

PROMISSORY NOTE
FOR PORTION OF 5TH FLOOR SUB-SUBLESSEE
TENANT IMPROVEMENTS AND FURNITURE
PREDEVELOPMENT LOAN AGREEMENT

“EFFECTIVE DATE”	
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TERMS AND DEFINITIONS:

BORROWER HAS MADE THIS PROMISSORY NOTE (“NOTE”) AS OF THE EFFECTIVE DATE. This Note, in addition to attachments and Exhibits listed below includes Note Provisions, below, which is attached to and incorporated in this Note by this reference. The capitalized terms in this Note shall have the meanings assigned in Definitions and Note Provisions. (Terms being defined are indicated by quotation marks. If an item in a table in this Article 1 is marked “None, Not Applicable, N/A or equivalent or is left blank, that defined term is not applicable to this Note or the referenced item is not required or is not included in this Note as the context may indicate.) The Lender is making the Loan to Borrower in consideration of Borrowers making this Note and delivering it to Lender.

For purposes of this Note, the following terms shall have the following meanings:

DEFINED TERM:	DEFINITION:
“Loan Date”	The Effective Date
“Lender”	Sacramento Housing and Redevelopment Agency
“Borrower”	Sacramento Transportation Authority (STA)
“Borrower Legal Status”	A local transportation authority pursuant to the California Public Utilities Code Section §180000 - §180264.
“Loan Agreement”	The Loan Agreement between the Borrower and Lender as of the Loan Date for making of the loan (“Loan”) evidenced by this Note
“Principal Amount”	One Hundred Thirty Five Thousand Seven Hundred Ninety Two Dollars and No Cents (\$135,792.00)
“Interest Payments”	To be added to T.I. installment payments beginning in Year 4 (see payment schedule). Total interest payments for T.I.’s over the term of the loan shall amount to \$23,472.00.
“Special Terms”	Loan payment shall be deferred for the first three years
PAYMENT SCHEDULE. Repayment of this Note shall be made the following amounts:	
“Maturity Date”	Year 1: \$0.00/mo. T.I.’s Year 2: \$0.00/mo. T.I.’s Year 3: \$0.00/mo. T.I.’s Year 4: \$1,188/mo. T.I.’s Year 5: \$1,363/mo. T.I.’s Year 6: \$1,569/mo. T.I.’s Year 7: \$1,810/mo. T.I.’s Year 8: \$2,094/mo. T.I.’s Year 9: \$2,428/mo. T.I.’s Year 10: \$2,820/mo. T.I.’s Total T.I. payment amount, including interest: \$159,264.00
“Maturity Date”: 120 months from the Effective Date of this Note. The unpaid balance of the Loan, including without limitation principal and interest, shall be all due and payable on the Maturity Date, including without limitation all unpaid principal, interest, fees and charges.	

NOTE PROVISIONS:

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BORROWER HAS MADE THIS NOTE AS OF THE LOAN DATE. The capitalized terms in this Note shall have the meanings assigned in General Terms and Definitions and as defined in these Note Provisions. (Terms being defined are indicated by quotation marks.) The Lender is making the Loan pursuant to the terms and conditions of the Loan Agreement and this Note.

FOR VALUE RECEIVED, THE UNDERSIGNED, JOINTLY AND SEVERALLY, PROMISES TO PAY to Lender, or its successors or assigns, the Principal Amount or such lesser amount as may be endorsed on this Note on behalf of Lender. The Loan shall bear interest on the outstanding principal balance, computed from the date of each advance by Lender to Borrower at Interest Rate.

1. This Note evidences the obligation of Borrower to Lender for repayment of funds loaned to Borrower under a loan agreement between Borrower and Lender dated as of the Loan Date ("Loan Agreement"). The terms and covenants of the Loan Agreement are incorporated in this Note by reference.

2. Borrower shall make payments monthly in the amounts shown in the Payment Schedule, on the first day of each month, beginning on the First Payment Date and continuing for the number of payments shown in the Payment Schedule. On the day of the last payment, the unpaid balance of said principal sum, if any, together with all unpaid interest, fees and charges due, if any, shall become due and payable. All payments on this Note shall be applied first to fees and charges due under the Loan Agreement, if any, then interest and then to the principal due on this Note. Borrower shall make the payments to the Lender at 801 12th Street, Sacramento, CA 95814, or to such other person or organization as may be designated by Lender to Borrower and noticed as provided in the Loan Agreement.

3. If any installment under this Note is not received by Lender within fifteen (15) calendar days after the installment is due, Borrower shall pay to Lender a late charge of five percent (5%) of such installment. Such late charge shall be immediately due and payable without demand by Lender.

4. Borrower acknowledges and agrees that Borrower's duty to repay this Note is independent of Borrower's obligations pursuant to its separate Sub-Sublease with Lender and Borrower's duty to pay Rent thereunder. Borrower waives all defenses to payment of this Note that may arise as a consequence of or in connection with the Sub-Sublease or the default of any party under that Sub-Sublease.

5. Upon occurrence of any one or more of the following, Lender may, at its sole discretion, declare all unpaid principal immediately due and payable, together with all unpaid interest at the stated rate from the date of the advancement of the Loan's proceeds, subject to applicable cure periods, if any:

- a. Borrower defaults in the payment of any principal or interest when due.
- b. Lender discovers that Borrower, in any application to Lender in connection with the Loan, had failed to disclose or misrepresented any fact that would have prevented Borrower from being eligible for the Loan.
- c. Lender discovers that Borrower had made any misrepresentations or failed to disclose any fact in the Loan Agreement or this Note that would affect the interests of Lender.
- d. Borrower defaults or breaches any of the terms of Loan Agreement, this Note or the Regulatory Agreement.
- e. Borrower fails to perform any covenant, term or condition in any instrument creating a lien upon the Property described in Loan Agreement and the Regulatory Agreement, or any part thereof, which lien shall have priority over the lien of the Regulatory Agreement.
- f. The sale, transfer of title, conveyance or further encumbrance of the Property, whether by sale, exchange, gift, inheritance or other means, without prior written consent of Lender.
- g. The occurrence of any of the following:
 - 1) Borrower becoming insolvent or bankrupt or being unable or admitting, in writing, his/her inability to pay his/her debts as they mature or making a general assignment of or entering into any arrangement with creditors.
 - 2) Proceedings for the appointment of a receiver, trustee or liquidator of the assets of Borrower or a substantial part of such assets, being authorized or instituted by or against the Borrower.
 - 3) Proceedings under any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction being authorized or instituted against Borrower.

6. No waiver of any default or breach by Borrower under this Note shall be implied from any omission by Lender to take action on account of such default, and no express waiver shall affect any default, other than the default specified in the waiver. Such waiver shall be in writing and shall be operative only for the time and to the extent therein stated.

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7. Borrower may prepay this Note in full or in part at any time, without any prepayment penalty being charged by Lender.
8. During the existence of default or delinquency under the terms of this Note, the Lender is expressly authorized to apply all payments made on this Note to the payment of all or part of the delinquency, as it may elect.
9. Borrower shall pay to Lender all costs of enforcement of all or any portion of this Note, including attorney's fees, witness fees, investigator fees and court costs, incurred by Lender, whether or not litigation is commenced.

IN WITNESS WHEREOF, Borrower has executed this Note as of the Loan Date.

Borrower:

Sacramento Transportation Authority (STA)

By: _____, Executive Director