

**MODIFICATION TO PROMISSORY NOTE**

\$2,000,000

La Habra, California  
November 1, 2020

FOR VALUE RECEIVED, the undersigned City of La Habra ("Maker"), a California Municipal Corporation, with an address of 110 E. La Habra Blvd., La Habra, CA 90631, unconditionally promises to pay to the order of the City of La Habra Utility Authority ("Holder"), 110 E. La Habra Blvd., La Habra, CA 90631, or at such other place as may be designated in writing by the Holder, the principal sum of Two Million Dollars (\$2,000,000), together with simple interest on funds as drawn at the rate of one and one-half percent (1.5%) per annum.

The Promissory Note ("Note") was entered into pursuant to authorization given by the City Council on October 19, 2015 to allow for the loan of funds from the Utility Authority's Water Fund and Sewer Fund to the City's General Fund for construction of a new Civic Center.

Remaining outstanding principal of One Million Dollars (\$1,000,000) and all accrued interest under this Note shall be paid by the Maker on November 1, 2024 (the "Maturity Date"), or such earlier date to which such date may be accelerated upon the occurrence of an Event of Default by the Maker.

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

The Maker 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.

The Maker 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 Maker.

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.

If any provision of this Note shall be invalid or unenforceable, the remaining provisions shall remain in full force and effect. This Note shall be governed by the laws of the State of California.

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

MAKER: CITY OF LA HABRA, a municipal corporation

By: James Sadro, Executive Director/City Manager

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

Executed in present of:

\_\_\_\_\_  
(Signature of witness) Laurie Swindell, CMC, City Clerk and Authority Secretary (seal)