

Exhibit B – Note

HOME BUYER ASSISTANCE PROGRAM NOTE

Date: 12/28/07

Loan Number: HB08-044

Borrower(s): *Humberto Ruiz*

Property Address: **4019 E. Garland, Fresno, CA 93726**

1. PARTIES

"Borrower" means each person signing at the end of this Note, and the person's successors and assigns. "Lender" means the CITY OF FRESNO, a municipal corporation and its successors and assigns.

2. BORROWER'S PROMISE TO PAY

In return for a loan received from Lender, Borrower promises to pay the principal sum of Seventy-Four Thousand Eight Hundred Fifty-Two Dollars and No/Cents (\$74,852.00) at the rate of zero percent (0%) interest.

3. PROMISE TO PAY SECURED

Borrower's promise to pay is secured by a mortgage, Deed of Trust or similar security instrument that is dated the same date as this Note and called the "Security Instrument." The Security Instrument protects the Lender from losses which might result if Borrower defaults under this Note.

Therefore, the Borrower understands and agrees that this Note is made for the sole purpose of assisting the Borrower(s) in the purchase of the Borrower's home as their principal place of residence.

The Borrower agrees that this Note shall be immediately due and payable upon the following events:

- 1) any change in residency of the Borrower(s) from the Borrower's home used as security for the Note described above, unless having obtained the written consent of the Lender; and
- 2) the sale or transfer, without the Lender's prior written consent, of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of the Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of land interest.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is given in accordance within which Borrower must pay all sums secured by this Note. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Note without further notice or demand on the Borrower.

Lender agrees to automatically terminate the restrictions contained herein, if title to the mortgaged property is transferred by foreclosure or deed in lieu of foreclosure, or if the mortgage is assigned to the Secretary of the United States Department of Housing and Urban Development.

4. PERIOD OF AFFORDABILITY

The HOME Investment Partnerships Program sets periods of affordability as provided in 24 CFR 92.254 based on the amount of HOME funds provided. The period of affordability for this program is fifteen years (15 years), after which time \$4,000 will be forgiven if the home is still the Borrower's principal residence and has not been sold or transferred. Year one shall be the 12-month period following execution of this document, with each succeeding year beginning on the anniversary of the document execution and ending 12 months hence. There will be no partial years.

5. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep

all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

6. BORROWER'S RIGHT TO PREPAY

Borrower has the right to make payments of principal at any time. A payment of principal only is known as "Prepayment." When Borrower makes a Prepayment, he/she will tell the Lender in writing that they are doing so.

Borrower may make a full Prepayment or partial Prepayment without paying a Prepayment charge. The Lender will use any Prepayments to reduce the amount of principal that is owed under this Note.

7. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limits; and (b) any sums already collected which exceeded permitted limits will be refunded. The Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to the Borrower.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to the Borrower under this Note will be given by delivering it or by mailing it by first class mail to the Borrower at the Property Address above.

Any notice that must be given to the Lender under this Note will be given by delivering it or by mailing it by first class mail to the Lender at: City of Fresno, Finance Division, 2600 Fresno St., Room 2156, Fresno, California, 93721 or at a different address if Borrower is given notice of that different address.

9. PRESERVATION OF THE PROPERTY

Borrower (a) shall keep the property in good condition and repair; (b) shall not remove, demolish or substantially alter any building, structure or improvement thereon; (c) shall complete or restore promptly and in good workmanlike manner any building which may be constructed, damaged or destroyed thereon and will pay when due all claims for labor performed and material furnished therefore; (d) shall comply with the provisions of all insurance policies covering and with all laws and regulation affecting the property or requiring any alterations, repairs or improvements thereon; (e) shall not commit or suffer any waste thereon; (f) shall not commit or suffer any act upon the property in violation of any provision of any insurance policy or law or regulation; (g) shall paint, decorate, cultivate, irrigate, fertilize, fumigate and prune the property; and, (h) consistent with the use thereof, do all other acts which the character or use of the property may reasonably require.

10. SUBORDINATION OF CITY LOAN

Subordinations will be allowed for the current principal balance of the primary loan at the time of the requested subordination. The new loan shall not contain any balloon payments or call dates. It must be a fully amortized loan. No cash out or costs of the subordination transaction will be allowed in the new loan.

LENDER: CITY OF FRESNO

By signing below, Borrower(s) accept(s) and agree(s) to the terms and covenants contained in this Note and acknowledges receipt of a copy of this statement.

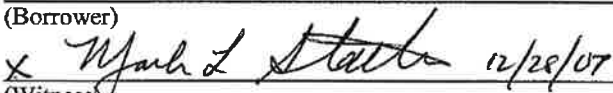
X 
(Borrower)

(Borrower)

(Borrower)

(Borrower)

(Borrower)

X  12/28/07
(Witness)

DO NOT DESTROY THIS ORIGINAL NOTE