities as a "public work" where the work is paid for in whole or in part with public funds, which payment may be accomplished by a transfer of an asset of value for less than a fair market value price. Similar treatment applies to a loan made on below-market terms. To the fullest extent required by applicable law, or as determined, opined, and/or ordered by the State Department of Industrial Relations (DIR), the Participant shall assume full responsibility that the Participant shall pay prevailing wages in connection with the construction of improvements to the extent required under Health and Safety Code Sections 33423 through 33426, and Labor Code Section 1770, *et seq.*, and shall be responsible for the keeping of all records required pursuant to Labor Code Section 1776, complying with the maximum hours requirements of Labor Code Sections 1810 through 1815, complying with the requirements of Labor Code Sections 1726 and 1781, and complying with all regulations and statutory requirements pertaining thereto. In so stating, Participant and Agency agree that Participant is not required by this Agreement to undertake any improvements.

Further, the Participant agrees that public works, if any (as defined in California Labor Code Section 1720) performed pursuant to this Agreement ("Covered Work"), if any and as applicable (as determined by the Participant and its legal counsel or as determined, opined, or ordered by the State Department of Industrial Relations (DIR),) shall comply with the requirements of California Labor Code Sections 1770, *et seq.* If prevailing wages are applicable in conjunction with such improvements, then in all bid specifications, contracts and subcontracts for Covered Work, the Participant (or its general contractor, in the case of subcontracts) shall obtain the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft, classification or type of worker needed to perform Covered Work, and shall include such rates in the bid specifications, contract or subcontract. Such bid specifications, contract or subcontract must contain the following provision:

It shall be mandatory for the contractor to pay not less than the said prevailing rate of wages to all workers employed by the contractor in the execution of this contract. The contractor expressly agrees to comply with the penalty provisions of California Labor Code Section 1775 and the payroll record keeping requirements of California Labor Code Section 1771.

Because no improvements are required to be undertaken by virtue of this Agreement, Participant believes that there is no requirement to pay prevailing wages in the event Participant elects to make improvements to the Property from time to time.

The Participant does hereby and shall defend, indemnify and hold each of the Agency and County harmless from and against any and all claims, demands, causes of action, obligations, damages, liabilities, costs and expenses, including reasonable attorneys' fees, that may be asserted against or incurred by the Agency or County with respect to or in any way arising from the Participant's compliance with or failure to comply with applicable laws, including all applicable federal and state labor standards including without limitation the requirements of Labor Code Section 1720.

**16. Condition of the Property.** Participant hereby represents that to the best of its knowledge the Participant is not aware of and has not received any notice or communication from any government agency having jurisdiction over the Property notifying Participant of the presence of surface or subsurface zone Hazardous Materials in, on, or under the Property, or any portion thereof. "Best Knowledge," or "Best of Knowledge," as used herein, shall not impose a duty of investigation, and shall be limited to the Best Knowledge of the Participant.

During the Operating Covenant Period, Participant shall take all necessary precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Property. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Participant shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Materials.

During the Operating Covenant Period, the Participant shall notify the other parties, and provide the other parties with a copy or copies, of all environmental permits, disclosures, applications, entitlements, or inquiries relating to the Property, including notices of violation, notices to comply, citations, inquiries, clean up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials. Each party shall notify the other parties, as soon as possible after each incident, as to any unusual or potentially important incidents with respect to the environmental condition of the Property. In the event of a release of any Hazardous Materials into the environment, Participant shall, as soon as possible after the release, furnish to Agency a copy of any and all reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request, each party shall furnish to the other parties a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Property including, but not limited to, all permit applications, permits and reports including, without limitation, those reports and other matters which may be characterized as confidential. This paragraph shall not be construed to require that any action be taken by the Agency or the County upon receipt of notification by the Participant.

**17. Nondiscrimination.** The Participant 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 premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land. All deeds or leases as may hereafter be entered into by the Participant with respect to the Property will contain or be subject to substantially the nondiscrimination or nonsegregation clauses provided under Health and Safety Code Section 33436.

**18. Taxes and Assessments.** Throughout the Operating Covenant Period, Participant shall pay prior to delinquency all ad valorem real estate taxes and assessments on the Property. Participant shall remove or have removed any levy or attachment made on the Property or any part thereof which is owned or leased by Participant, or assure the satisfaction thereof within a reasonable time, but in no event to exceed sixty (60) days. Participant shall additionally defend, indemnify, and hold harmless the Agency and the County from and against any taxes, assessments, mechanic's liens, claims of materialmen and suppliers, or other claims by private parties in connection with activities undertaken by the Participant, the Property, or the Additional Security Real Property.

**19. Enforced Delay; Extensions of Times for Performance.** In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where delays or defaults are due to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; litigation; unusually severe weather; acts or omissions of the other party; acts or failures to act of a public or governmental agency or entity (other than the Agency); or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Any requests for extension shall be in writing. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the Agency and the Participant. Notwithstanding the foregoing portion of this Section 19, the Participant is not entitled pursuant to this Section 19 to an extension of time to perform because of: (i) past, present, or future difficulty in obtaining suitable temporary, construction, or permanent financing for the acquisition, development or operation of the Property; (ii) the failure to obtain a license; (iii) with respect to uses or businesses requiring approval by a franchisor, the failure to obtain approval of the franchisor; (iv) the failure to obtain insurance (and proof thereof) required by this Agreement.

**20. Conflicts of Interest.** No member, officer or employee of the County or Agency, its designees or agents and no member, officer, employee or other public official of such locality or localities who exercise any functions or responsibilities with respect to the activities undertaken pursuant to this Agreement or to the program shall have any interest, direct or indirect, in this Agreement or in any contract, subcontract or the proceeds thereof, for work to be performed in connection with this Agreement.

**21. Records.** The Participant shall maintain complete and accurate records pertaining to the operation of the Designated Business and establishment and maintenance of jobs at the Property, and shall permit any duly authorized representative of the Agency to inspect the books and records of the Participant pertaining to such matters and other records necessary or convenient to determine compliance with this Agreement.

**22. Termination; Defaults.** In the event the Conditions of Disbursement are not satisfied within sixty (60) days after the Effective Date, the Agency may terminate this Agreement.

Failure or delay by either Party to perform any covenant, term or provision of this Agreement to be performed by such party within the time provided herein constitutes a default ("Event of Default") under this Agreement. In addition, any default under any instruments recorded as to the Property senior to the Participant Deed of Trust or recorded as to the Additional Security Real Property senior to the Additional Deed of Trust shall be deemed to constitute default by the Participant under and for purposes of this Agreement. The injured Party shall give written notice of default to the Party in default, specifying the default complained of by the injured Party. The defaulting Party shall immediately commence to cure such default and shall complete such cure within thirty (30) days from the date of the notice or such longer period if the nature of the default is such that more than thirty (30) days is required to cure such default and the defaulting Party immediately commences to cure and thereafter diligently pursues such cure to completion within a reasonable period of time. Except as required to protect against further damages, the injured Party may not institute proceedings against the party in default until thirty (30) days after giving such notice. Any failure or delay by either party in giving such notice or in asserting any of its rights or remedies as to any default shall not change the times of such default nor shall it operate as a waiver of any default or of any such rights or remedies or deprive either such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

**23. Attorneys' Fees and Costs.** In the event that any action is instituted pursuant to this Agreement, the Parties agree that the non-prevailing Party shall be responsible for and shall pay all costs and all attorneys' fees incurred by the prevailing Party in enforcing this Agreement, including fees for a Party's use of in-house counsel based upon rates customarily charged by private law firms engaged by such Party.

**24. Legal Actions.** In addition to any other rights or remedies, either Party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy authorized by law or equity consistent with the purpose of this Agreement and the Exhibits hereto. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California.

**25. Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

**26. Acceptance of Service of Process.** In the event that any legal action is commenced by the Participant against the Agency, service of process on the Agency shall be made by personal service on the Agency by personal service upon the Agency Secretary, or in such other manner as may be provided by law. In the event that any legal action is commenced by the Agency against the Participant, service of process on the Participant shall be made in such manner as may be provided by law, whether made within or outside the State of California.

**27. Rights and Remedies are Cumulative.** Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party or one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, or any other rights or remedies for the same default or any other default by the other Party.

**28. Notices.** Any notices, requests or approvals given under this Agreement from one Party to another may be personally delivered or deposited with the United States Postal Service for mailing, postage prepaid, registered or certified mail, return receipt requested to the following addresses:

To Participant:           AMA Plastics, Inc.  
                                  c/o Mark Atchison  
                                  4262 Hidden Oaks Drive  
                                  Yorba Linda, CA 92886

To Agency:                Executive Director  
                                  Redevelopment Agency for the County of Riverside  
                                  3403 10th Street, Suite 500  
                                  Riverside, California 92501

Any written notice, request or approval shall be deemed received immediately if personally delivered and on the third day from the date it is postmarked if delivered by registered or certified mail.

**29. Relationship of the Agency and the Participant; County as Third Party Beneficiary.** The relationship of the Participant and the Agency pursuant to this Agreement is that of debtor and creditor and shall not be, nor be construed to be a joint venture, partnership or other relationship. The Agency shall not be construed to have any property interest in the Property, nor a property interest in the Additional Security Real Property, other than its interests pursuant to the Participant Deed of Trust. The County shall be deemed to be a third party beneficiary of this Agreement (including without limitation the Exhibits hereto). Excepting for the County, there shall be no third party beneficiaries of this Agreement.

**30. Miscellaneous.** The Participant has had an opportunity to review this Loan Agreement with legal counsel and other advisers of its choosing. The Participant additionally acknowledges and agrees that the Participant (without limitation as to the liability of the owner of the Property) shall be responsible for all property taxes and assessments imposed in respect to the Property and improvements thereon (and that the County shall have no responsibility in connection therewith). This Agreement shall be interpreted as if prepared equally by both Parties and in light of the beneficial terms under which the Agency has agreed to make available to the Participant the Agency Loan Amount.

**31. No Waiver.** A waiver by any party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.



**32. Modifications.** Any alteration, change, or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

**33. Severability.** If any term, provision, condition, or covenant of this Agreement or its application to any Party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

**34. Entire Agreement, Waivers and Amendments.** This Agreement may be executed in duplicate originals, each of which shall be deemed to be an original. This Agreement consists of twenty-one (21) pages and Exhibits A, B, C, D, E, F, G, H and I, each of which is deemed to be incorporated herein by reference, integrates all of the terms and conditions mentioned herein or incidental hereto, and restates all other negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof. Any waiver, modification, rescission or release of any provision of this Agreement must be in writing and signed by the appropriate authorities of the Agency and/or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Participant. The Executive Director of the Agency may execute any documents, make any approvals, enter into any amendments, or take any other actions as may be necessary or appropriate to carry out this Agreement on behalf of the Agency. This Agreement may be executed in up to three (3) counterparts, each of which shall constitute an original.

**35. Time of Essence.** Time is of the essence of every portion of this Agreement in which time is a material part.

**CLERK'S COPY**

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as the date set forth above.

**AGENCY:**

**REDEVELOPMENT AGENCY FOR THE  
COUNTY OF RIVERSIDE**, a public body corporate  
and politic

By: *Marion Ashley*  
Agency Chairperson

MARION ASHLEY

ATTEST: **KECIA HARPER-IHEM**

*Kecia Harper-Ihem*, Deputy  
Agency Secretary

**PARTICIPANT:**

**AMA PLASTICS, INC.**, a California corporation

By: \_\_\_\_\_  
Name: Mark Atchison  
Its: Chief Executive Officer

FORM APPROVED COUNTY COUNSEL

BY: *Anita C. Willis*  
ANITA C. WILLIS DATE

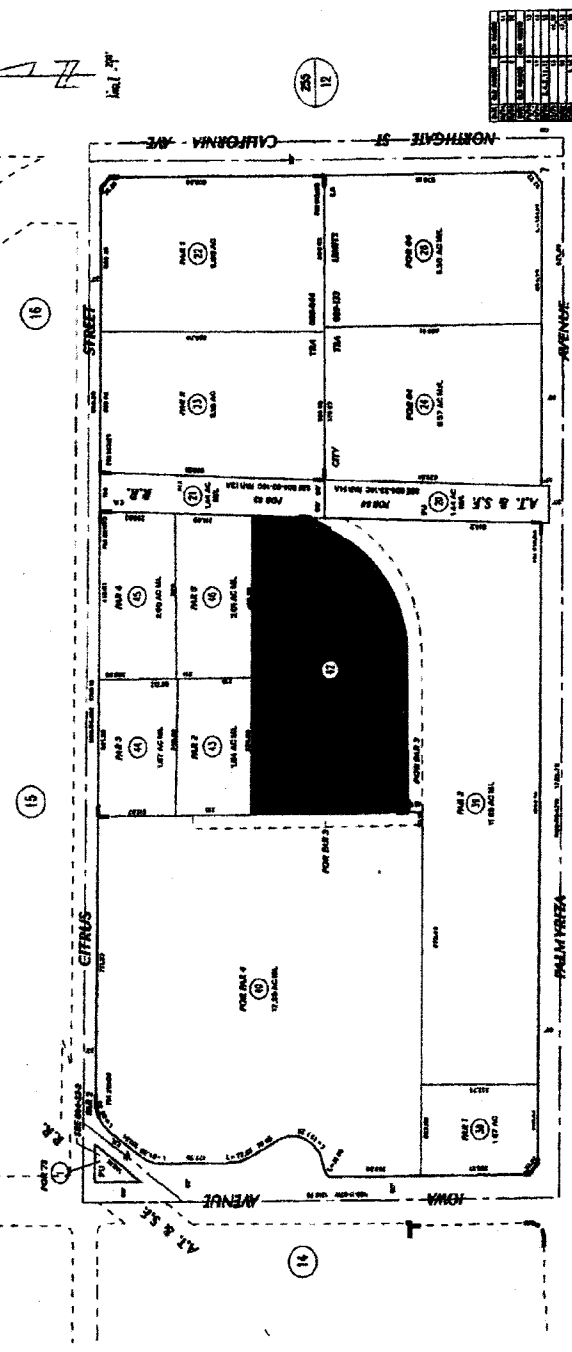
**EXHIBIT "A"**  
**MAP OF THE PROPERTY**

Parcel Map

THIS MAP WAS PREPARED FOR THE ASSOCIATION PURSUANT TO THE ORDER OF THE COURT IN THE MATTER OF THE ESTATE OF WALTER MOORE, DECEASED, FILED IN THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT IN HAWAII, COUNTY OF HONOLULU, ON OCTOBER 1, 2007.

POR. SE 7 T. 25. R. 4W  
CITY OF RIVERSIDE

247-17  
12-11



NO 7/03 80 EAST RIVERSIDE  
 PL 13/78-80 PARCEL MAP NO 28114  
 PL 21/02-03 PARCEL MAP NO 31827  
 PL 22/03-05 PARCEL MAP NO 34105

WITH REF. TO  
 ASSOCIATION'S MAP NO. 02 16.17  
 Riverside County, Calif. JCV



**EXHIBIT "B"**

**PARTICIPANT NOTE**

**PROMISSORY NOTE**

\$2,000,000.00

\_\_\_\_\_, 2010  
Riverside, California

For value received, AMA Plastics, Inc. (the "Participant") promises to pay to the **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, a public body, corporate and politic (the "Agency"), or order at the Agency's office at 3403 10th Street, Suite 500, Riverside, California 92501, or such other place as the Agency may designate in writing, the principal sum of Two Million Dollars (\$2,000,000.00) (the "Note Amount"), in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

**1. Agreement.** This Promissory Note (the "Note") is made in accordance with that certain Loan Agreement executed by the Agency and the Participant, dated as of September 14, 2010 (the "Agreement"). The rights and obligations of the Participant and the Agency under this Note shall be governed by the Agreement and by the additional terms set forth in this Note. The Note Amount shall be disbursed in such amounts and at such times as set forth in Section 6 of the Agreement. All capitalized terms used in this note not defined herein shall have the meaning as established therefor in the Agreement. The Agreement is on file with the Agency as a public record. Payment under this Note shall be secured by a deed of trust with the Agency as beneficiary (the "Participant Deed of Trust").

**2. Interest.** Simple interest shall accrue upon the Note Amount at two interest rates: (i) for the first One Million Dollars (\$1,000,000) an interest rate of four percent (4%) simple per annum, fully amortized over the ten-year term (the "Term") culminating with April 1, 2021 (the "Maturity Date"), and (ii) for the second One Million Dollars (\$1,000,000) an interest rate of zero percent (0%) simple per annum, as more fully set forth in the Participant Note; excepting that in the event of: (i) a transfer or sale of the Property, (ii) a transfer, sale, or closure of the Designated Business (or the sale or transfer of a controlling interest in the Designated Business) without having first obtained the written consent of the Executive Director, or (iii) the occurrence of any Event of Default, interest shall thereupon accrue at the rate of ten percent (10%) per annum (provided that in the event such interest rate exceeds the maximum interest which may be lawfully charged, then this Note shall be deemed to instead provide for interest to be charged at the highest interest rate that may be charged pursuant to applicable laws).

**3. Repayment of Note Amount.** Payment shall be due on the first day of each month, commencing April 1, 2011, in the amount of Ten Thousand One Hundred Twenty-Four Dollars and fifty-two cents (\$10,124.52). In addition, the total amount of the principal, interest and any other amounts owed under this Note shall become immediately due and payable upon the earlier to occur of the following:

(a) The sale, lease, exchange or other conveyance of the Property, as that term is defined in the Agreement, without having first obtained the prior written approval of the Executive Director;

(b) The transfer or sale of the Designated Business without having first obtained the prior written approval of the Executive Director, or the closure of the Designated Business (or the transfer or sale of a controlling interest in the Designated Business);

(c) The failure to operate the Designated Business continuously during the Operating Covenant Period (as provided in Section 9 of the Agreement);

(d) The refinancing of any lien secured by the Additional Security Real Property and senior to the Participant Deed of Trust for an amount in excess of the current balance of such lien without having first obtained the prior written approval of the Executive Director;

(e) A default by the trustor under the Additional Deed of Trust or a default by the Participant under the Agreement, the Participant Deed of Trust, the "Maintenance Agreement" (as defined in the Agreement), or this Note, which has not been cured within the period of time set forth in those documents; or

(f) The occurrence of the Maturity Date.

Failure to declare such amounts due shall not constitute a waiver on the part of the Agency to declare them due subsequently.

**4. Credits.** Credits will be applied if and to the extent applicable pursuant to Section 9 of the Agreement.

**5. Security; Due on Sale.** This Note is secured by the Participant Deed of Trust dated concurrently herewith. Maker agrees to notify the Holder not less than thirty (30) days prior to (i) the sale or transfer of the Designated Business or Maker's interest in the Property or the Additional Security Real Property. The amount outstanding under this Note shall be due and payable (i) upon such sale or transfer contrary to the provisions of the Agreement; or (ii) if the Designated Business is no longer operated on the Property pursuant to the Agreement or Maker is in default of any other obligation pursuant to the Agreement, including without limitation the Exhibits thereto.

**6. Waivers.**

(a) The Participant expressly agrees that this Note or any payment hereunder may be extended from time to time at the sole discretion of the Executive Director and that the Agency may accept security in consideration for any such extension or release any security for this Note at its sole discretion, all without in any way affecting the liability of the Participant.

(b) No extension of time for payment of this Note made by agreement by the Agency with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of the Participant under this Note, either in whole or in part.

(c) The obligations of the Participant under this Note shall be absolute and the Participant waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

(d) The Participant waives presentment, demand, notice of protest and nonpayment, notice of default or delinquency, notice of acceleration, notice of costs, expenses or leases or interest thereon, notice of dishonor, diligence in collection or in proceeding against any of the rights of interests in or to properties securing of this Note, and the benefit of any exemption under any homestead exemption laws, if applicable.

(e) No previous waiver and no failure or delay by the Agency in acting with respect to the terms of this Note, the Maintenance Agreement, the Additional Deed of Trust or the Participant Deed of Trust shall constitute a waiver of any breach, default, or failure or condition under this Note, the Maintenance Agreement, the Additional Deed of Trust, the Participant Deed of Trust or the obligations secured thereby or otherwise described therein. A waiver of any term of this Note, the Maintenance Agreement, the Additional Deed of Trust and the Participant Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

**7. Attorneys' Fees and Costs.** The Participant agrees that if any amounts due under this Note are not paid when due, to pay in addition, all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

**8. Amendments and Modifications.** This Note may not be changed orally, but only by an amendment in writing signed by the Participant and by the Agency.

**9. Agency May Assign.** The Agency may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Participant.

**10. Participant Assignment Prohibited.** In no event shall the Participant assign or transfer any portion of this Note without the prior express written consent of the Agency, which consent may be given or withheld in the Agency's sole discretion.

**11. Terms.** Any terms not separately defined herein shall have the same meanings as set forth in the Agreement.

**12. Acceleration and Other Remedies.** Upon the occurrence of the events set forth in Section 5 hereof, the Agency may, at the Agency's option, declare the outstanding principal amount of this Note, together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the Participant Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the Participant Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. The Agency shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as such the Agency may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of the Agency in exercising any right hereunder,

under the Agreement or under the Participant Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of the Agency's right to either require prompt payment when due of all other sums payable hereunder or to declare an Event of Default for failure to make prompt or complete payment.

**13. Consents.** The Participant hereby consents to: (a) any renewal, extension or modification (whether one or more) of the terms of the Agreement or the terms or time of payment under this Note, (b) the release or surrender or exchange or substitution of all or any part of the security, whether real or personal, or direct or indirect, for the payment hereof, (c) the granting of any other indulgences to the Participant, and (d) the taking or releasing of other or additional parties primarily or contingently liable hereunder. Any such renewal, extension, modification, release, surrender, exchange or substitution may be made without notice to the Participant or to any endorser, guarantor or surety hereof, and without affecting the liability of said parties hereunder.

**14. Successors and Assigns.** Whenever "Agency" is referred to in this Note, such reference shall be deemed to include the Redevelopment Agency for the County of Riverside and its successors and assigns, including, without limitation, any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of the Participant, and on behalf of any makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of the Agency and the Agency's successors and assigns.

**15. Usury.** It is the intention of the Participant and the Agency to conform strictly to the Interest Law, as defined below, applicable to this loan transaction. Accordingly, it is agreed that notwithstanding any provision to the contrary in this Note, or in any of the documents securing payment hereof or otherwise relating hereto, the aggregate of all interest and any other charges or consideration constituting interest under the applicable Interest Law that is taken, reserved, contracted for, charged or received under this Note, or under any of the other aforesaid agreements or otherwise in connection with this loan transaction, shall under no circumstances exceed the maximum amount of interest allowed by the Interest Law applicable to this loan transaction. If any excess of interest in such respect is provided for in this Note, or in any of the documents securing payment hereof or otherwise relating hereto, then, in such event:

- (a) The provisions of this paragraph shall govern and control;
- (b) Neither the Participant nor the Participant's, legal representatives, successors or assigns shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest allowed by the Interest Law applicable to this loan transaction;
- (c) Any excess shall be deemed canceled automatically and, if theretofore paid, shall be credited on this Note by the Agency or, if this Note shall have been paid in full, refunded to the Participant; and
- (d) The effective rate of interest shall be automatically subject to reduction to the Maximum Legal Rate of Interest (as defined below), allowed under such Interest Law, as now or hereafter construed by courts of appropriate jurisdiction. To the extent permitted by the Interest Law applicable to this loan transaction, all sums paid or agreed to be paid to the Agency for the use,

forbearance or detention of the indebtedness evidenced hereby shall be amortized, prorated, allocated and spread throughout the full term of this Note. For purposes of this Note, "Interest Law" shall mean any present or future law of the State of California, the United States of America, or any other jurisdiction which has application to the interest and other charges under this Note. The "Maximum Legal Rate of Interest" shall mean the maximum rate of interest that the Agency may from time to time charge Participant, and under which the Participant would have no claim or defense of usury under the Interest Law.

**16. Miscellaneous.** Time is of the essence hereof. This Note shall be governed by and construed under the laws of the State of California except to the extent Federal laws preempt the laws of the State of California. The Participant irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Riverside, in connection with any legal action or proceeding arising out of or relating to this Note. The Participant also waives any objection regarding personal or *in rem* jurisdiction or venue.

**PARTICIPANT:**

**AMA PLASTICS, INC.,** a California corporation

By: \_\_\_\_\_  
Name: Mark Atchison  
Its: Chief Executive Officer



**EXHIBIT "C"**

**DEED OF TRUST**

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Redevelopment Agency for the County of  
Riverside  
3403 10th Street, Suite 500  
Riverside, California 92501  
Attention: Executive Director

This document is exempt from the payment of a recording  
fee pursuant to Government Code Section 6103 and 27383.

**DEED OF TRUST AND ASSIGNMENT OF RENTS**

This **DEED OF TRUST WITH ASSIGNMENT OF RENTS** (this "Deed of Trust"), is made as of \_\_\_\_\_, 2010, by and among **AMA PLASTICS, INC.**, a California corporation (the "Trustor"), whose address is 1100 Citrus Avenue, Riverside, California 92507, \_\_\_\_\_ (the "Trustee"), whose address is \_\_\_\_\_, and the **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, a public body, corporate and politic (the "Beneficiary"), whose address is 3403 10th Street, Suite 500, Riverside, California 92501.

**WITNESSETH:** that Trustor grants to Trustee in Trust, with Power of Sale, that property in the City of Riverside, the County of Riverside, State of California, that is described in Attachment No. 1, attached hereto and by this reference incorporated herein (the "Property");

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing (1) Payment of indebtedness in the principal amount of \$2,000,000.00 together with interest thereon according to and as set forth in the certain Note from AMA Plastics, Inc. (the "Participant") to the Beneficiary of even date herewith (which repayment may be made by credit pursuant to the terms of such promissory note); (2) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period and upon fifteen (15) business days notice to the Trustor, with interest thereon as provided herein; (3) Payment of such additional sums and interest thereon which may hereafter be loaned to Trustor or, with the prior consent of Trustor, to the Participant, or its successors or assigns, by Beneficiary, when evidenced by a promissory note or notes or other documents reciting that they are secured by this Deed of Trust; and (4) Performance of every obligation, covenant or agreement of Trustor contained herein, in the Note (and any amendments thereto) in that certain Loan Agreement between the Participant and the Beneficiary dated as of September 14, 2010, a copy of which is on

file with the Agency as a public record (the "Loan Agreement") and any amendments thereto, and in the "Maintenance Agreement" (Exhibit E to the Loan Agreement), and any amendments thereto.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Riverside County, August 18, 1964, in Book 3778, Page 347 of the Official Records of the County Recorder of the County of shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivision A and B, (identical in all counties), are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law. This Deed of Trust further includes Attachment No. 1 hereto, which is attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

**TRUSTOR**

**AMA Plastics, Inc.,**  
a California corporation

---

By: Mark Atchison  
Its: Chief Executive Officer

**ATTACHMENT NO. 1 TO EXHIBIT "C"**

**LEGAL DESCRIPTION**

Parcel 1 of Parcel Map No. 34195, in the City of Riverside, County of Riverside, State of California, as shown on Map filed in Book 221, Pages 93 to 96 inclusive of Parcel Maps, records of said County.

APN: 247-170-042-7

STATE OF CALIFORNIA

)  
) ss.  
)

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public,  
(Print Name of 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 of Notary Public

**OPTIONAL**

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

**CAPACITY CLAIMED BY SIGNER**

**DESCRIPTION OF ATTACHED DOCUMENT**

- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

\_\_\_\_\_  
Title Or Type Of Document

- Partner(s)       Limited
- General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: \_\_\_\_\_

\_\_\_\_\_  
Number Of Pages

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
Date Of Documents

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

**EXHIBIT "D"**

**MAINTENANCE AGREEMENT**

WHEN RECORDED MAIL TO:

Redevelopment Agency of the County of Riverside  
3403 10th Street, Suite 500  
Riverside, California 92501  
Attention: Executive Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This Maintenance Agreement (the "Agreement") is made by AMA Plastics, Inc. (the "Participant") and the Redevelopment Agency for the County of Riverside, a public body corporate and politic (the "Agency"), as of September 14, 2010.

**RECITALS**

A. The Agency and the Participant have entered into an agreement entitled "Loan Agreement", dated September 14, 2010 (the "Loan Agreement"), concerning the redevelopment of certain real property situated in the City of Riverside, County of Riverside, California, which real property (the "Property") is fully described in Attachment No. 1 attached hereto and made a part hereof. The Loan Agreement is on file with the Agency as a public record.

B. As referenced in the Loan Agreement, the Participant is required to execute an agreement in favor of the Agency for the maintenance of the Property.

**NOW, THEREFORE**, the Participant agrees as follows:

**1. Performance of Maintenance.**

(a) The Participant shall maintain the improvements and landscaping on the Property in accordance with the Maintenance Standards, as hereinafter defined. Said improvements shall include, but not be limited to, buildings, sidewalks, pedestrian lighting, landscaping, irrigation of landscaping, architectural elements identifying the Property and any and all other improvements on the Property.

(b) The following standards ("Maintenance Standards") shall be complied with by the Participant and its maintenance staff, contractors or subcontractors:

1. All buildings and other improvements to the Property (the "Improvements") shall be maintained in conformance and in compliance with all applicable laws, ordinances and the Redevelopment Plan for Project No. 5 (as amended), this Maintenance Agreement and reasonable commercial development maintenance standards for similar projects, including but

not limited to the painting and cleaning of all exterior surfaces and other exterior facades in the improvements on the Property.

2. The Property shall be maintained as required by this Section 1 in good condition and in accordance with the custom and practice generally applicable to comparable light industrial facilities located within the Southern California area.

3. Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

4. Clean up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and other paved areas in clean and weed free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

5. All maintenance work shall conform to all applicable federal and state Occupational Safety and Health Act standards and regulations for the performance of maintenance.

6. Any and all chemicals, unhealthful substances, and pesticides used in and during maintenance shall be applied in strict accordance with all governing regulations. Precautionary measures shall be employed recognizing that all areas are open to public access.

**2. Failure to Maintain Improvements.** In the event the Participant does not maintain the improvements on the Property in the manner set forth herein and in accordance with the Maintenance Standards, the Agency and/or County shall have the right to maintain such improvements, or to contract for the correction of such deficiencies, after written notice to the Participant. However, prior to taking any such action, the Agency agrees to notify the Participant in writing if the condition of said improvements does not meet with the Maintenance Standards and to specify the deficiencies and the actions required to be taken by the Participant to cure the deficiencies. Upon notification of any maintenance deficiency, the Participant shall have thirty (30) days within which to correct, remedy or cure the deficiency. If in the written notification states the problem is urgent relating to the public health and safety of the County or the Agency, then the Participant shall have forty eight (48) hours to rectify the problem.

In the event the Participant fails to correct, remedy, or cure or has not commenced correcting, remedying or curing such maintenance deficiency after notification and after the period of correction has lapsed, then County and/or the Agency shall have the right to maintain such improvements. The Participant agrees to pay the Agency such reasonable and documented third party charges and costs. 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. Upon recordation of a Notice of a Claim of Lien against the Property, such lien shall constitute a lien on the fee estate in and to the Property prior and superior to all other monetary liens except: (i) all

taxes, bonds, assessments, and other levies which, by law, would be superior thereto; (ii) the lien or charge of any mortgage, deed of trust, or other security interest then of record made in good faith and for value, it being understood that the priority of any such lien for costs incurred to comply with this Agreement shall date from the date of the recordation of the Notice of Claim of Lien. Any such lien shall be subject and subordinate to any lease or sublease of the interest of the Participant in the Property or any portion thereof and to any easement affecting the Property or any portion thereof entered into at any time (either before or after) the date of recordation of such a Notice. Any lien in favor of the Agency created or claimed hereunder is expressly made subject and subordinate to any mortgage or deed of trust made in good faith and for value, recorded as of the date of the recordation of the Notice of Claim of Lien describing such lien as aforesaid, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of any such mortgage or deed of trust, unless the mortgage or beneficiary thereunder expressly subordinates his interest, of record, to such lien. 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. Upon foreclosure of any mortgage or deed of trust made in good faith and for value and recorded prior to the recordation of any unsatisfied Notice of Claim of Lien, the foreclosure purchaser shall take title to the Property free of any lien imposed by the Agency that has accrued up to the time of the foreclosure sale, and upon taking title to the Property, such foreclosure purchaser shall only be obligated to pay costs associated with this Agreement accruing after the foreclosure purchaser acquires title to the Property. If the Property is ever legally divided with the written approval of the Agency and fee title to various portions of the Property is held under separate ownerships, then the burdens of the maintenance obligations set forth herein and in this Agreement and the charges levied by the Agency to reimburse the Agency for the cost of undertaking such maintenance obligations of the Participant and its successors and the lien for such charges shall be apportioned among the fee owners of the various portions of the Property under different ownerships according to the square footage of the land contained in the respective portions of the Property owned by them. Upon apportionment, no separate owner of a portion of the Property shall have any liability for the apportioned liabilities of any other separate owner of another portion of the Property, and the lien shall be similarly apportioned and shall only constitute a lien against the portion of the Property owned in fee by the owner who is liable for the apportioned charges levied by the Agency and secured by the apportioned lien and against no other portion of the Property. The Participant acknowledges and agrees County and Agency may also pursue any and all other remedies available in law or equity. The Participant shall be liable for any and all attorneys' fees, and other legal costs or fees incurred in collecting said maintenance costs.

**3. Compliance with Law.** The Participant shall comply with all local, state and federal laws relating to the uses of or condition of the improvements on the Property. Local laws for the purposes of this Section 3 shall include only those ordinances which are nondiscriminatory in nature and applicable to the public welfare, health, safety and aesthetics. If any new local laws relating to uses of or condition of the improvements create a condition or situation that constitutes a lawful nonconforming use as defined by local ordinance with respect to the Property or any portion thereof, then so long as the lawful nonconforming use status remains in effect (i.e., until such lawful status is properly terminated by amortization as provided for in the new local law or otherwise), the Participant shall be entitled to enjoy the benefits of such lawful nonconforming use pursuant to the lawful nonconforming uses ordinance.

**4. Nondiscrimination.** The Participant covenants for itself, its successors and assigns, and all persons claiming under or through them, as follows: "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 premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

**5. Duration.** The provisions hereof shall remain in effect until September 14, 2020. The provisions of this Agreement shall be enforceable by the Agency and/or the County of Riverside, a political subdivision of the State of California (the “County”), but not by any third parties.

**PARTICIPANT:**

AMA PLASTICS, INC., a California corporation

By: \_\_\_\_\_  
Name: Mark Atchison  
Its: Chief Executive Officer



**ATTACHMENT NO. 1 TO MAINTENANCE AGREEMENT**

**LEGAL DESCRIPTION OF THE PROPERTY**

Parcel 1 of Parcel Map No. 34195, in the City of Riverside, County of Riverside, State of California, as shown on Map filed in Book 221, Pages 93 to 96 inclusive of Parcel Maps, records of said County.

APN: 247-170-042-7

STATE OF CALIFORNIA

)  
) ss.  
)

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public,  
(Print Name of 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 of Notary Public

**OPTIONAL**

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

**CAPACITY CLAIMED BY SIGNER**

**DESCRIPTION OF ATTACHED DOCUMENT**

- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

\_\_\_\_\_  
Title Or Type Of Document

- |   |                          |         |
|---|--------------------------|---------|
| <input type="checkbox"/> Partner(s)           | <input type="checkbox"/> | Limited |
| <input type="checkbox"/> Attorney-In-Fact     | <input type="checkbox"/> | General |
| <input type="checkbox"/> Trustee(s)           |                          |         |
| <input type="checkbox"/> Guardian/Conservator |                          |         |
| <input type="checkbox"/> Other:               |                          |         |

\_\_\_\_\_  
Number Of Pages

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
Date Of Documents

\_\_\_\_\_  
\_\_\_\_\_

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

## EXHIBIT "E"

### GUARANTY

**THIS GUARANTY OF PAYMENT** is made as of September 14, 2010, by **MARK ATCHISON** and **LISA ATCHISON** (collectively, the "Guarantors") in favor of **REDEVELOPMENT AGENCY OF THE COUNTY OF RIVERSIDE**, a public body corporate and politic (the "Agency").

### RECITALS

A. The Agency, the County of Riverside, municipal corporation (the "County"), and AMA Plastics, Inc., a California corporation (the "Participant") have entered into that certain Loan Agreement dated as of September 14, 2010 (the "Agreement") which, among other things, provides for the operation of Conforming Activities operated under the Designated Trade Name on certain real property defined therein as the "Property" with particular improvements for such Conforming Activities (as defined in the Agreement) thereon, all as more particularly set forth in the Agreement. Guarantors have reviewed the Agreement together with legal counsel of Guarantors' choosing. It is agreed by Guarantors that this guaranty shall survive each of the commencement and termination of the Agreement. (Capitalized terms used herein, and not otherwise defined, shall have the same meanings as those terms in the Agreement.)

B. Mark Atchison and Lisa Atchison own a majority interest in the Participant, and each of Mark Atchison and Lisa Atchison, will benefit as a result of the Participant entering into the Agreement, and agrees to guarantee the making of payments to the Agency as more particularly set forth below.

C. As an inducement for the Agency to enter into the Agreement and disburse moneys thereunder, and but for which the Agency would not have entered into the Agreement or would not disburse moneys thereunder, the Guarantors execute and deliver to the Agency this Guaranty.

**THEREFORE**, to induce Agency to enter into the Agreement, and in consideration thereof, Guarantors unconditionally guarantees and agrees as follows:

1. **Guaranty.** Guarantors unconditionally guarantee the full and timely performance by the Participant under the Agreement, including without limitation: (i) the continuous operation of the business devoted to the manufacture of plastics and related sales operating under the trade name "AMA Plastics" on the Property throughout the Operating Covenant Period, and (ii) the making of payments under the Participant Note.

2. **Duration; Joint and Several Obligation.** This Guaranty shall remain in effect until the satisfaction in full of the Participant Note. The obligations hereunder shall be joint and several obligations of each of Mark Atchison and Lisa Atchison.

3. **Remedies.** If Guarantors, or either of them, fail to promptly perform their obligations under this Guaranty, Agency shall have the following remedies (without limitation as to remedies under other instruments):

3.1 From time to time and without first requiring performance by the Participant (or any other guarantor) or exhausting any or all security to bring any action at law or in equity or

both to compel Guarantors to perform its obligations hereunder, and to collect in any such action compensation for all loss, costs, damage, injury and expense sustained or incurred by Agency as a direct or indirect consequence of the failure of Guarantors to perform their obligations.

**4. Rights of Agency.** Guarantors authorize Agency, without giving notice to Guarantor or obtaining Guarantors' consent (but subject to Participant's consent being obtained) and without affecting the liability of Guarantors, from time to time to: (a) renew or extend all or any portion of Participant's obligations under the Agreement; (b) make non-material changes in the dates specified for payments of any sums payable or for the performance of any obligations under the Agreement; (c) otherwise modify the terms of the Agreement; (d) take and hold security for the performance of Participant's obligations under the Agreement, and exchange, enforce, waive and release any such security; (e) apply such security and direct the order or manner of sale thereof as Agency in its discretion may determine; and (f) release, substitute or add any one or more guarantors of Participant's obligations under the Agreement.

**5. Guarantors' Waivers.** Guarantors waive: (a) any defense based upon any legal disability or other defense of Participant, any other guarantor or other person, or by reason of the cessation or limitation of the liability of Participant from any cause other than full payment of all sums payable under the Agreement; (b) any defense based upon any lack of authority of the officers, directors, partners or agents acting or purporting to act on behalf of Participant or any principal of Participant or any defect in the formation of Participant or any principal of Participant; (c) any defense of Guarantors, or either or them, based upon Agency's election of any remedy against one or both Guarantors or Participant, or both Guarantors and Participant; (d) any defense based upon Agency's failure to disclose to Guarantors (or either of them) any information concerning Participant's financial condition or any other circumstances bearing on Participant's ability to pay all sums payable under the Agreement; (e) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal; (f) the Guarantors' or other surety's rights of subrogation, reimbursement, indemnification, and contribution and any other rights and defenses that are or may become available to the Guarantors or other surety by reason of Civil Code Sections 2787 to 2855, inclusive; (g) any rights or defenses that the Guarantors or other surety may have in respect of his or her obligations as a guarantor or other surety by reason of any election of remedies by the Agency; (h) all rights and defenses arising out of an election of remedies by the Agency, even though that election of remedies has destroyed the Guarantors' right of subrogation and reimbursement against the principal; (i) any defense based upon Agency's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any successor statute; (j) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code; (k) any right of subrogation, any right to enforce any remedy which Agency may have against Participant and any right to participate in, or benefit from, any security now or hereafter held by Agency; (l) presentment, demand, protest and notice of any kind; and (m) the benefit of any statute of limitations affecting the liability of Guarantors hereunder or the enforcement hereof. Guarantors agree that the payment of all sums payable under the Agreement or any part thereof or other act which tolls any statute of limitations shall similarly operate to toll the statute of limitations applicable to Guarantors' liability hereunder. Without limiting the generality of the foregoing or any other provision hereof, Guarantors expressly waive any and all benefits which might otherwise be available to Guarantors under California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, or under California Code of Civil Procedure Sections 580(a), 580(b), 580(d) and 726 or any of such sections.

**6. Guarantors' Representations and Warranties.** Guarantors, and each of them, hereby represent, warrant and acknowledge that: (a) Agency would not enter into the Agreement but for this Guaranty; (b) there are no conditions precedent to the effectiveness of this Guaranty; (c) Guarantors have established adequate means of obtaining from sources other than Agency, on a continuing basis, financial and other information pertaining to Participant's financial condition, and the status of Participant's performance of obligations imposed by the Agreement, and Guarantors agree to keep adequately informed from such means of any facts, events or circumstances which might in any way affect Guarantors' risks hereunder and Agency has made no representation to Guarantors as to any such matters; (d) Guarantors' most recent financial statements are true and correct in all respects, have been prepared in accordance with accounting principles consistently applied and fairly present the financial condition of Guarantors as of the respective dates thereof, and no material adverse change has occurred in the financial condition of Guarantors since the respective dates thereof; and (e) Guarantors' granting and execution of this Guaranty is not in any way a violation of any other existing obligation, covenant or promise of Guarantors.

**7. Subordination.** Guarantors subordinate all present and future indebtedness owing by Participant to Guarantors to the obligations at any time owing by Participant to Agency under the Agreement. Guarantors agree to make no claim for such indebtedness until all obligations of Participant under the Agreement have been fully discharged.

**8. Bankruptcy of Participant.** In any bankruptcy or other proceeding in which the filing of claims is required by law, Guarantors shall file all claims which Guarantors may have against Participant relating to any indebtedness of Participant to Guarantors. If all or any portion of the obligations guaranteed hereunder are paid or performed, the obligations of Guarantors hereunder shall continue and shall remain in full force and effect in the event that all or any part of such payment or performance is avoided or recovered directly or indirectly from Agency as a preference, fraudulent transfer or otherwise under the Bankruptcy Code or other similar laws, irrespective of (a) any notice of revocation given by Guarantors prior to such avoidance or recovery, and (b) full payment and performance of all of the indebtedness and obligations evidenced by the Agreement.

**9. Additional, Independent and Unsecured Obligations.** This is a guaranty of payment and not of collection and the obligations of Guarantors hereunder shall be in addition to and shall not limit or in any way affect the obligations of Guarantors under any other existing or future guaranties unless said other guaranties are expressly modified or revoked in writing. This Guaranty is independent of the obligations of Participant under the Agreement. Agency may bring a separate action to enforce the provisions hereof against Guarantors, or either of them, without taking action against Participant or any other party or joining Participant, any other guarantor, or any other party as a party to such action. This Guaranty is not secured and shall not be deemed to be secured by any security instrument.

**10. Attorneys' Fees; Enforcement.** If any attorney is engaged by Agency to enforce or defend any provision of this Guaranty, or as a consequence of any default under the Agreement, with or without the filing of any legal action or proceeding, Guarantors shall pay to Agency, immediately upon demand, the amount of all reasonable attorneys' fees and costs incurred by Agency in connection therewith.

**11. Interpretation.** The term "person" as used herein shall include any individual, company, trust or other legal entity of any kind whatsoever. When the context and construction so

require, all words used in the singular herein shall be deemed to have been used in the plural and vice versa.

**12. Titles and Headings.** All headings appearing in this Guaranty are for convenience only and shall be disregarded in construing this Guaranty.

**13. Governing Law.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of California, except to the extent preempted by Federal laws. Guarantors and all persons and entities in any manner obligated to Agency under this Guaranty consent to the jurisdiction of any Federal or State Court within the State of California having proper venue and also consent to service of process by any means authorized by California or Federal law.

**14. Enforceability.** Guarantors hereby acknowledge that: (a) the obligations undertaken by Guarantors in this Guaranty are complex in nature, and (b) numerous possible defenses to the enforceability of these obligations may presently exist and/or may arise hereafter, and (c) as part of Agency's consideration for entering into this transaction, Agency has specifically bargained for the waiver and relinquishment by Guarantors of all such defenses, and (d) Guarantors have had the opportunity to seek and receive legal advice from skilled legal counsel in the area of financial transactions of the type contemplated herein. Given all of the above, Guarantors do hereby represent and confirm to Agency that Guarantors are fully informed regarding, and that Guarantors do thoroughly understand: (i) the nature of all such possible defenses, and (ii) the circumstances under which such defenses may arise, and (iii) the benefits which such defenses might confer upon Guarantors, and (iv) the legal consequences to Guarantors of waiving such defenses.

**15. Waiver of Right to Trial by Jury.** TO THE GREATEST EXTENT PERMITTED BY LAW, EACH PARTY TO THIS GUARANTY OF PAYMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THE AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THE AGREEMENT (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY PARTY TO THIS GUARANTY OF PAYMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

**16. Miscellaneous.** The provisions of this Guaranty will bind and benefit the heirs, executors, administrators, legal representatives, successors and assigns of Guarantors and Agency. The liability of all persons and entities that are in any manner obligated hereunder shall be joint and several. If any provision of this Guaranty shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed from this Guaranty and the remaining parts shall remain in full force as though the invalid, illegal or unenforceable portion had never been part of this Guaranty. Notice to either Mark Atchison or Lisa Atchison shall be deemed to constitute notice to both Mark Atchison and Lisa Atchison.

**IN WITNESS WHEREOF**, Guarantor (and each of Mark Atchison and Lisa Atchison) has executed this Guaranty as of the date appearing on the first page of this Guaranty.

---

MARK ATCHISON

---

LISA ATCHISON

**GUARANTOR**

**EXHIBIT "F"**

**PARTICIPANT CERTIFICATE**

(Participant Letterhead)  
Redevelopment Agency of the County of Riverside  
3403 10th Street, Suite 500  
Riverside, California 92501

Attn: Executive Director

With respect to that certain Loan Agreement (the "Agreement") by and between AMA PLASTICS, INC., a California corporation (the "Participant") and the REDEVELOPMENT AGENCY OF THE COUNTY OF RIVERSIDE (the "Agency") dated as of September 14, 2010, the undersigned, on behalf of the Participant, hereby certify to Agency that, as of the date of this Participant Certificate (with capitalized terms herein having the same meanings as set forth in the Agreement):

1. Participant has satisfied all of and is not in default of any of: the Certificate Condition, the Default Condition, the Security Condition, the Fee Condition, the Indemnification Condition, the Maintenance Condition, the Guaranty Condition, the Employment Condition, or the Operation Condition.

Participant renames to City each and every representation and/or warranty made to Agency under the Agreement.

2. A report setting forth in detail jobs, both full time and part time, at the Property by Participant are attached as Addendum No. 1 hereto.

3. As of the submittal of this Participant Certificate, the Participant has satisfied the Conditions of Ongoing Compliance.

AMA PLASTICS, INC., a California corporation

Dated: \_\_\_\_\_

\_\_\_\_\_  
Mark Atchison

Dated: \_\_\_\_\_

\_\_\_\_\_  
Lisa Atchison



Addendum No. 1 to Exhibit "F"

Annual Compliance Report

Report for the Annual Period ending as of \_\_\_\_\_, 20\_\_ :

Total Full Time Employees employed at Property: \_\_\_\_\_

Other employees at Property: \_\_\_\_\_

Total Composite Full Time Employees: \_\_\_\_\_

Cumulative total, Qualifying Employees: \_\_\_\_\_

Supporting data: [to be attached and submitted with Participant Certificate]

**EXHIBIT "G"**

**LEGAL DESCRIPTION OF THE PROPERTY**

Parcel 1 of Parcel Map No. 34195, in the City of Riverside, County of Riverside, State of California, as shown on Map filed in Book 221, Pages 93 to 96 inclusive of Parcel Maps, records of said County.

APN: 247-170-042-7

## EXHIBIT "H"

### LEGAL DESCRIPTION OF THE ADDITIONAL SECURITY REAL PROPERTY

The land referred to herein is situated in the County of Orange, State of California, and is described as follows:

**Parcel 1:**

Lot 57, (The "Lot") of amended map No. 1 of Tract No. 14555, in the City of Yorba Linda, County of Orange, State of California, as shown on a map recorded in book 834, pages 16 to 21, inclusive, of miscellaneous maps, in the office of the County Recorder of County.

Except therefrom the oil, gas, minerals, and other hydrocarbon substances lying below the surface of said land, as provided in deeds of record.

**Parcel 2:**

Non-exclusive easements for access, drainage, encroachment, maintenance and repair, all as my be shown on the map and as described in the declaration of covenants, conditions, restrictions and reservation of easements for Kerrigan Ranch I ("Declaration"), recorded August 13, 2002 as instrument No. 2002-0674428, official records of said county.

Assessor's Parcel Number: 323-482-57

**EXHIBIT "I"**

**ADDITIONAL DEED OF TRUST**

**DEED OF TRUST**

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Redevelopment Agency for the County of  
Riverside  
3403 10th Street, Suite 500  
Riverside, California 92501  
Attention: Executive Director

This document is exempt from the payment of a recording  
fee pursuant to Government Code Section 6103 and 27383.

**DEED OF TRUST AND ASSIGNMENT OF RENTS**

This **DEED OF TRUST WITH ASSIGNMENT OF RENTS** (this "Deed of Trust"), is made as of \_\_\_\_\_, 2010, by and among **MARK ATCHISON** and **LISA ATCHISON** (collectively, the "Trustor"), whose address is 4262 Hidden Oaks Drive, Yorba Linda, California 92886, \_\_\_\_\_ (the "Trustee"), whose address is \_\_\_\_\_, and the **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**, a public body, corporate and politic (the "Beneficiary"), whose address is 3403 10th Street, Suite 500, Riverside, California 92501.

**WITNESSETH:** that Trustor grants to Trustee in Trust, with Power of Sale, that property in the City of Yorba Linda, the County of Orange, State of California, that is described in Attachment No. 1, attached hereto and by this reference incorporated herein (the "Additional Security Real Property");

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing (1) Payment of indebtedness in the principal amount of \$2,000,000.00 together with interest thereon according to and as set forth in the certain Note from AMA Plastics, Inc. (the "Participant") to the Beneficiary of even date herewith (which repayment may be made by credit pursuant to the terms of such promissory note, and with respect to which Trustor herein is guarantor); (2) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period and upon fifteen (15) business days notice to the Trustor, with interest thereon as provided herein; (3) Payment of such additional sums and interest thereon which may hereafter be loaned to Trustor or, with the prior consent of Trustor, to the Participant, or its successors or assigns, by Beneficiary, when evidenced by

a promissory note or notes or other documents reciting that they are secured by this Deed of Trust; and (4) Performance of every obligation, covenant or agreement of Trustor contained herein, in the Note (and any amendments thereto) in that certain Loan Agreement between the Participant and the Beneficiary dated as of September 14, 2010, a copy of which is on file with the Agency as a public record (the "Loan Agreement") and any amendments thereto, and in the "Maintenance Agreement" (Exhibit E to the Loan Agreement), and any amendments thereto.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Riverside County, August 18, 1964, in Book 3778, Page 347 of the Official Records of the County Recorder of the County of shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivision A and B, (identical in all counties), are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law. This Deed of Trust further includes Attachment No. 1 hereto, which is attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

**TRUSTOR**

---

Mark Atchison

---

Lisa Atchison

**ATTACHMENT NO. 1 TO EXHIBIT "I"**

**LEGAL DESCRIPTION**

The land referred to herein is situated in the County of Orange, State of California, and is described as follows:

**Parcel 1:**

Lot 57, (The "Lot") of amended map No. 1 of Tract No. 14555, in the City of Yorba Linda, County of Orange, State of California, as shown on a map recorded in book 834, pages 16 to 21, inclusive, of miscellaneous maps, in the office of the County Recorder of County.

Except therefrom the oil, gas, minerals, and other hydrocarbon substances lying below the surface of said land, as provided in deeds of record.

**Parcel 2:**

Non-exclusive easements for access, drainage, encroachment, maintenance and repair, all as my be shown on the map and as described in the declaration of covenants, conditions, restrictions and reservation of easements for Kerrigan Ranch I ("Declaration), recorded August 13, 2002 as instrument No. 2002-0674428, official records of said county.

Assessor's Parcel Number: 323-482-57

STATE OF CALIFORNIA

)

COUNTY OF \_\_\_\_\_

) ss.

)

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public,  
(Print Name of 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 of Notary Public

**OPTIONAL**

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

**CAPACITY CLAIMED BY SIGNER**

**DESCRIPTION OF ATTACHED DOCUMENT**

- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

\_\_\_\_\_  
Title Or Type Of Document

- Partner(s)       Limited
- General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: \_\_\_\_\_

\_\_\_\_\_  
Number Of Pages

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
Date Of Documents

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

**Riverside County Board of Supervisors  
Request to Speak**

Submit request to Clerk of Board (right of podium),  
Speakers are entitled to three (3) minutes, subject  
Board Rules listed on the reverse side of this form.

**SPEAKER'S NAME:** Theresa Newham

**Address:** \_\_\_\_\_  
(only if follow-up mail response requested)

**City:** Riverside **Zip:** 92504

**Phone #:** 951-977-9373

**Date:** Sept. 14, 2016 **Agenda #** 4.5

**PLEASE STATE YOUR POSITION BELOW:**

**Position on "Regular" (non-appealed) Agenda Item:**

\_\_\_\_\_ **Support**      \_\_\_\_\_ **Oppose**      \_\_\_\_\_ **Neutral**

**Note:** If you are here for an agenda item that is filed  
for "Appeal", please state separately your position on  
the appeal below:

\_\_\_\_\_ **Support**      \_\_\_\_\_ **Oppose**      \_\_\_\_\_ **Neutral**

**I give my 3 minutes to:** \_\_\_\_\_



## **BOARD RULES**

### **Requests to Address Board on "Agenda" Items:**

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

### **Requests to Address Board on items that are "NOT" on the Agenda:**

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.

### **Power Point Presentations/Printed Material:**

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

### **Individual Speaker Limits:**

**Individual speakers are limited to a maximum of three (3) minutes.** Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. **Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.**

### **Group/Organized Presentations:**

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

### **Addressing the Board & Acknowledgement by Chairman:**

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman may result in removal from the Board Chambers by Sheriff Deputies.