

ATTACHMENT B

COUNTY FUNDS LOAN PROMISSORY NOTE

\$1,100,00

Santa Barbara, California
June [], 2026

FOR VALUE RECEIVED, FLT San Simeon Oaks, L.P., a Delaware limited partnership ("Borrower"), whose principal address is 2082 Michelson Drive, Irvine, California 92612, hereby promises to pay to the order of the County of Santa Barbara, a political subdivision of the State of California ("Lender"), whose address is 123 E. Anapamu Street, 2nd Floor, Santa Barbara, California 93101, the principal amount equal to One Million, One Hundred Thousand Dollars (\$1,100,000), or so much thereof as may be advanced by Lender to Borrower, together with interest thereon, as set forth below.

1. **PURPOSE.** In order to assist Borrower in developing a total of one hundred six (106) residential housing units, comprised of fifty-one (51) one-bedroom, twenty-six (26) two-bedroom and twenty-nine (29) three-bedroom units, of which one (1) two-bedroom apartment unit will serve as an on-site manager's residence that is not subject to income and rent restrictions, located at the intersection of San Marcos Road and San Simeon Drive, adjacent to Hollister Avenue, in the area of unincorporated south Santa Barbara County, California ("Project"), Lender has agreed to loan to Borrower the amount of One Million, One Hundred Thousand Dollars (\$1,100,000) ("County Loan") comprised of In-Lieu fees assessed and collected on private development projects through the County Planning and Development Department and held by the County as housing trust funds ("County Funds").

2. **BORROWER'S OBLIGATION.** This promissory note ("County Loan Note") evidences Borrower's obligation to pay Lender the principal amount of One Million One Hundred Thousand Dollars (\$1,100,000), for the County Funds loaned to Borrower by Lender for the specific uses designated, and subject to the terms and conditions set forth, in that certain loan agreement by and between Borrower and Lender of even date herewith ("County Loan Agreement").

3. **INTEREST.** Subject to Section 4, below, this County Loan Note shall bear simple interest at the rate of three percent (3%) per annum from the date of the first disbursement under the County Loan Agreement and this County Loan Note. Interest hereunder is not compounding.

4. **DEFAULT INTEREST.** In the event of an Event of Default by Borrower of any of its obligations under this County Loan Note or any of the other County Loan Documents, interest shall accrue on the outstanding principal of this County Loan Note at an annual rate equal to the lesser of (i) ten percent (10%), or (ii) the highest interest allowed by law, in addition to the interest rate provided in Section 3, above, from the date of such Event of Default until the date that such Event of Default is cured, if subject to cure pursuant to Section 8 of the County Loan Agreement,

or the County Loan is repaid in full, and such default interest shall be due and payable by Borrower to Lender monthly on the first day of each month.

5. AMOUNT AND TIME OF PAYMENT. All unpaid principal and accrued and unpaid interest hereunder shall be due and payable on the earlier of: (a) the date that is fifty-five (55) years after the date of the recordation of the Notice of Completion issued for the Project, or (b) the date the Property is sold or otherwise Transferred (except with respect to a Transfer expressly permitted by the County Loan Documents), in whole or in part, directly or indirectly, by operation of law or otherwise, unless Lender expressly consents in advance in writing to such Transfer in each instance, and each such Transfer is completed in accordance with all conditions imposed by Lender in connection with such consent, including, but not limited to, such transferee expressly assuming, in writing duly executed by such transferee in form approved by Lender, all of Borrower's obligations hereunder and under the other County Loan Documents, or (c) the occurrence of an Event of Default by Borrower, as defined in the County Loan Agreement, which, if subject to cure, has not been cured as provided for in Section 8.2 of the County Loan Agreement, or (d) any Capital Transaction (as defined in the County Loan Agreement). Annual payments on the County Loan hereunder shall be made in accordance with Section 7, below. In the event of an Event of Default by Borrower, which, if subject to cure, has not been cured as provided for in Section 8.2 of the County Loan Agreement, all unpaid principal and all accrued and unpaid interest hereunder shall immediately be due and payable in accordance with Section 9 of this County Loan Note. In any event, all unpaid principal and all accrued and unpaid interest hereunder shall be due and payable by Borrower to Lender no later than December 31, 2081.

6. DEFINITIONS. All capitalized terms used but not defined in this County Loan Note shall have the respective meanings ascribed to such terms in the County Loan Agreement. In the event of any conflict between the provisions of this County Loan Note and the provisions of the County Loan Agreement, the provisions of the County Loan Agreement shall control and prevail.

7. PAYMENTS. All accrued interest and principal hereunder shall be due and payable in accordance with the terms set forth in Section 5, above. Annual payments on the County Loan shall be made from Residual Receipts, as such term is defined in the County Loan Agreement. Annual payments from Residual Receipts shall be made in accordance with the following: fifty percent (50%) to the Lender for payment of the County Loan. In the event of a Capital Transaction, the proceeds of such Capital Transaction shall be applied to repayment of the County Loan in accordance with the provisions of the County Loan Agreement. All payments made on the County Loan by Borrower shall be applied as follows: first to pay then-current annual interest due, then to the cumulative interest owed, if any; then to reduce the principal amount of the County Loan.

In the event that either of Borrower or Lender determines that there has been an understatement or underpayment of the amount of Residual Receipts reported or paid to Lender (such understatement or underpayment to be based on the audited financial statements of Borrower), Borrower shall

promptly pay to Lender the full amount of such understatement or underpayment, but in any event, no later than the date that is twenty (20) days after the earlier of (a) the date of Borrower's determination of such understatement or underpayment, or (b) Lender's notice to Borrower of Lender's determination of such understatement or underpayment. In the event that Lender determines that there has been an overpayment of Residual Receipts to Lender, Lender shall promptly pay to Borrower the amount of such overpayment, but in any event, within twenty (20) days of such determination. If contested, Borrower has the right to pay under protest and request and pay for an audit by an independent certified public accountant.

8. PLACE AND MANNER OF PAYMENT. All amounts due and payable under this County Loan Note are payable at the office of Lender at the address set forth above, or at such other place as Lender may designate to Borrower in writing from time to time, in any coin or currency of the United States which on the respective Annual Payment Dates shall be legal tender for the payment of public and private debts.

9. DEFAULT AND ACCELERATION. This County Loan Note is secured by the County Loan Deed of Trust. All covenants, conditions and agreements contained in the County Loan Deed of Trust and the County Loan Agreement are hereby made a part of this County Loan Note. Borrower agrees that the amount of principal and all then-accrued and unpaid interest hereunder, shall, at the option of Lender, be immediately due and payable upon any Event of Default, as defined in the County Loan Agreement, which, if subject to cure in accordance with Section 8.2 of the County Loan Agreement and the applicable Notice of Default, has not been cured in accordance with the County Loan Agreement and the applicable Notice of Default, including, but not limited to, the failure of Borrower to make any payment when due. Upon the occurrence of any Event of Default, Lender may exercise any other rights or remedies permitted under this County Loan Note, any of the other County Loan Documents, or applicable law. Cure of an Event of Default made or tendered by Borrower's Limited Partner shall be accepted or rejected on the same basis as if made or tendered by Borrower in accordance with the County Loan Agreement.

10. PREPAYMENT OF COUNTY LOAN. No prepayment penalty will be charged to Borrower for prepayment of all or any portion of the County Loan. However, prepayment of the County Loan during the 55-year term of the County Loan Regulatory Agreement shall not affect Borrower's obligations under the County Loan Regulatory Agreement.

11. NO OFFSET. Borrower hereby waives any and all rights of offset it now has or may hereafter have against Lender, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this County Loan Note.

12. **WAIVERS.** All presentments, notices of dishonor, and protests are waived by all makers, sureties, guarantors, and endorsers of this County Loan Note, if any.

13. **NOTICES.** Except as may be otherwise specifically provided herein, no approval, notice, or consent of Lender shall be effective unless in writing signed by Lender. Notices to Borrower hereunder may be delivered to Borrower at the address of Borrower set forth below, or at such other place or places as Borrower may designate in writing, from time to time, in accordance with the Notice provisions of the County Loan Agreement, for the receipt of communications from Lender. A copy of each notice sent to Borrower by Lender hereunder shall also be sent to Borrower's Limited Partner at the address set forth below.

Lender: County of Santa Barbara
Housing and Community Development
123 E Anapamu Street, 2nd Floor
Santa Barbara, CA 93101
Attn: Deputy Director

With copy to: Office of County Counsel
County of Santa Barbara
105 E Anapamu Street, Room 201
Santa Barbara, CA 93101

Owner: FLT San Simeon Oaks, L.P.
c/o Red Tail Multifamily Land Development, LLC
2082 Michelson Drive, 3rd Floor
Irvine, CA 92612
Attention: Ron Wu

With copy to: Nancy Dubonnet, APC
2082 Michelson Drive, Suite 400
Irvine, CA 92612
Attn: Nancy Dubonnet

With copy to: Stoel Rives LLP
760 SW Ninth Avenue, Suite 3000
Portland, OR 97205
Attn: Scott Rosenthal; Kate Mathews

With copy to U.S. Bancorp Community Development Corporation
505 North Seventh Street
Mailcode: SL-MO-T10F
St. Louis, MO 63101

Attn: Director of Asset Management

With a copy to:

Buchalter LLP
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
Attn: Mercedes Martin

14. **ASSIGNMENT; BINDING UPON SUCCESSORS.** All provisions of this County Loan Note shall be binding upon all successors-in-interest, transferees, and assigns of Borrower and Lender, and shall inure to the benefit of permitted successors-in-interest, transferees, and assigns of Borrower in accordance with the provisions of the County Loan Documents; provided, however, that Borrower shall not assign or otherwise transfer, directly or indirectly, whether by operation of law or otherwise, this County Loan Note or any of Borrower's rights or obligations hereunder without the prior written consent of Lender except in accordance with the terms of the County Loan Documents in each instance.

15. **GOVERNING LAW.** This County Loan Note shall be interpreted under and governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

16. **SEVERABILITY.** Every provision of this County Loan Note is intended to be severable in the event that any provision of this County Loan Note shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, in which case, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

17. **TIME.** Time is of the essence in this County Loan Note.

18. **WAIVER.** No waiver by Lender of any provision of this County Loan Note or any of the other County Loan Documents shall be effective unless in writing signed by Lender. No waiver will be implied from any delay or failure by Lender to take action on any breach or default of Borrower or to pursue any remedy allowed under any of the County Loan Documents or applicable law. Any extension of time granted to Borrower to perform any obligation hereunder or under and of the other County Loan Documents shall not operate as a waiver of or release from any of the Borrower's obligations hereunder or under any of the other County Loan Documents. Consent by Lender to any act or omission by Borrower shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for Lender's written consent to future waivers.

19. AMENDMENTS AND MODIFICATIONS. No amendment or modification to or of this County Loan Note shall be effective unless in writing and duly executed by both Borrower and Lender.

20. COUNTY LOAN AGREEMENT CONTROLS. In the event that any provisions of this County Loan Note and the County Loan Agreement conflict, the terms of the County Loan Agreement shall control.

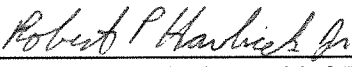
21 NONRECOURSE. Except as expressly provided in the second paragraph of this Section 21, the indebtedness evidenced by this County Loan Note is a nonrecourse obligation of the Borrower, the Borrower, and the Borrower's partners, officers, directors, employees and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, this County Loan Note. The sole recourse of the Lender with respect to the principal of, or interest on, the County Loan Note shall be to the property securing the indebtedness evidenced by the County Loan Deed of Trust. However, nothing contained in the foregoing limitation of liability shall (i) limit or impair the enforcement against all such security for the County Loan Note of all the rights and remedies of the Lender, or (ii) be deemed in any way to impair the right of the Lender to assert the unpaid principal amount of the County Loan Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the County Loan Note, except as hereafter set forth; nothing contained herein is intended to relieve the Borrower of personal liability to the extent of actual damages for (i) fraud or willful misrepresentation or misconduct by or on behalf of Borrower or any of Borrower's officers, agents, partners, or any of Borrower's partner's members, managers, officers, directors, employees, or agents; (ii) the failure to pay taxes, assessments or other charges (which are not contested by the Borrower in good faith) which may create liens on the Property that are payable or applicable prior to any foreclosure under the County Loan Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the County Loan Deed of Trust; (iv) the material misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; (v) the Borrower's indemnification obligations under the County Loan Agreement; and (vi) payment to the Lender of any rental income or other income arising with respect to the Property received by the Borrower after the Lender has given notice to the Borrower of the occurrence of an Event of Default and after the expiration of all applicable notice and cure periods, subject to the rights of any lender providing a loan secured by the Property to which the Lender has subordinated the County Loan Deed of Trust.

BORROWER:

FLT San Simeon Oaks, L.P.,
a Delaware limited partnership

By: SURF DEVELOPMENT COMPANY,
a California nonprofit public benefit corporation,
its managing general partner

By 
Robert P. Havlicek Jr, Chief Executive Officer

By: FLT SAN SIMEON OAKS AGP LLC,
a Delaware limited liability company,
its administrative general partner

By _____
Ron Wu, Vice President

BORROWER:

FLT San Simeon Oaks, L.P.,
a Delaware limited partnership

By: SURF DEVELOPMENT COMPANY,
a California nonprofit public benefit corporation,
its managing general partner

By _____
Robert P. Havlicek Jr, Chief Executive Officer

By: FLT SAN SIMEON OAKS AGP LLC,
a Delaware limited liability company,
its administrative general partner

By _____
Ron Wu, Vice President