

PROMISSORY NOTE

\$25,000.00

December ____, 2019

Fort Bragg, California

FOR VALUE RECEIVED, Mendocino Coast Hospitality Center, Incorporated, a Public Benefit nonprofit corporation (the "**Borrower**"), whose address is 101 N. Franklin St., Fort Bragg, California 95437, hereby promises to pay to the order of the City Fort Bragg, a public body corporate and politic (the "**City**"), whose address is 416 N. Franklin Street, Fort Bragg California, 95437, the principal amount equal to Twenty-five Thousand Dollars (**\$25,000**), together with interest thereon, as set forth below.

1. BORROWER'S OBLIGATION. This promissory note (this "**Note**") evidences the Borrower's obligation to pay the City the principal amount of Twenty-five Thousand Dollars (**\$25,000**) ("**Loan Proceeds**") for the funds loaned to the Borrower by the City to pay for costs associated with providing shelter and related homeless services to individuals within the City.

2. INTEREST. Beginning on the first day of the first month after the execution of that certain Loan Agreement between the City and the Borrower of even date herewith and continuing until the Note is repaid in full, the Note shall bear simple interest at the rate of three percent (3%) annually.

3. AMOUNT AND TIME OF PAYMENT. The principal of this Note and all accrued interest thereon shall be due and payable on January 31, 2020 or at regular intervals, not more than one week following reimbursement by Mendocino County to the Borrower, whichever occurs first.

4. PLACE AND MANNER OF PAYMENT. All amounts due and payable under this Note are payable at the office of the City at the address set forth above, or at such other place as the City may designate to the Borrower in writing from time to time, in any coin or currency of the United States that on the date of payment thereof shall be legal tender for the payment of public and private debts.

5. APPLICATION OF PAYMENTS. The payments made by the Borrower shall be applied first to pay outstanding interest due, and then to reduce the principal amount of the Note.

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

7. WAIVERS. Presentment, notice of dishonor, and protest are waived by all makers, sureties, guarantors, and endorsers of this Note.

8. NOTICES. Except as may be otherwise specifically provided herein, any approval, notice, direction, consent, request, or other action by the City shall be in writing and may be communicated to the Borrower at the address set forth above in this Note, or at such other places as the Borrower shall designate in writing, from time to time, for the receipt of communications from the City.

9. BINDING UPON SUCCESSORS. All provisions of this Note shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of the Borrower and the City.

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

11. SEVERABILITY. Every provision of this Note is intended to be severable. If any provision of this Note shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provision shall not in any way be affected or impaired.

12. TIME. Time is of the essence in this Note.

13. ATTORNEYS' FEES AND COSTS. In the event any legal action is commenced to interpret or to enforce the terms of this Note, the prevailing party in any such action shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

14. WAIVER OF REPAYMENT OBLIGATION. Except as provided in Section 7 above, any other waiver by the City of any obligation in this Note must be in writing. No waiver shall be implied from any failure by the City to take any action on any breach or default by the Borrower or to pursue any remedy allowed under this Note or applicable law. Any extension of time granted to the Borrower to perform any obligation under this Note shall not operate as a waiver or release from any of its obligations under this Note.

15. AMENDMENTS AND MODIFICATIONS. Any amendments or modifications to this Note must be in writing, and shall be made only if executed by both the Borrower and the City.

Borrower:

By: _____
MCHC President

By: _____
[PRINT NAME]