

**HOME PROMISSORY NOTE  
SECURED BY DEED OF TRUST  
WITH ASSIGNMENT  
OF RENTS AS ADDITIONAL SECURITY**

**Sun Rose Apartments, Roseville, California**

\$ 1,500,000

Date: \_\_\_\_\_, 20\_\_

1. **Promise to Pay.** For value received, the undersigned, Advocates for Mentally Ill Housing, Inc., a California nonprofit public benefit corporation with its principal place of business located at P.O. Box 5216, Auburn, CA, and doing business within the City of Roseville, County of Placer (hereinafter "Borrower") hereby promises to pay to the City of Roseville, a municipal corporation ("Lender" or "City"), the principal sum of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) plus interest accrued thereon, or the aggregate unpaid amount of disbursements to Borrower in an amount not greater than ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) (hereinafter, the "HOME Loan") for costs by Borrower for completion of the Project (defined herein below) as determined solely by Lender pursuant to the terms of this promissory note (hereinafter the "HOME Note"). The HOME Loan consists of funds in the amount of one million five hundred thousand dollars (\$1,500,000) committed through the HOME Standard Agreement, No. \_\_\_\_\_, dated \_\_\_\_\_ between Lender and the State of California Department of Housing and Community Development ("HCD").

2. **Interest.** The principal due under this HOME Note shall bear simple interest at the rate of three percent (3%) per annum, or at the Applicable Federal Rate, whichever is lower, (hereinafter "Interest Rate") with interest to accrue commencing upon disbursement of the HOME Loan funds to Borrower. Interest shall be computed on the basis of a 360-day year.

3. **Term.** This HOME Note shall have a term of fifty-five (55) years from the date of this HOME Note (the "Term"), unless otherwise extended by Lender. Payment is due at the end of the Term in lawful money of the United States. If, at the end of the Term, the Property securing this HOME Note continues to qualify under the affordable housing requirements set forth in 24 CFR Part 92 relating to "Extremely Low-Income Households," defined as eligible households whose income is thirty percent (30%) or less of the area median income as determined by HUD, the Term may be extended for five (5) years, with interest continuing to accrue at the Interest Rate. Thereafter, at the expiration of each such extended Term, the Term may be extended for an additional five (5) years on a recurring basis, with interest continuing to accrue at the Interest Rate, provided the Property securing this HOME Note continues to qualify under the affordable housing requirements set forth in 24 CFR Part 92 relating to "Extremely Low-Income Households," defined as eligible households whose income is thirty percent (30%) or less of the area median income as determined by HUD.

4. **Definitions.** All capitalized terms used in this HOME Note, unless otherwise defined, will have the respective meanings specified in the loan agreement entered into between Borrower and Lender concurrently herewith (the "HOME Loan Agreement"). In addition, as used in this HOME Note, the following terms will have the following meanings:

a. Calendar Year.

Calendar Year shall mean the period beginning January 1 and ending on December 31 of each year of the Term.

b. Project

Project shall mean the rehabilitation of eighty-three (83) multi-family rental apartment units, a minimum of eighty-two (82) of which shall be occupied by extremely low-income households as defined by the HOME Program regulations, and known as the Sun Rose Apartments, at a site located at 110 North Sunrise Avenue, Roseville, California 95661, County of Placer, State of California.

5. Terms of Payment.

a. The payments due under this HOME Note shall be paid in currency of the United States of America, which at the time of payments is lawful for the payment of public and private debts.

b. The principal of this HOME Note and any unpaid interest accrued thereon may be prepaid in whole or in part at any time without premium or penalty.

c. The payments on this HOME Note shall first be applied to interest then to unpaid costs and finally principal obligated through the HOME Loan Agreement, provided however, in no event shall additional interest be earned on unpaid interest which has accrued.

d. The payments on this HOME Note shall be made to Lender at the City of Roseville, 311 Vernon Street, Roseville, California, 95678, or to such other place as Lender may from time to time designate.

e. Notwithstanding the above, upon the date of maturity, if the property secured by the HOME Deed of Trust continues to qualify under the HUD terms of affordable housing as defined in Code of Federal Regulations (CFR) 24 Sec. 92.252, the maturity date may be extended for five (5) years. On each maturity date, an additional five (5) years may be granted if the same affordable housing terms set forth in CFR 24 Sec. 92.252 continue to be met.

f. If the Project fails to meet affordability requirements contained in Code of Federal Regulations 24 Sec. 92.252, and said failure continues for thirty (30) days after notice, the entire principal sum and accrued interest shall immediately become due and payable to Lender.

6. Security. This Note is secured by that certain Deed of Trust and Assignment of Rents (hereinafter the "HOME Deed of Trust") of even date herewith given by Borrower, as Trustor to \_\_\_\_\_, as Trustee, for the benefit of Lender, as the Beneficiary, which HOME Deed of Trust is to be recorded against the certain property in the County of Placer, State of California as more particularly described in the HOME Deed of Trust, and incorporated herein by this reference as if set forth herein (hereinafter the "Property"). This HOME Note is also subject to a regulatory Agreement of even date herewith (hereinafter the "HOME Regulatory Agreement") between Borrower and Lender.

7. Acceleration. This HOME Note will only be called prior to maturity upon the occurrence of any of the "events of default" listed in this section 7. This HOME Note and all other

obligations, direct or contingent, of the Borrower under this HOME Note to Lender will become due and payable immediately, except as otherwise stated in this section 7, without presentment for payment or any notice, if:

- a. Borrower fails to pay the monies due under this HOME Note within seven (7) days after the receipt of notice from Lender;
- b. Borrower of this HOME Note:
  - (i) Suspends business; or
  - (ii) Is in default under the HOME Loan Agreement, the HOME Regulatory Agreement and/or the HOME Deed of Trust (hereinafter the "HOME Loan Documents" after the expiration of any applicable cure period(s), if any, as specifically provided in the HOME Loan Documents; or
  - (iii) Fails to comply with, perform or observe any of the covenants, representations and/or warranties made by Borrower under the HOME Loan Documents, if not cured within the applicable cure period, if any, as set forth in the HOME Loan Documents; or
  - (iv) Fails to comply with, perform or observe any obligation or condition of the HOME Loan Documents within any applicable cure period(s), if any; or
  - (v) Fails to procure or maintain the insurance policies and/or bonds required by Lender under the HOME Loan Documents and does not cure such failure within the applicable cure period set forth in the HOME Loan Documents; or
  - (vi) Sells, transfers, leases, or otherwise transfers the Property or Project except as otherwise agreed to in writing by Lender.
- c. Lender discovers that any misrepresentation was made to Lender on behalf of Borrower to obtain the HOME Loan or an extension of the HOME Loan which materially adversely affects Lender's security.

8. **Waivers.** Borrower expressly agrees that this HOME Note or any payment hereunder may be extended from time to time, and that Lender may accept security or release any security for this HOME Note, all without in any way affecting the liability of Borrower.

The obligations of Borrower under this HOME Note shall be absolute and Borrower waives any and all rights to offset, deduct, or withhold any payments or charges due under this HOME Note for any reason whatsoever.

9. **Notices.** All notices to Lender or Borrower shall be made in writing and shall be deemed received when personally delivered, received by the United States certified mail, return receipt requested, postage prepaid, or delivered by courier service addressed as follows

To Lender:                      City of Roseville  
   316 Vernon Street Suite150  
   Roseville, California 95678  
   Attention: Housing Manager

To Borrower: Advocates for Mentally Ill Housing, Inc.  
P.O. Box 5216  
Auburn, CA 95604

Any change in notice shall be delivered solely by certified mail, return receipt requested.

10. **Nonrecourse.** This HOME Loan is a nonrecourse obligation of Borrower. Neither Borrower nor any of its officers, directors or general and limited partners shall have any personal liability for repaying the principal or interest of the Loan or personal liability for the performance of Borrower's obligations under the HOME Loan Documents. The sole recourse of Lender for repayment of the principal and interest shall be the exercise of Lender's rights against the Property under the HOME Loan Documents. The foregoing limitation shall not apply to any and all loss, damage, liability, action, cause of action, cost or expense (including without limitation, reasonable attorneys' fees and expenses) incurred by Lender as a result of any (a) fraud or material misrepresentation under or in connection with the HOME Loan or any HOME Loan Document; (b) intentional bad faith waste of the Property; (c) losses resulting from Borrower's failure to maintain insurance as required under the HOME Loan Documents; or (d) misappropriation of any rents, security deposits, insurance proceeds, condemnation awards or any other proceeds derived from the collateral security. In the event of any of the foregoing events (a) through (d) occurs, Lender shall have the right to proceed directly against Borrower to recover any and all loss, damage, liability, action, cause of action, cost or expense (including without limitation, reasonable attorneys' fees and expenses) incurred by Lender.

11. **Costs and Attorneys' Fees.** If Borrower or Lender initiates any legal or equitable action to enforce the terms of this HOME Note, to declare the rights of the parties hereunder, or which relates to this HOME Note in any manner, the unsuccessful party in such action shall be liable to the other for all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the successful party in such action.

12. **Modification.** This HOME Note may not be changed orally, but only by an agreement in writing signed by the party following receipt of requisite authority against whom enforcement of any waiver, change, modification or discharge is sought. Consent by Lender to late payments does not waive its right to declare indebtedness immediately due and payable.

13. **Governance.** This HOME Note shall be governed by and construed in accordance with the laws of the State of California.

14. **Timeliness.** The times for the performance of any obligation hereunder shall be strictly construed, time being of the essence.

15. **Severability.** If any provision or provisions of this HOME Note are held to be invalid, illegal or unenforceable in any respect, this HOME Note shall be construed as not containing that provision or provisions and all other provisions of this HOME Note shall remain in full force and effect.


16. **Venue.** If Borrower or Lender initiates any legal or equitable action to enforce the terms of this HOME Note, to declare the rights of the parties hereunder, or which relates to this HOME Note in any manner, Borrower and Lender agree that the proper venue for any such action is the Superior Court of the State of California of and for the County of Placer.

[Signatures on Following Page]

BORROWER:

ADVOCATES FOR MENTALLY  
ILL HOUSING, INC., a California non-profit  
public benefit corporation

By:   
Suzi deFossett  
Its: President

By:   
Tom Drake  
Its: Secretary

YUATYVW SOTTAJON  
K HODMA INC 27 JUNE 2014

Signature  
Signature  
Signature  
Signature

BOY-ROYER

# ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Placer)

On 1/7/25 before me, S. Fairchild, Notary Public  
(insert name and title of the officer)

personally appeared Suzi De Fussett + Tom Drake,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)

