

COUNTY COMMUNITY CORRECTIONS PARTNERSHIP (CCP)
ELMWOOD LOAN NOTE

Santa Barbara, California
January 7, 2025

\$414,000

FOR VALUE RECEIVED, Good Samaritan Shelter, a California nonprofit public benefit corporation (“Borrower”), whose address is 245 E. Inger St., 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”), the principal amount equal to Four Hundred Fourteen Thousand Dollars (\$414,000), or so much thereof as may be advanced by Lender to Borrower as set forth below.

1. **PURPOSE.** In order to assist Borrower in constructing one new residential structures containing indoor hot and cold running water, electricity and gas or electricity for heating and cooking, appropriate counter space and appliances for proper meal preparation, and sanitary facilities, and that is compliant with local zoning and building codes, to be located at 1933 Elmwood Drive, Santa Maria, California, Lender has agreed to loan the amount of Four Hundred Fourteen Thousand Dollars (\$414,000), to Borrower, all of which is derived from Public Safety Realignment Reserve funds received by the Lender under the County of Santa Barbara Community Corrections Partnership (“CCP”).

2. **BORROWER’S OBLIGATION.** This Loan Note (“County CCP Elmwood Loan Note”) evidences Borrower’s obligation to pay Lender the principal amount of Four Hundred Fourteen Thousand Dollars (\$414,000), loaned to Borrower by Lender (“County CCP Elmwood Loan”) for the specific uses designated in that certain loan agreement by and between Borrower and Lender dated January 7, 2025 (“County CCP Loan Agreement”).

3. **NO INTEREST LOAN.** Subject to Section 4, this County CCP Elmwood Loan Note shall bear no interest at the rate of zero percent (0%) per annum.

4. **AMOUNT AND TIME OF PAYMENT.** The entire amount of the principal of the County CCP Elmwood Loan as evidenced by this County CCP Elmwood Loan Note shall be due and payable on the earlier of: (a) the date that is fifteen (15) years after the Project Completion Date (as defined in the County CCP Loan Agreement) and in conformance with 24 CFR 400, 24 CFR 576, and State regulations (Chapter 5 (commencing with Section 50210 of Part 1 Division 31 of the Health and Safety Code), or (b) the date the Property is sold or otherwise Transferred, or (c) the date that is six (6) months after the Effective Date, in the event that Borrower has failed to commence construction as of that date as set forth in Section 4.1 of the County CCP Loan Agreement, or (d) an Event of Default by Borrower, as defined the County CCP Loan Agreement, which, if subject to cure as set forth in the applicable Default Notice (as defined in the County CCP Loan Agreement), has not been cured as provided for in such Default Notice.

The foregoing notwithstanding, if, at all times during the Term, Borrower remains compliant with the terms of the County CCP Elmwood Loan Regulatory Agreement, as

determined by Lender through periodic inspections of the Project and Borrower's files documenting occupancy by Justice-Involved Individuals, and as indicated with monitoring close-out letters from Lender to Borrower indicating compliance with the County CCP Elmwood Loan Regulatory Agreement, then the principal amount of the County CCP Elmwood Loan shall be forgiven upon the expiration of the Term.

5. DEFINITIONS. All capitalized terms used but not defined in this County CCP Elmwood Loan Note shall have the respective meanings ascribed to such terms in the County CCP Loan Agreement.

- a. "County CCP Elmwood Loan Regulatory Agreement" means the agreement executed by Borrower and Lender concurrently herewith with respect to the Property and recorded against title to the Property which regulates the use of the CCP-Assisted Unit (as that term is defined in the County CCP Elmwood Loan Regulatory Agreement).
- b. "County CCP Elmwood Loan Documents" means, collectively the County CCP Loan Agreement, the County CCP Elmwood Loan Note, and the County CCP Elmwood Loan Regulatory Agreement, and the County CCP Elmwood Deed of Trust, as they may be amended, modified, or restated from time to time, including all exhibits and attachments hereto and thereto.
- c. "County CCP Elmwood Deed of Trust" means that certain deed of trust, assignment of rents, and security placed on the Property and the improvements to be constructed thereon as security for the County CCP Loan with the Owner as trustor and the Lender as beneficiary, as well as any amendments to, modifications of, and restatements of said deed of trust.
- d. "Project" means the construction, operation and management of the Property and the improvements to be constructed thereon according to the terms of the County CCP Elmwood Loan Agreement and as defined in 24CFR 578.
- e. "Property" means that certain real property and improvements thereon located at 1933 Elmwood Drive, Santa Maria, California, as described in greater detail in Exhibit A3 to the County CCP Loan Agreement.
- f. "Term" means the period of time commencing with the date of this County CCP Elmwood Loan Note and terminating on the date that is fifteen (15) years after the Project Completion Date.

6. PAYMENTS. The entire principal shall be due and payable in accordance with the terms set forth in Section 5.

7. PLACE AND MANNER OF PAYMENT. All amounts due and payable under this County CCP Elmwood 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.

8. **DEFAULT AND ACCELERATION.** All covenants, conditions and agreements contained in the County CCP Loan Agreement are hereby made a part of this County CCP Elmwood Loan Note. Borrower agrees that the principal shall be immediately due and payable upon any Event of Default which, if subject to cure as set forth in the applicable Default Notice, has not been cured in accordance with such Default Notice. Upon any Event of Default, Lender may exercise any and all rights and remedies permitted under this County CCP Elmwood Loan Note, the County CCP Elmwood Loan Documents, or applicable law.

9. **PREPAYMENT OF COUNTY CCP ELMWOOD LOAN.** No prepayment penalty will be charged to Borrower for payment of all or any portion of the County CCP Elmwood Loan amounts prior to the end of the Term. However, prepayment of the County CCP Elmwood Loan shall not relieve Borrower of any of Borrower's obligations under the County CCP Elmwood Loan Regulatory Agreement.

10. **NO OFFSET.** Borrower hereby waives any 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 CCP Elmwood Loan Note.

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

12. **CONSENTS AND APPROVALS.** No consent or approval of Lender in connection with this County CCP Elmwood Loan Note shall be effective unless in writing duly executed by Lender in each instance.

13. **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. Copies of all notices which are sent to Borrower under the terms of the County CCP Elmwood Loan Documents shall also be sent to Borrower's address below.

LENDER: County of Santa Barbara
Department of Probation
117 E. Carillo St.
Santa Barbara, CA 93101
Attn: Chief Financial Officer

With copy to: Office of County Counsel
County of Santa Barbara
105 E Anapamu Street, 2nd Floor
Santa Barbara, CA 93101
Attn: County Counsel

BORROWER: Good Samaritan Shelter
245 E. Inger St., Suite 103B
Santa Maria, CA 93454
Attn: Executive Director

14. **BINDING UPON SUCCESSORS.** All provisions of this County CCP Elmwood Loan Note shall be binding upon and inure to the benefit of the permitted successors-in-interest, transferees, and assigns of Borrower and Lender; provided, however, that the foregoing shall not relieve Borrower of the requirement that Borrower comply with Section 22, below.

15. **GOVERNING LAW.** This County CCP Elmwood 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.** In the event that any provision of this County CCP Elmwood Loan Note shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, 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 CCP Elmwood Loan Note.

18. **WAIVER.** No waiver by Lender with respect to this County CCP Elmwood Loan Note shall be effective unless 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 the County CCP Elmwood Loan Documents or applicable law. Any extension of time granted to Borrower to perform any obligation under the County CCP Elmwood Loan Documents shall not operate as a waiver or release from any of the Borrower's obligations under the County CCP Elmwood 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 modifications to this County CCP Elmwood Loan Note shall be effective unless in writing duly executed by both Borrower and Lender.

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

21. **NO ASSIGNMENT OR TRANSFER.** Borrower shall not assign or otherwise transfer, directly or indirectly, whether by operation of law or otherwise ("Transfer"), this County CCP Elmwood Loan Note, or any of its rights or obligations hereunder, without the prior written consent of Lender in each instance. Any and all unauthorized Transfers shall be voidable by Lender in Lender's sole discretion.

Signature appears on following page. No further text appears here.

BORROWER:

Good Samaritan Shelter,
a California a nonprofit public benefit corporation

By: 
Sylvia Barnard
Executive Director