

PROMISSORY NOTE

\$20,000.00

January 06, 2020

For value received, the undersigned, Jesus R. Gonzalez (“Maker”), promises to pay to the order of the City of Coachella, a California municipal corporation (“Holder”), the sum of Twenty Thousand Dollars (\$20,000.00), with interest thereon, from the date hereof, through the maturity date. Interest shall accrue at a variable interest rate equal to one percent (1.00%) per annum above the Index Rate (as defined below). The interest rate shall change from time to time as and when the Index Rate changes. For purposes of this Note, the “Index Rate” shall mean, for any period, the corresponding interest rate for such period applicable to investments in the Local Agency Investment Fund administered by the Treasurer’s Office of the State of California.

All principal and all accrued but unpaid interest shall be due and payable on the sixth anniversary of the date hereof; provided that all amounts due hereunder will be forgiven upon Maker’s compliance with all of the terms and conditions of that certain Operating Covenant Agreement dated as of the date hereof, between the Maker and the Holder. This Note may be prepaid in whole or in part at anytime without premium or penalty.

This Note is secured by a deed of trust (the “Deed of Trust”) on that certain property located at 772 Vine Avenue, APN: 778-060-006, in the City of Coachella, State of California. All amounts owing pursuant to this Note may be accelerated in accordance with the terms of the Deed of Trust upon the occurrence of an event of default thereunder.

Maker agrees to pay to Holder, on demand, all costs, expenses and disbursements, including and without limitation to all reasonable attorney’s fees incurred by Holder in the enforcement, collection, renewal, extension or modification of this Note. Any such amount shall, upon demand, be immediately added to the principal balance of the Note.

Maker hereby waives diligence, presentment for payment or acceptance, demand, protest, notice of protest, notice of dishonor, notice of non-payment, and notice of any other kind whatsoever, and further waives all defenses on the grounds of any extension of time of payment or release of collateral or release of parties as obligors on this Note.

Executed as of the date above at Coachella, California.

“Maker”

Jesus R. Gonzalez