

EXHIBIT C
(Form Promissory Note)

\$50,000

Douglas, Arizona
_____, 2021

1. *FOR VALUE RECEIVED*, Harrell Cooley, LLC, an Arizona limited liability company (hereinafter referred to as "Maker" or "Payor"), hereby promises to pay to the order of the City of Douglas, an Arizona municipal corporation (hereinafter referred to "Payee"), at 425 10th Street, Douglas, Arizona or at such other place as may hereafter at any time or from time to time be designated by the Payee or the holder of this Note, the principal sum of FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00) plus interest at the rate of 3.0% per annum, payable hereunder in lawful money of the United States as follows:

- (a) Monthly payments of principal and interest amounting to Eight Hundred Ninety-Eight and 43/100 Dollars (\$898.43) commencing on _____, 2021 and continuing each month thereafter on the 1st day of each succeeding month for fifty-nine (59) months;
- (b) Each payment shall be applied first to interest accrued and the remaining part thereof to principal;
- (c) Maker has the right to pay off the remaining balance due early without any penalties.
- (d) If not sooner paid, the entire unpaid balance of principal and accrued interest shall be all due and payable on or before _____, 2026.
- (e) There shall be a late fee of \$50.00 per day for any payment not received by Payee within 5 days of the date it is due. Therefore, any payment made after the 6th day of the month shall add a \$50.00 late fee for each day it is late.

2. It is agreed that if default be made in the payment of any amount due under this Note or the performance or observance of any covenant contained in this Note, or any instrument securing this Note, between Maker and Payee, the term of this Note may be accelerated and if default is not cured within sixty (60) days after the giving of written notice of the same, then the whole principal sum thereof shall at once, at the option of the holder of this Note become due and payable without further notice or demand. The failure to exercise this option shall not constitute a waiver of the right to exercise the same upon the occurrence of any subsequent event of default or continuance of such default after demand for strict performance.

3. It is agreed that any sums which shall not be paid when due, whether maturing by lapse of time or by reason of acceleration under the provisions herein stated, all principal, accrued interest, money owing or advancements by the holder pursuant to the terms or any instrument securing this Note, shall be added to the principal and shall bear interest at the rate of five percent (5%) above the prime rate of interest published by Chase Bank or its successor from time to time from the due date until paid in full. Should

compliance with any agreement contained herein or in any instrument securing this Note or other instrument or any transaction related thereto result in usury, then only so much interest shall be payable as will not amount to any exaction of interest in excess of that allowed by law.

4. In the event the Payee hereunder utilizes the services of any attorney in attempting to collect the amounts due hereunder or enforce the terms hereof or of any agreements related to this indebtedness; the Maker, its successors and assigns shall repay to the Payee or any holder hereof on demand all reasonable costs and expenses so incurred, including reasonable attorneys' fees incurred to collect the amounts due hereunder or enforce the terms hereof or of any agreements related to this indebtedness; or in connection with the filing by or against the Maker hereof of any proceeding under any Chapter of the Bankruptcy Act, or similar federal or state statute, and whether incurred in connection with the Payee's involvement as a creditor in such proceedings or otherwise.

5. If there shall be filed by or against Maker a petition (whether voluntary or involuntary) under any chapter of the United States Bankruptcy Code (the "Code") on or after the date of this Note, it is the intention of Maker and Payee that all of the terms and conditions of this Note with respect to Maker shall be incorporated into a plan of reorganization under Section 1129 of the Code (a "Plan"). Maker agrees that under any potential Plan which may be filed in the future (i) this Note shall represent a necessary element of such Plan, (ii) Maker will not seek to alter or amend any of the terms and conditions of this Note, (iii) such terms and conditions are necessary for Payee's adequate protection, and (iv) such terms and conditions will remain binding upon Maker in any such Plan.

Alternatively, in the event Maker fails to obtain confirmation of a plan of reorganization incorporating the terms of this Note within 120 days after a petition is filed, Payee shall be entitled to the automatic and absolute lifting of any automatic stay as to the enforcement of the Note and other security documents securing this Note, including specifically, but not limited to, the stay imposed by Section 362 of the Code. After the expiration of that 120-day time period, Maker hereby consents to the lifting of any such automatic stay and will not contest any motion by Payee to lift such stay. Maker acknowledges that Payee's interest in the Property secured by this Note can be adequately protected only if a plan of reorganization incorporating the terms of this Note is confirmed within 120 days after the petition is filed. Payee reserves its right to seek all remedies available to creditors under the Code, including, but not limited to, the right to move for relief from the automatic stay at any time.

6. Except as specifically provided herein, Maker and any endorsers and guarantors hereof and all others who may become liable for all or any part of this Note severally waive presentment for payment, demand, protest and notice of protest and nonpayment of this Note as well as the benefit of any exemption laws as to the debt evidenced by this Note, and consent to any number of renewals or extensions of time of payment hereof or other indulgences granted to the undersigned by the holder hereof. Any such renewals, extensions or indulgences may be made without notice to any of said parties and without affecting their liability.

7. The Maker understands and agrees that by signing this instrument, they are binding themselves to payment of all sums due herein and all conditions set forth herein and, in connection herewith, understands and agrees further as follows:

- (a) Maker agrees to waive all claims of exemption or right to require Payee to seek any remedy available under A.R.S. Section 12-1641 *et seq.*, prior to claiming any enforcement or remedy herein;
- (b) Maker agrees that Cochise County, Arizona is the proper

and exclusive venue for any collection or litigation of this Note.

8. Time is of the essence of this Promissory Note, and that by accepting payment of any sum secured hereby after its due date, Payee does not waive his right either to require prompt payment when due of all other sums hereunder or to declare default for failure so to pay. No delays or omissions by Payee in exercising any rights or remedy will impair that right or remedy, nor be an acquiescence in any default, nor affect any subsequent default of the same or of a different nature.

9. Should this Promissory Note be signed by more than one person, all of the obligations contained herein shall be the joint and several obligations of each signer hereof.

10. This Promissory Note is secured by a Deed of Trust recorded against the real property in Douglas, Cochise County, Arizona, and legally described and depicted on Exhibit A. Without limiting any and all of the rights set forth for the Payee/Beneficiary in the Deed of Trust, Maker hereby agrees to sign a Deed in Lieu of Foreclosure, or any other applicable document that transfers the real property back to the Payee, if any payment due and owing is not made sixty (60) days after its due date.

11. Notwithstanding anything else contained in this Promissory Note or the Deed of Trust, Maker shall have the right, but not the obligation, in its sole discretion, to prepay this Promissory Note, in whole or in part, at any time prior to the date on which the final installment of all sums due hereunder shall become due and payable; and no yield maintenance or prepayment penalty shall apply to such prepayment.

DATED this ____ day of _____, 2021.

MAKER:

Harrell Cooley, LLC
an Arizona limited liability company

By: _____
_____, Member