

PROMISSORY NOTE
SECURED BY DEED OF TRUST

Woodland, California

Holder: County of Yolo, a political subdivision of the State of California

Principal: \$400,000

Interest Rate: 0.0%

Property: 135 Woodland Avenue, Woodland, CA 95695
(APN 005-720-027 and APN 005-720-028)

1. **Promise to Pay.** For value received, the undersigned (“St. John's”) promises to pay to the County of Yolo (the “County” or “Holder”) the principal sum of Four Hundred Thousand Dollars and 00/100 (\$400,000.00) (“Advance”). St. John's obligation to County is subject to the terms of (a) this Note, (b) the Deed of Trust, securing this Note, which shall be recorded in the official records of the County Recorder of Yolo County, California (the "Deed of Trust"), and (c) the Exclusive Negotiating Agreement, dated April ___, 2022, which together with all other related documents and instruments that may be required by the County concerning the Advance are collectively referred to as the “Advance Documents.”
2. **Lawful Money.** Principal and interest are payable in lawful money of the United States.
3. **Payments; Amount Due Upon Sale or Transfer of the Property.**
 - a. Payments on the principal of the Advance are deferred until Transfer (defined below) of the entire Property (defined above) (“Maturity”) to any party other than County. The unpaid principal balance of the Advance shall be due and payable on the earlier to occur of the following: (i) any sale, lease, exchange, assignment, conveyance, encumbrance, transfer of possession, or other disposition of all or any portion of the Property or any of St. John's' interest in the Property ("Transfer") to any party other than to County or as otherwise expressly permitted by County; provided that if County elects not to purchase the Property on or before May 15, 2022, St. John's shall have the right to transfer the Property without County's consent provided the Advance shall be paid at the closing of any such sale transaction at which time County will release the Deed of Trust; or (ii) an Event of Default (as defined below).
4. **Interest.** Absent a continuing Event of Default hereunder or the Deed of Trust, the Advance made hereunder shall not bear interest on the unpaid principal amount.
5. **Prepayment.** St. John's may prepay this Note, at any time, in whole or any part of it, without penalty.
6. **Forgiveness.** County and St. John's have entered into an Exclusive Negotiating Agreement dated April ___, 2022 (“ENA”), pursuant to which the County is negotiating the purchase of the Property from St. John's with a Purchase and Sale Agreement anticipated to be considered by the County’s Board of Supervisors on April 26, 2022. If escrow successfully closes on the Property with title vesting free and clear in the County by May 15, 2022 or such other date mutually agreed to County and St. John's, County shall forgive any and all amounts otherwise due under this Note, this Note shall be cancelled and returned to St. John's, and the Property shall be released from the Deed of Trust as of the date of such sale to the County in accordance with the terms of the PSA.

7. **Event of Default.** The occurrence of any of the following shall be deemed to be an event of default ("Event of Default") hereunder:
 - a. Failure by St. John's to repay the Advance upon a Transfer to any party other than County; or
 - b. Failure by St. John's to perform any covenant or agreement in the Deed of Trust or any other of the Advance Documents within thirty (30) days after St. John's receipt of notice from County of any such failure; provided that if the nature of such failure is such that the same cannot reasonably be cured within such thirty (30) day period, St. John's shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default.
8. **Remedies.** Upon the occurrence of an Event of Default, the giving of notice and the expiration of any applicable cure period therefore, County may declare all sums evidenced hereby immediately due and payable by delivery to St. John's of a written declaration of default and demand for payment. County may also deliver to the trustee named in the Deed of Trust a written declaration of default and demand for sale and/or payment, and written notice of default and of election to cause the secured property to be sold, which notice such trustee shall cause to be duly filed for record and County may foreclose on the Deed of Trust. No delay or omission on the part of County in exercising any right under this Note or under any of the other Advance Documents shall operate as a waiver of such right. Failure by County to exercise this option shall not constitute a waiver of the right to exercise it in the event of any subsequent default.
9. **Default Interest.** Upon the occurrence, and during the continuance, of an Event of Default, including the failure to pay the Advance upon Maturity, Lender, may at its option and in its sole discretion: (i) impose an interest rate on this Note not more than five percent (5.00%) per annum ("Default Interest Rate") and (ii) add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the Default Interest Rate. St. John's acknowledges that, during the time that any amount is in default, County will incur losses that are impracticable, costly, and inconvenient to ascertain. Those losses include, without limitation, the ability to invest amounts then due at the current rate of return and the unavailability of liquid funds. The undersigned agrees that the interest payable hereunder represents a reasonable sum considering all of the circumstances existing on the date of the execution of this Note and represents a reasonable estimate of the losses Lender will incur by reason of late payment. The undersigned further agrees that proof of actual losses would be costly, inconvenient, impracticable, and extremely difficult to fix. Acceptance of the interest will not constitute a waiver of the default with respect to the overdue installment and will not prevent Lender from exercising any of the other rights and remedies available under this Note and/or the Deed of Trust. Notwithstanding anything contained herein, the Default Interest Rate will not exceed the maximum rate permitted by applicable law.
10. **Representations of St. John's.** St. John's represents and warrants that it has the legal authority and ability to comply with the terms and conditions contained in this Note, the Deed of Trust, the ENA, and the Advance Documents.
11. **Costs and Attorney Fees.** Whether or not suit is filed following an Event of Default, St. John's agrees to pay all reasonable attorneys' fees, costs of collection, costs, and expenses incurred by County in connection with the enforcement or collection of this Note. St. John's further agrees to pay all costs of suit and the sum adjudged as attorneys' fees in any action to enforce payment of this Note or any part of it.

- 12. **Severability.** If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
- 13. **Security.** This Note is secured by a Deed of Trust, dated April ____, 2022 covering the Property therein described (Yolo County APN 005-720-027 and APN 005-720-028).
- 14. **Governing Law.** This Note is to be interpreted and applied in accordance with the laws of the State of California.

Borrower:
St. John's Retirement Village, a California nonprofit public benefit corporation

By: _____
Marilyn Mitchell, President of the Board

Date: _____, 2022

By: _____
David Reimer, Interim Executive Director

Date: _____, 2022