Exhibit G

MONTEREY COUNTY

ECONOMIC DEVELOPMENT DEPARTMENT

REDEVELOPMENT AND HOUSING OFFICE

Jim Cook, Director

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November 2, 2011

Peggy Silvestri, Executrix
Epie and Tomasa Fresquez Estate
418 Virginia Avenue
Salinas, CA 93907

SUBJECT: Epie Fresquez, Jr.
Rehabilitation Loan – 02HOME and CalHOME
419-A Hyland Drive, Salinas CA APN: 261-122-015-000

Dear Peggy:

At your family's request, we are in the process of qualifying your brother, Epie Fresquez, Jr., to assume your deceased parents' County rehabilitation loan and remain living in the home.

As you know, on June 21, 2006, the County's Housing Loan Committee approved a rehabilitation loan to replace your parents' existing home with a 3-bedroom, 2-bath manufactured home. There were two (2) funding sources— 02HOME-0620 and 04CalHOME – that made up the loan. Repayment of loan principal and interest was deferred until such time as the property was either sold or transferred to someone other than a spouse or original co-borrower, or your parents ceased to occupy the unit, whichever came first. At the time both your parents passed away, technically the total rehabilitation loan, principal and interest, became due and payable.

According to the 02HOME-0620 Loan Guidelines, an heir or beneficiary has the right to assume the loan *if* they qualify as a household that earns no more than eighty-percent (80%) of Area Median Income for the number of individuals in the household. Although we are not at the point of formal approval, based on the documentation submitted regarding Epie's financial situation, it appears he will qualify to assume the HOME loan.

The CalHOME Loan Program, however, requires their loan to be paid in full when the property is no longer occupied by the owner-recipients. A meeting with the State's Cal Home program representative made it clear this is non-negotiable.

The current pay-off balance of the CalHOME portion of the loan, principal plus interest, is $58,079.45. This pay off amount is good until November 30, 2011; interest will continue to accrue at a daily rate of $4.11 after that date.

Based on the above information, your options to remedy this situation at this time are to:

- Sell the home and pay off the entire rehabilitation loan ($238,344.13, principle and interest); or
- Pay off the CalHOME loan portion ($58,079.45) and qualify Epie Jr. to assume the HOME portion.

There is a possibility that we may be able to use Redevelopment "First Time Homebuyer" funds to extend a loan to Epie to pay off the CalHOME loan. However:

1. Use those funds will not be possible (if at all) until sometime *into the next year (2012)*; there is a distinct possibility we may be prohibited from using the funds for this purpose;
2. If allowed to use Redevelopment funds, a deed restriction requiring the property to remain "affordable" to 80% buyers for not less than 45 years would have to be recorded against the property; and
3. Title to the subject property cannot be in Epie's name before any of the above actions are taken. With the property in his name, Epie would not be considered a "first time homebuyer" under the RDA program.

We would like this situation to be resolved within the next 6-months. If possible, you and/or your family should pay off the CalHOME loan. We would appreciate a response indicating what actions you plan to take as soon as possible.

If you have any questions or concerns, please contact me at (831) 755-5388.

Sincerely,

GMarkley

Gretchen Markley
Administrative Services Assistant
Redevelopment and Housing Office