

PROMISSORY NOTE  
[SAN RAMON, CA]  
(THE PRESERVE (LENNAR) - 2020)

ADMINISTRATIVE COVER SHEET

(Remove Upon Completion)

**BLANK LINES: CHECKLIST**

- \_\_\_\_\_ Date of Document, p. 1, upper right
- \_\_\_\_\_ Borrower's Name, p. 1, first paragraph
- \_\_\_\_\_ Street Address of Home, p. 1, Section 1
- \_\_\_\_\_ Signatures, p. 7

**NOTICE TO BORROWER: THIS DOCUMENT CONTAINS PROVISIONS  
RESTRICTING REALES AND ASSUMPTIONS.**

PROMISSORY NOTE  
Secured by Deed of Trust  
(City of San Ramon– The Preserve (Lennar))

**Excess Sales Proceeds**

San Ramon, California

**DATE**

FOR VALUE RECEIVED, the undersigned Name ("Borrower") promises to pay to the City of San Ramon, a municipal corporation ("City"), at 7000 Bollinger Canyon Rd., San Ramon, CA, 94583, or such other place as City may designate in writing, any amounts due the City as Excess Sales Proceeds pursuant to Section 13 of the Resale Restriction Agreement.

1. Purpose of Note. Owner is purchasing the Home located at Address in the City of San Ramon pursuant to the City of San Ramon's affordable housing program, which provides for the purchase of homes by low- and very low-income households at affordable prices. As a result of the City's affordable housing requirement agreed to by the developer of The Preserve, the purchase price of the Home has been set so that the Home will be affordable for purchase by low- and very low-income households, as defined below in Section 2. Definitions. Because the purchase price has been set based on affordability calculations, the Owner is required and has agreed to execute a Resale Restriction Agreement which restricts the price of the Home upon resale and which requires the Owner to pay any Excess Sales Proceeds at resale to the City. In addition, the Resale Restriction Agreement prohibits the Owner from renting or leasing the Home except under limited circumstances and requires the Owner to pay any Excess Rental Proceeds to the City. This promissory note (the "Note") evidences the obligation of the Owner to pay any Excess Sales Proceeds to the City pursuant to Section 13 of the Resale Restriction Agreement.

2. Definitions. The terms set forth in this section shall have the following meanings in this Note.

(a) "City Option" shall mean the City's options to purchase pursuant to Section 6 of the Resale Restriction Agreement.

(b) "Excess Sales Proceeds" shall have the meaning set forth in Section 13 of the Resale Restriction Agreement.

(c) "First Mortgage" shall mean the promissory note and deed of trust evidencing and securing a first mortgage loan for the Home.

(d) "Home" shall mean the dwelling and the real property, on which the dwelling is located, which secure the deed of trust executed in connection with this Note.

(e) "Low-Income Household(s)" shall mean a household that has an annual income that is from fifty-one percent (51%) to (and including) eighty percent (80%) of the Contra Costa Median Income, as adjusted for family size and published by the State Department of Housing and Community Development pursuant to Health & Safety Code Section 50079.5.

(f) "Resale Restriction Agreement" shall mean the Buyer's Resale Restriction Agreement and Option to Purchase Agreement executed by the Owner and the City in connection with the Owner's purchase of the Home.

(g) "Term" shall mean the term of this Note, which shall be the same as the Term of the Resale Restriction Agreement, as set forth in Section 1(c) of the Resale Restriction Agreement.

(h) "Very Low-Income Household(s)" shall mean a household that has an annual income that does not exceed fifty percent (50%) of the Contra Costa County Median Income, as adjusted for family size and published by the State Department of Housing and Community Development pursuant to Health & Safety Code Section 50105.

3. Payments. In the event any Excess Sales Proceeds become due and payable under the Resale Restriction Agreement, such amounts shall be immediately due and payable hereunder. Failure to declare such amounts due shall not constitute a waiver on the part of the City to declare them due in the event of a subsequent Transfer.

4. Security. This Note is secured by a deed of trust dated the same date as this Note (the "Deed of Trust"). Owner and City have also executed the Resale Restriction Agreement.

5. Due on Transfer. Any amounts due under this Note shall be due and payable in full on the date of any Transfer (as defined in the Resale Restriction Agreement Section 7(a)) of the Home.

6. Default and Acceleration. The Owner shall be in default under this Note if he or she is in default under the Resale Restriction Agreement. Upon the occurrence of a default under this Note, the full amount of any Excess Sales Proceeds due under the Resale Agreement shall be immediately due and payable.

7. No Waiver by City. Any failure by the City to pursue its legal and equitable remedies upon default shall not constitute a waiver of the City's right to declare a default and exercise all of its rights under this Note, the Resale Restriction Agreement, and the Deed of Trust. Nor shall acceptance by the City of any payment provided for herein constitute a waiver of the City's right to require prompt payment of any remaining payments owed.

8. Attorney's Fees and Costs. Owner agrees that if any amounts due under this Note are not paid when due, to pay in addition to principal and accrued interest, all costs and expenses of collection and reasonable attorney fees paid or incurred in connection with the collection or enforcement of this Note, whether or not a lawsuit is filed.

9. Joint and Several Obligations. This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

10. No Offset. Owner hereby waives any rights of offset it now has or may hereafter have against City, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Note.

11. Waiver. Owner and any endorsers or guarantors of this Note, for themselves, their heirs, legal representatives, successors and assigns, respectively, severally waive diligence, presentment, protest, and demand, and notice of protest, notice of dishonor and notice of non-payment of this Note, and expressly waive any rights to be released by reason of any extension of time or change in terms of payment, or change, alteration or release of any security given for the payments hereof, and expressly waive the right to plead any and all statutes of limitations as a defense to any demand on this Note or agreement to pay the same, and jointly and severally agree to pay all costs of collection when incurred, including reasonable attorneys' fees.

12. Notices. All notices required in this Note shall be sent by certified mail, return receipt requested, or express delivery service with a delivery receipt, or personally delivered with a delivery receipt obtained and shall be deemed to be effective as of the date shown on the delivery receipt as the date of delivery, the date delivery was refused, or the date the notice was returned as undeliverable as follows:

To the Owner:

Name  
Property Address  
San Ramon, CA, 94583

To the City:

City of San Ramon  
Attn: Community Development Department-Planning Services Division  
7000 Bollinger Canyon Rd.  
San Ramon, CA, 94583

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section 12.

13. Jurisdiction, Venue, and Governing Law. Any action at law or in equity brought by either of the Parties for the purpose of enforcing a right or rights provided for by this

Agreement will be tried in a court of competent jurisdiction in the County of Contra Costa, State of California, and the Parties waive all provisions of law providing for a change of venue in these proceedings to any other county. This Note shall be construed in accordance with and be governed by the laws of the State of California.

14. Assignment by City. The City may assign its right to receive the proceeds under this Note to any person and upon notice to the Owner by the City, all payments shall be made to the assignee.

15. Severability. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

16. Entire Agreement. This Note (along with the Resale Restriction Agreement and Deed of Trust) sets forth the entire understanding and agreement of the City and the Owner and any amendment, alteration or interpretation of this Note must be in writing signed by both the City and the Owner.

17. Joint and Several Obligations. This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

BORROWER:

\_\_\_\_\_  
Name(s)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name(s)

\_\_\_\_\_  
Date