

COUNTY CDBG LOAN PROMISSORY NOTE

\$299,000

Santa Barbara, California
December 3, 2024

FOR VALUE RECEIVED, Fighting Back Santa Maria Valley, a California nonprofit public benefit corporation (“Borrower”), whose address is 201 South Miller Street, Suite 209, 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” or “County”), whose address is 123 E. Anapamu Street, 2nd Floor, Santa Barbara, California 93101, the principal amount equal to Two Hundred Ninety-Nine Thousand Dollars (\$299,000), 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 that certain real property and improvements thereon located at 526 East Chapel Street, in the city of Santa Maria, which is located in Santa Barbara County, California (the “Property”) for the purpose of providing youth homeless navigation services (“Project”), Lender has agreed to loan to Borrower the amount of Two Hundred Ninety-Nine Thousand Dollars (\$299,000) (the “County CDBG Loan”).

2. **BORROWER’S OBLIGATION.** This promissory note (“County CDBG Loan Promissory Note”) evidences Borrower’s obligation to pay Lender the principal amount of Two Hundred Ninety-Nine Thousand Dollars (\$299,000), for the CDBG 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 CDBG Loan Agreement”).

3. **INTEREST.** Subject to Section 4, below, this County CDBG Loan Promissory Note shall bear simple interest at the rate of zero percent (0%) per annum from the date of the first disbursement under the County CDBG Loan Agreement and this County CDBG Loan Promissory 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 CDBG Loan Promissory Note or any of the other County CDBG Loan Documents, interest shall accrue on the outstanding principal of this County CDBG Loan Promissory Note at an annual rate equal to the lesser of (i) ten percent (10%), or (ii) the highest interest allowed by law, 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 CDBG Loan Agreement, or the County CDBG 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 six (6) years after the date of the date first set forth above (“Effective Date”), or (b) the date the Property is sold or otherwise Transferred, 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 CDBG

Loan Documents, (c) an Event of Default by Borrower, as defined in Section 8.1 of the County CDBG Loan Agreement, which, if subject to cure as set forth in the applicable Default Notice, has not been cured as provided for in Section 8.2 of the County CDBG Loan Agreement and such Default Notice, or (d) June 30, 2031. The foregoing notwithstanding, if Borrower remains compliant with the terms of the CDBG Regulatory Agreement, as determined by the County through periodic inspections of the Project, and files documenting compliance, and as indicated with monitoring close-out letters from Lender to Borrower indicating compliance with the CDBG Regulatory Agreement, for the six (6) year term described therein, then the principal amount of the loan, along with all accrued interest, except interest accrued pursuant to Section 4, shall be forgiven.

6. DEFINITIONS. All capitalized terms used but not defined in this County CDBG Loan Promissory Note shall have the respective meanings ascribed to such terms in the County CDBG Loan Agreement. In the event of any conflict between the provisions of this County CDBG Loan Promissory Note and the provisions of the County CDBG Loan Agreement, the provisions of the County CDBG 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. All payments on the County CDBG Loan shall be applied in the following order: *First*, to pay the cumulative interest owed, if any; *second*, to the principal amount of the County CDBG Loan.

8. PLACE AND MANNER OF PAYMENT. All amounts due and payable under this County CDBG Loan Promissory 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 CDBG Loan Promissory Note is secured by the County CDBG Loan Deed of Trust. All covenants, conditions and agreements contained in the County CDBG Loan Deed of Trust and the County CDBG Loan Agreement are hereby made a part of this County CDBG Loan Promissory Note. Borrower agrees that the amount of principal and all then-accrued and unpaid interest hereunder, shall be immediately due and payable upon any Event of Default, as defined in the County CDBG Loan Agreement, which, if subject to cure in accordance with Section 8.2 of the County CDBG Loan Agreement and the applicable Notice of Default, has not been cured in accordance with the County CDBG 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 and all other rights or remedies permitted under this County CDBG Loan Promissory Note, any of the other County CDBG Loan Documents, or applicable law.

10. PREPAYMENT OF COUNTY CDBG LOAN. No prepayment penalty will be charged to Borrower for payment of all or any portion of the County CDBG Loan amounts prior to the end of the Term. However, prepayment of the County CDBG Loan during the six-year Term of the County CDBG Loan Regulatory Agreement shall require Lender's prior written approval, and shall not affect Borrower's obligations under the County CDBG 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 CDBG Loan Promissory Note.

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

13. **CONSENTS AND APPROVALS.** Any consent or approval of Lender in connection with this County CDBG Loan Promissory Note shall not be effective unless provided in writing duly executed by the Director of the County's Community Services Department.

14. **NOTICES.** 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 CDBG Loan Agreement, for the receipt of communications from Lender.

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: Fighting Back Santa Maria Valley
201 South Miller Street, Suite 209
Santa Maria, California 93454
Attention: Executive Director

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

16. **GOVERNING LAW.** This County CDBG Loan Promissory 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.

17. **SEVERABILITY.** Every provision of this County CDBG Loan Promissory Note is intended to be severable in the event that any provision of this County CDBG Loan Promissory 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.

18. **TIME.** Time is of the essence with respect to this County CDBG Loan Promissory Note.

19. **WAIVER.** No waiver by Lender of any provision of this County CDBG Loan Promissory Note or any of the other County CDBG 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 CDBG Loan Documents or applicable law. Any extension of time granted to Borrower to perform any obligation hereunder or under and of the other County CDBG Loan Documents shall not operate as a waiver of or release from any of the Borrower's obligations hereunder or under and of the other County CDBG 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.

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

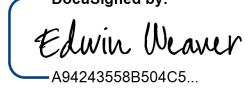
21. **NONRECOURSE.** Except as expressly provided in the second paragraph of this Section 21, the Borrower's officers, directors, employees and agents shall not have any direct personal liability for payment of the principal of, or interest on, this County CDBG Loan Promissory Note. However, nothing contained in the foregoing limitation of liability shall (i) limit or impair the enforcement against all such security for the County CDBG Loan Promissory 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 CDBG Loan Promissory 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 CDBG Loan Promissory Note, except as hereafter set forth; nothing contained herein is intended to relieve the Borrower or any of the Borrower's officers, directors, employees or agents 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, directors, or employees; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the County CDBG 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 or on behalf of the Borrower or any of the Borrower's officers, directors, employees or agents, other than in accordance with the County CDBG 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 CDBG 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.

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

BORROWER:

FIGHTING BACK SANTA MARIA VALLEY
a California nonprofit public benefit corporation

DocuSigned by:

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By: _____
Frank Edwin Weaver, Chief Executive Officer