

## PROMISSORY NOTE

\$177,430.00 (actual cost for FY 24)

FortBragg, California  
July 8, 2024

FOR VALUE RECEIVED, the CITY OF FORT BRAGG, a California Municipal Corporation(City), promises to pay from the Fort Bragg Fire Department Measure P Fund of the City of Fort Bragg to the General Fund (Account number 424-6126-0731) of the City of Fort Bragg at the City's office located at 416 North Franklin Street, Fort Bragg, California, or at such other place as may be designated in writing by the holder, the principal sum of \$177,430.00 or such lesser amount as the City has disbursed from the General Fund (Account number 424-6126-0731) to GOC Construction to pay the Fort Bragg Fire Department Roof Replacement Project PWP-00138 (the "Note Amount").

1. **Agreement.** This Promissory Note ("Note"), is intended to secure a loan of funds from the Fort Bragg General Fund (Account number 424-6126-0731) for payment of costs incurred associated with the City's contract with GOC Construction for the replacement Fort Bragg Fire Department Roof Replacement Project and is authorized by California Government Code §53601(e) and by Resolution [REDACTED]-2024 of the City Council of the City of Fort Bragg. The rights and obligations of the parties shall be governed by the terms set forth in this Note and shall supersede any and all terms contained in any other document.

1. **Interest.** The Note Amount shall accrue interest at a rate of one percent (1%) plus the annual average yield of the Pooled Money Investment Account/Local Agency Index Fund, as published by the California State Treasurer, for the fiscal year preceding the year for which the interest rate is calculated per annum. The City Manager is authorized to waive the interest if the loan is repaid within 90 days.

2. **Repayment of the Note Amount.** Commencing July 1, 2024, City shall make payments on this Note from the Fort Bragg Fire Department Measure P Fund to the Fort Bragg General Fund (Account number 424-6126-0731). All outstanding principal and all accrued interest under this Note will be due and payable on July 1, 2025 (the "Maturity Date"), or such earlier date to which such date may be accelerated upon the occurrence of an Event of Default under the Agreement.

Sums outstanding under this Note may be prepaid in whole or in part without charge or premium.

At the option of the holder, this entire Note shall become immediately due and payable, without demand or notice, upon the occurrence of any one of the following events:

- (a) Failure of the City to pay any payment when due, which failure shall continue for 10 days.
- (b) Any misrepresentation or omission of or on behalf of City made to the holder in connection with this loan;
- (c) Insolvency or failure of City or any guarantor to generally pay its debts as they become due;

- (d) Assignment for the benefit of creditors of, or appointment of a receiver or other officer for, all of any part of City's or any guarantor's property; or
- (e) Adjudication of bankruptcy, or filing of a petition under any bankruptcy or debtor's relief law by or against City or any guarantor.

Failure to declare such amounts due shall not constitute a waiver on the part of the City to declare them due subsequently.

3. **Security.** This Note is not secured by real property.

4. **Waivers.** The City expressly waives presentment, demand, notice, protest, and all other demands and notices in connection with this Note. No renewal or extension of this note, nor release of any collateral or party liable hereunder, will release the liability of City.

Failure of the holder to exercise any right or option shall not constitute a waiver, nor shall it be a bar to the exercise of any right or option at any future time.

5. **Attorney's Fees and Costs.** The Borrower agrees to pay to the holder all costs, expenses and reasonable attorney's fees incurred in the collection of sums due hereunder, whether through legal proceedings or otherwise, to the extent permitted by law.

6. **Severability.** If any provision of this Note shall be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

7. **City May Assign.** City may, at its option, assign its right to receive payment under this Note without necessity of obtaining consent.

8. **Governing Law.** This Note shall be governed by the laws of California.

IN WITNESS WHEREOF, this Promissory Note is executed under seal on the day and year first above written.

CITY: CITY OF FORT BRAGG, a municipal corporation

By: Isaac Whippy, City Manager

\_\_\_\_\_  
(Signature)

Executed in present of:

\_\_\_\_\_  
(Signature of witness)

\_\_\_\_\_  
(seal)