

## EXHIBIT D

## COUNTY HOME-ARP LOAN PROMISSORY NOTE

Santa Barbara, California

\$400,000

March 21, 2023

FOR VALUE RECEIVED, Good Samaritan Shelter, a California nonprofit public benefit corporation (“Borrower”), whose address is 245 East Inger Street, Suite 103B, Santa Maria, California, 93454, 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, 2<sup>nd</sup> Floor, Santa Barbara, California 93101, the principal amount equal to Four Hundred Thousand Dollars (\$400,000), 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 acquiring and improving a single-family residence located at 2723 Marlberry Street, in the city of Santa Maria, Santa Barbara County, California (“Project”), Lender has agreed to loan to Borrower the amount of Four Hundred Thousand Dollars (\$400,000), derived from funds received by the Lender from the United States Department of Housing and Urban Development through the American Rescue Plan (“HOME-ARP”).

2. **BORROWER’S OBLIGATION.** This promissory note (“County HOME-ARP Loan Note”) evidences Borrower’s obligation to pay Lender the principal amount of Four Hundred Thousand Dollars (\$400,000) (“County HOME-ARP Loan”) for the HOME ARP Funds loaned to Borrower by Lender for the specific uses designated in a loan agreement between Borrower and Lender dated March 21, 2023 (“County HOME-ARP Loan Agreement”).

3. **INTEREST.** Subject to Section 4, below, this County HOME-ARP Loan Note shall bear zero percent interest (0%) per annum.

4. **DEFAULT INTEREST.** In the Event of Default by Borrower of any of its obligations under this County HOME ARP Loan Note or any of the other County HOME-ARP Loan Documents (defined below), Borrower shall pay to Lender interest on the outstanding principal of this County HOME-ARP Loan Note at an annual rate equal to the lesser of (i) ten percent (10%) per annum, 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 or the County HOME-ARP Loan is repaid in full. Such default interest shall be paid monthly, and is due to the County on the first day of each month from the date of such Event of Default until the date that such Event of Default is cured or the County HOME-ARP Loan is repaid in full.

5. **AMOUNT AND TIME OF PAYMENT.** The principal and interest of the County HOME-ARP Loan shall be due and payable in accordance with Section 9 of this County HOME-ARP Loan Note on the earlier of: (a) the date that is twenty (20) years after the date of Project completion in conformance with 92 CFR 92.2 and 24 CFR 92,252(e), and evidenced by a written notice of completion provided by Borrower to County, or (b) the date the Property is sold or otherwise transferred, or (c) the date when Borrower has failed to commence construction as set forth in Section 4.1 of the County HOME-ARP Loan Agreement, or (d) the occurrence of an Event of Default by Borrower, as defined in Section 8.1 of the County HOME-ARP Loan

Agreement, which, if subject to cure, has not been cured as provided for in Section 8.2 of the County HOME-ARP Loan Agreement. The foregoing notwithstanding, if Borrower remains in compliance with the terms and conditions of the County HOME-ARP Loan Documents, as determined by the County through periodic inspections of the Project and tenant files documenting occupancy by Qualified Households, and as indicated with monitoring close-out letters from Lender to Borrower indicating compliance with the HOME-ARP Regulatory Agreement, for the twenty (20) year term described therein, then the principal amount of the HOME-ARP Loan, along with all accrued interest thereon, other than interest accrued in accordance with Section 4, above, and/or pursuant to Section 2.4 of the County HOME-ARP Loan Agreement, shall be forgiven.

6. **DEFINITIONS.** All initially capitalized terms in this County HOME-ARP Loan Note shall have the definition ascribed to such terms in the County HOME-ARP Loan Agreement. The following terms are defined in the County HOME-ARP Loan Agreement and repeated here for convenience of reference:

- a. “Annual Financial Statement” means the audited financial statement of Borrower’s Operating Expenses and Revenue, prepared at the Borrower’s expense, by an independent certified accountant reasonably acceptable to Lender, which shall be provided as part of Borrower’s annual reporting to Lender.
- b. “County HOME-ARP Loan Deed of Trust” means that deed of trust, assignment of rents, and security agreement dated on or about the date hereof and placed on the Property and the improvements to be constructed thereon as security for the County HOME-ARP Loan by Borrower as trustor with Lender as beneficiary, as well as any amendments to, modifications of, and restatements of said County HOME-ARP Loan Deed of Trust.
- c. “County HOME-ARP Loan Regulatory Agreement” means the Regulatory Agreement dated on or about the date hereof executed by Borrower and Lender and recorded against the Property which regulates the use of the Project as a HOME ARP-Assisted Unit.
- d. “County HOME-ARP Loan Documents” means, collectively, the County HOME-ARP Loan Agreement, this County HOME-ARP Loan Note, the County HOME-ARP Loan Deed of Trust, and the County HOME-ARP Loan Regulatory Agreement, as such documents may be amended, modified, or restated from time to time, along with all exhibits and attachments hereto and thereto.
- e. “Fiscal Year” means the twelve (12) month accounting period, beginning July 1 and ending June 30 of each year, and for which Annual Financial Statements shall be prepared each year.
- f. “Operating Expenses” means actual, reasonable and customary costs, fees and expenses directly attributable to the operation, maintenance, and management of the Project, including painting, cleaning, repairs and alterations, landscaping, utilities, rubbish removal, certificates, permits and licenses, sewer charges, real and personal property taxes and assessments, insurance, reasonable property management fee, annual County Monitoring Fee of in the initial amount of \$2,500

and increasing 3% annually, security, advertising, promotion and publicity, office, janitorial, cleaning and building supplies, lease payments if any, cash deposited into reserves for operating expenses and capital replacements pursuant to Section 2.12 of the County HOME-ARP Loan Agreement, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings, fees and expenses of accountants, attorneys, consultants and other professionals, and reasonable and actual costs of staff salaries for the delivery of social services and/or case management. The Operating Expenses shall be reported in each Annual Financial Statement.

- g. "Project" means the construction, operation and management of the Property and the improvements to be constructed thereon according to the terms of the County HOME-ARP Loan Agreement and as defined in 24 CFR 92.2.
- h. "Property" means the property located at 2723 Marlberry Street, in the city of Santa Maria, County of Santa Barbara, California as is more fully described in Exhibit A to the County HOME-ARP Loan Agreement and County HOME-ARP Loan Deed of Trust, executed concurrently herewith.
- i. This paragraph left intentionally blank.
- j. This paragraph left intentionally blank.
- l. "Term" means the period of time commencing with the date of this County HOME-ARP Loan Note and terminating on the date that is six months after the date that is twenty (20) years after the date of the issuance of a notice of completion issued for the Project.

7. **PAYMENTS.** All accrued interest and principal of this HOME-ARP Loan Note shall be due and payable in accordance with the terms set forth in Section 5, above.

8. All payments made by Borrower shall be applied as follows: first to pay current annual interest due, if any; then to the cumulative interest owed, if any; then to reduce the principal amount of this County HOME-ARP Loan Note.

9. **PLACE AND MANNER OF PAYMENT.** All amounts due and payable under this County HOME-ARP 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 Payment Dates thereof shall be legal tender for the payment of public and private debts.

10. **DEFAULT AND ACCELERATION.** This County HOME-ARP Loan Note is secured by a County HOME-ARP Loan Deed of Trust. All covenants, conditions and agreements contained in the County HOME-ARP Loan Deed of Trust and the County HOME-ARP Loan Agreement are hereby made a part of this County HOME-ARP Loan Note. The principal and all current and accrued interest, shall, at the option of Lender, be immediately due and payable upon any Event of Default as defined in the County HOME-ARP Loan Agreement which, if curable, has not been cured in accordance with the provisions of the County HOME-ARP Loan

Agreement, including, but not limited to, the failure of Borrower to make any payment hereunder or thereunder when due. Upon any Event of Default, Lender may exercise any other right or remedy permitted under this County HOME-ARP Loan Note, the HOME- ARP Loan Documents, or applicable law.

11. **PREPAYMENT OF COUNTY HOME LOAN.** No prepayment penalty will be charged to Borrower for payment of all or any portion of the County HOME-ARP Loan amounts prior to the end of the Term described herein. However, prepayment of the County HOME-ARP Loan shall not affect Borrower's obligations under the County HOME-ARP Loan Regulatory Agreement.

12. **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 HOME-ARP Loan Note.

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

14. **CONSENTS AND APPROVALS.** Any consent or approval of Lender required under this County HOME-ARP Loan Note shall not be unreasonably withheld or delayed.

15. **NOTICES.** Except as may be otherwise specifically provided herein, any approval, notice, direction, consent request or other action by Lender shall be in writing and may be communicated to Borrower at the principal office of Borrower set forth below, or at such other place or places as Borrower shall designate in writing, from time to time, for the receipt of communications from Lender.

**BORROWER:** Good Samaritan Shelter  
245 East Inger Street, Suite 103B  
Santa Maria, CA 93454  
Attn: Executive Director

16. **BINDING UPON SUCCESSORS.** All provisions of this County HOME-ARP Loan Note shall be binding upon and inure to the benefit of the permitted successors-in-interest, transferees, and assigns of Borrower and Lender, to the extent such transfer or assignment is expressly permitted by the County HOME-ARP Loan Agreement and the HOME-ARP Regulatory Agreement.

17. **GOVERNING LAW.** This County HOME-ARP 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.

18. **SEVERABILITY.** Every provision of this County HOME-ARP Loan Note is intended to be severable in the event that any provision of this County HOME-ARP Loan Note is 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 thereby affected or impaired.

19. **TIME.** Time is of the essence in this County HOME-ARP Loan Note.

20. **WAIVER.** Any waiver by Lender of any obligation in this County HOME-ARP Loan Note or any of the other County HOME-ARP Loan Documents must be in writing duly 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 HOME-ARP Loan Documents or applicable law. Any extension of time granted by Lender to Borrower to perform any obligation under any provisions of the HOME-ARP Loan Documents shall not operate as a waiver or release at any other time or from any of the Borrower's obligations under any other provision of the HOME-ARP 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.

21. **AMENDMENTS AND MODIFICATIONS.** No amendment or modification to this County HOME-ARP Loan Note shall be effective unless in writing, and duly executed by both Borrower and Lender.

**21 NONRECOURSE.** Except as expressly provided in the second paragraph of this Section 21, 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 HOME- ARP Loan Note. The sole recourse of the Lender with respect to the principal of, or interest on, the County HOME-ARP Loan Note shall be to the property securing the indebtedness evidenced by the County HOME-ARP Loan Note. However, nothing contained in the foregoing limitation of liability shall (i) limit or impair the enforcement against all such security for the County HOME-ARP 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 HOME-ARP Loan Note as demand for money within the meaning and intent 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 HOME-ARP 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) Borrower's fraud or willful misrepresentation; (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 HOME- ARP 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 HOME-ARP 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 HOME-ARP 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, if any, subject to the rights of any lender providing a loan secured by the Property to which the Lender has agreed in writing duly executed by Lender to subordinate to the County HOME- ARP Loan Deed of Trust.

**22. COUNTY HOME ARP LOAN AGREEMENT CONTROLS.** In the event that any provisions of this County HOME-ARP Loan Note and the County HOME-ARP Loan Agreement conflict, the terms of the County HOME-ARP Loan Agreement shall control and prevail.

**BORROWER:**

**GOOD SAMARITAN SHELTER**, a California nonprofit public benefit corporation,

By:   
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Executive Director