

DO NOT DESTROY THIS NOTE. WHEN THIS NOTE IS FULLY PAID, IT MUST BE SURRENDERED TO THE TRUSTEE ALONG WITH THE ORIGINAL DEED OF TRUST FOR CANCELLATION AND ISSUANCE OF A RECONVEYANCE.

PROMISSORY NOTE

Secured by a Deed of Trust

\$900,000 (Measure K / Farm Labor Housing Fund)

Belmont, California

_____, 2024

FOR VALUE RECEIVED, Peninsula Open Space Trust, a California non-profit public benefit corporation and Fifth Crow Farm, a California general partnership ("Borrower" or "Borrowers"), jointly and severally promise to pay to the County of San Mateo, a political subdivision of the State of California, ("County") the sum of Nine Hundred Thousand Dollars and Zero Cents (**\$900,000.00**) bearing no interest (the "Loan"). The Borrower's obligations with respect to the Loan are set forth in that certain "Agreement between the County of San Mateo and Peninsula Open Space Trust and Fifth Crow Farm to Assist with Construction of Farmworker Housing at 4309 Cloverdale Road, Pescadero, California" (the "Agreement"); the Deed of Trust and Assignment of Rents ("Deed of Trust") to be recorded in the Official Records of the County of San Mateo of even date herewith and securing this Promissory Note (the "Note"); and the Declaration of Affordability Covenant ("Affordability Covenant") of even date herewith to be recorded in the Official Records of the County of San Mateo, which together with all related documents and instruments required by the County are collectively referred to herein as the "Loan Documents." Said amount is payable at the office of the County of San Mateo Department of Housing, located at 264 Harbor Boulevard, Building A, in the City of Belmont, California, 94002.

1. **Use of Loan Funds**: This Note evidences the obligation of the Borrowers to the County for the repayment of the Loan provided under the County of San Mateo's Farm Labor Housing Loan Program. Said proceeds will be used for reasonable and necessary costs to construct four new units (2 duplexes) on the property located at 4309 Cloverdale Road, Pescadero, CA 94060 APN 086-270-010 (the "Property") to serve as farmworker housing dedicated to the agricultural workforce.
2. **Term**: The term of this Note shall be from execution and shall mature 20 years from the date of Project Completion, as defined by issuance of a Certificate of Occupancy, or some other document acceptable to County (the "Note Maturity").
3. **Repayment/Interest Rate**: The principal amount due under the Note shall bear no interest. The Note and Deed of Trust shall be executed prior to any disbursement of funds under the Agreement. The Deed of Trust shall be recorded as described in the section below entitled "Security." The County shall forgive the Loan in annual 20 percent increments over the final five years of the 20-year term prior to Note Maturity, with the first 20 percent increment amount forgiven on the sixteenth anniversary date of Project Completion then continuing annually until Note Maturity, unless the Note is due and payable under Section 5 or in the event of default (Section 6) as specified below.
4. **Prepayment**: Prepayments are not permitted.
5. **Due on Sale, Refinance or Transfer of Title**: In the event of a sale, refinance or transfer of the Project or the Property any interest therein by Borrowers without prior written consent of the

County, the entire principal balance of this Note shall be immediately due and payable. However, for purposes of this Note, an Authorized Transfer as defined in the Agreement shall not be considered a sale, refinance or transfer of title of the Project or Property for purposes of this Section.

6. **Default/Acceleration of Note:** In the event Borrowers breach any of the terms and conditions of the Loan Documents after notice and an opportunity to cure as provided in the Agreement or the Deed of Trust, Borrowers will be in default of the terms and conditions of the Agreement and this Note, and County may demand immediate and full payment of the principal amount of the Note and/or may initiate foreclosure proceedings under the Deed of Trust; provided, however, if the breach cannot reasonably be cured within 45 days, Borrowers shall not be in default under this Note if either Borrower has commenced the cure within 45 days' written notice from County and is diligently pursuing the cure to completion.

Whenever County delivers any notice of default hereunder, County shall concurrently deliver a copy of such notice to Borrowers at the following addresses:

Peninsula Open Space Trust
222 High Street
Palo Alto, CA 94301
Attention: Laura O'Leary

Fifth Crow Farm
P.O. Box 527
Pescadero, CA 94060
Attn: Teresa Kurtak

7. **Nonrecourse:** This Note shall be non-recourse to Borrower.
8. **Security.** This Note will be secured by the Deed of Trust recorded against the Property.
9. **Other.** Should there be a conflict relating to repayment terms between the Agreement and this Note, the latter will prevail.

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Peninsula Open Space Trust, a California non-profit public benefit corporation

By: _____

Name and Title: _____

Date: _____

Fifth Crow Farm, a California general partnership

By: _____

Name and Title: _____

Date: _____