RESOLUTION NO. 3174-15

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR APPROVING A LOAN AGREEMENT BETWEEN THE TOWN AND WINDSOR HOSPITALITY GROUP, LLC FOR THE FINANCING OF DEVELOPMENT FEES FOR THE HOLIDAY INN PROJECT, AUTHORIZING THE TOWN MANAGER TO EXECUTE SAID AGREEMENT AND TO TAKE OTHER AND FURTHER RELATED ACTIONS

WHEREAS, on December 3, 2014, in order to encourage the construction of hotels, and thus generate additional overnight visitors to Windsor, which has ancillary effects of supporting local businesses including restaurants and retail establishments, supporting the local economy, and generating sales tax, the Town Council ("Council") adopted a resolution authorizing the creation of a development impact fee loan program, and approving program guidelines and related documents; and

WHEREAS, on January 8, 2015, as required in the approved program guidelines, Nick Desai of the Windsor Hospitality Group, LLC ("Applicant") submitted to the Town a completed application, an application fee, a preliminary title report and evidence of legal authority for the signatory of the application; and

WHEREAS, the proposed project that is the subject of the application is a Holiday Inn located at 8755 Old Redwood Hwy ("Project"); and

WHEREAS, on March 13, 2012, the Project received final discretionary approval from the Town Council; and

WHEREAS, as of March 13, 2012, the Project has undergone all required environmental review and is in compliance with all requirements established by the environmental document prepared for the project; and

WHEREAS, as of February 12, 2015, all conditions of approval for the Project have been met; and

WHEREAS, as of January 6, 2015, per the Sonoma County Assessor's office, all taxes and assessments on the property on which the Project is located are current; and

WHEREAS, as of February 12, 2015 the Applicant has no unpaid balances due to the Town for the Project or any other project or purpose; and

WHEREAS, per the program guidelines the development fees would be financed over a 60 month period of time, with payments beginning the month after the issuance of the certificate of occupancy for the Project; and

WHEREAS, the loan would accrue interest at a fixed rate equal to the Wall Street Journal Prime in effect on the effective date of the Project loan agreement, currently at 3.25%; and

WHEREAS, fees proposed for financing total $1,303,680.

NOW, THEREFORE, BE IT RESOLVED that the Town Council finds that the Applicant, Windsor Hospitality Group, LLC, meets the requirements of the Town's development impact fee program.

BE IT FURTHER RESOLVED that the Town Council approves the Loan Agreement with the Applicant, subject to compliance with the approved development impact fee loan program documents, and authorizes the Town Manager or her designee to execute the same and to execute and/or record such other documents, substantially in the form previously approved by the Council, or with such revisions as do not materially increase the Town's obligations thereunder, as may be approved by the Town Attorney, and to take such other and further action as necessary, to carry out the intent of this Resolution.

PASSED, APPROVED AND ADOPTED this 18th day of February 2015, by the following vote:

AYES:	**COUNCILMEMBERS FOPPOLI, FUDGE, SALMON, VICE MAYOR MILLAN AND MAYOR OKREPKIE**
NOES:	**NONE**
ABSTAIN:	**NONE**
ABSENT:	**NONE**

BRUCE OKREPKIE, MAYOR

ATTEST:

MARIA DE LA O, TOWN CLERK

Attachment:
Exhibit "A"
Development Impact Fee Loan Agreement with Exhibits

Recording Requested by
and when Recorded, return to:

Town of Windsor
9291 Old Redwood Hwy
Windsor, CA 95492
Attn: Town Manager

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

Space above this line for Recorder's use.

DEVELOPMENT IMPACT FEE LOAN AGREEMENT

This Development Impact Fee Loan Agreement ("**Agreement**") is entered into effective _____, 2015 ("**Effective Date**") by and between the Town of Windsor, a California municipal corporation ("**Town**"), and Windsor Hospitality Group, LLC, a limited liability company ("**Owner**"). Town and Owner are hereinafter collectively referred to as the "**Parties**."

RECITALS

A. Owner is the fee simple owner of that certain real property located at 8755 Old Redwood Hwy. in Windsor, California ("**Property**"), which is more particularly described in Exhibit A attached hereto and incorporated herein by reference.

B. Owner desires to develop a hotel on the Property consisting of approximately 64,188 square feet ("**Project**").

C. Owner has applied to the Town for those permits and entitlements necessary for construction of the Project.

D. In connection with the granting of such permits and entitlements for the Project, the Town has imposed certain development impact fees and charges pursuant to Chapter 6 of Title XVI of the Windsor Municipal Code ("**Impact Fees**").

E. Pursuant to Resolution No. 3158-14, the Town has established a Development Impact Fee Loan Program ("**Loan Program**") pursuant to which the Town provides loans to developers of hotel projects as defined in Chapter 3 of Title II, Section 2-3-100, of the Windsor Municipal Code to finance the payment of Impact Fees. The purpose of the Loan Program is to encourage the development of hotels, increase the property tax base, generate transient

occupancy taxes, and otherwise assist in the economic development and visitor-serving needs of the Town.

F. Owner has submitted an application for the Loan Program requesting that the Town provide a loan in the amount of $1,303,680 to finance the cost of the Project's Impact Fees.

G. The Town has determined that this Project is eligible for the Loan Program and will generally contribute to the economic and commercial well-being of the Town and its residents.

H. The Town has agreed, subject to the terms, conditions and limitations of this Agreement, to provide a loan to Owner as more particularly set forth in this Agreement.

I. To secure Owner's obligation to pay the Loan, the Program requires that Owner execute and record this Agreement against the Property.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

1. **Loan.**

(a) Loan and Note. Town agrees to provide a loan to Owner in the principal amount of one-million, three-hundred and three thousand, six-hundred and eighty dollars ($1,303,680) (the "**Loan**") upon the terms and conditions and for the purposes set forth in this Agreement. The Loan shall be evidenced by a Secured Promissory Note in the amount of the Loan (the "**Note**") dated as of the Effective Date and executed by Owner substantially in the form attached hereto as Exhibit B. The Note shall be secured by the Deed of Trust ("**Deed of Trust**") executed by Owner as Trustor for the benefit of the Town substantially in the form attached hereto as Exhibit C. This Agreement, the Note and the Deed of Trust are hereinafter collectively referred to as the "**Loan Documents**."

(b) Interest Rate. Commencing on the Effective Date of this Agreement and continuing through the date that all indebtedness and other amounts payable under this Agreement and the Note are paid in full, interest on the Loan shall accrue on the outstanding principal balance at a rate equal to the Wall Street Journal Prime Rate in effect on the Effective Date of this Agreement, which is 3.25% simple interest per annum. Interest shall be calculated on the basis of a year of 365 days, and charged for the actual number of days elapsed.

(c) Payments. Commencing on the first (1st) day of the calendar month following the Town's issuance of a certificate of occupancy for the Project, and on the first (1st) day of each calendar month thereafter through the Maturity Date (defined below), Owner shall make monthly payments of principal to the Town in the amount of twenty-one thousand, seven hundred twenty-eight Dollars ($21,728), together with accrued interest thereon. By way of example, if the Town issues a certificate of occupancy for the Project on September 15th, payments shall commence on October 1st. Any other amounts owing under this Note shall be due and payable on the Maturity Date.

(d) Maturity Date. The entire outstanding principal balance of the Loan together with accrued interest and all other sums due under the Loan Documents shall be payable in full on the fifth (5th) anniversary of the date that the Town issues a certificate of occupancy for the Project ("**Maturity Date**"). Notwithstanding the foregoing, the Town shall have the right to accelerate the Maturity Date and declare all sums payable under the Note immediately due and payable upon the occurrence of an Event of Default.

2. **Security.** As security for repayment of the Note, Owner shall execute the Deed of Trust in favor of the Town as beneficiary pursuant to which Town shall be provided a lien against the Property and the improvements thereon. The Deed of Trust shall be dated as of the Effective Date and shall be substantially in the form attached hereto as Exhibit C. This Agreement and the Deed of Trust shall be recorded in the Official Records of Sonoma County ("**Official Records**") and may be subordinated only to such liens and encumbrances as Town shall approve in writing, which subordination shall provide Town with notice and an opportunity to cure any defaults on such liens and encumbrances.

3. **Use and Disbursement of Proceeds**. Owner shall use the proceeds of the Loan (the "**Loan Proceeds**") solely and exclusively to pay the Impact Fees assessed by the Town for the Project. Provided that Owner has complied with all conditions precedent to disbursement of the Loan set forth in Section 4, the Loan Proceeds shall be disbursed to Owner.

4. **Conditions to Disbursement of Loan Proceeds.** Town's obligation to fund the Loan and disburse the Loan Proceeds is conditioned upon the satisfaction (or Town's waiver) of all of the following conditions:

(a) Owner's execution and delivery to Town of this Agreement, the Note, and the Deed of Trust.

(b) Recordation of this Agreement and the Deed of Trust in the Official Records.

(c) Owner's delivery to the Town of a Preliminary Title Report for the Property evidencing that there are no liens senior to Town's Deed of Trust, except for those

senior liens approved by Town.

(d) Owner's delivery to Town of each of the following: (i) certificate of good standing, certified by the Secretary of State indicating that Owner is properly organized and authorized to do business in the State of California, (ii) a certified resolution indicating that Owner has authorized this transaction and that the persons executing the Loan Documents on behalf of Owner have been duly authorized to do so, and (iii) certified copy of Owner's articles of incorporation and bylaws.

(e) No material adverse change as determined by Town in its reasonable judgment shall have occurred in the condition of the Property or in the financial or other condition of Owner since the date of this Agreement.

5. **No Obligation to Disburse Proceeds Upon Default.** Notwithstanding any other provision of this Agreement, the Town shall have no obligation to disburse or authorize the disbursement of any portion of the Loan Proceeds following:

(a) the failure of any of Owner's representations and warranties made in this Agreement or in connection with the Loan to be true and correct in all material respects;

(b) the termination of this Agreement by mutual agreement of the Parties;

(c) Transfer (defined below) of Owner's interest in the Property or the Project; or

(d) the occurrence of an Event of Default under any Loan Document which remains uncured beyond any applicable cure period, or the existence of any condition, event or act which upon the giving of notice or the passage of time or both would constitute an Event of Default under any Loan Document.

6. **Prepayment; Acceleration; Limitations on Assignment.**

(a) Prepayment. Owner shall have the right to prepay the Loan at any time and from time to time, without penalty or premium, provided that any prepayment of principal must be accompanied by interest accrued but unpaid to the date of prepayment. Prepayments shall be applied first to accrued but unpaid interest and then to principal. In no event shall any amount due under the Note become subject to any rights of offset, deduction or counterclaim on the part of Owner.

(b) Due On Sale or Encumbrance. Unless Town agrees otherwise in writing, the entire unpaid principal balance and all interest and other sums accrued under the Note shall be due and payable upon the Transfer, absent the prior written consent of Town, of all or any part

of Owner's interest in the Property or the Project. "**Transfer**" shall include any sale, assignment, hypothecation, mortgage, pledge, encumbrance or conveyance of Owner's interest in the Property or the Project.

7. Representations and Warranties. Owner makes the following representations, warranties and covenants and acknowledges that Town is relying thereupon in making the Loan:

(a) Owner is a limited liability company duly organized and in good standing under the laws of the State of California. The persons executing this agreement on behalf of Owner have been duly authorized to do so. Owner has all requisite power and authority to execute, deliver and perform its obligations under the Loan Documents. Owner is the fee simple owner of the Property, subject only to liens, encumbrances, easements, restrictions, conditions, and other matters of record or disclosed in writing to Town.

(b) The execution of the Loan Documents and Owner's performance thereunder do not and will not result in a breach of or constitute a default under any agreement, indenture or other instrument to which Owner is a party or by which Owner may be bound.

(c) The Loan Documents and the transactions contemplated thereby have each been duly authorized by Owner, and when executed and delivered will each constitute a valid and binding obligation of Owner, enforceable in accordance with the respective terms thereof.

(d) There are no pending, or to Owner's knowledge, threatened actions or proceedings before any court or administrative agency which may adversely affect the financial condition or operation of Owner or Owner's interest in the Property.

(e) Owner is in compliance in all material respects with all local, state and federal laws, rules, regulations, orders and decrees which are applicable to the Property, the Project or to Owner in relation thereto (**"Applicable Laws"**) including without limitation, all environmental, health and safety and employment laws. Owner has received no notice from any governmental authority regarding any threatened or pending zoning, building, fire, or health code violation or violation of other governmental regulations concerning the Property that has not been corrected, and no condition on the Property violates any Applicable Law.

(f) No representation or warranty made by Owner in this Agreement or in the Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein not misleading. There is no fact known to Owner which has or might reasonably be anticipated to have a material adverse effect on the business, assets, financial condition of Owner which has not been disclosed to Town in writing.

8. Affirmative Covenants.

(a) Owner covenants that it shall use the Loan Proceeds solely for purposes set forth in Section 3.

(b) Owner covenants to punctually pay the principal balance of the Note and interest (if any) accrued thereon at the times and place and in the manner specified in the Note.

(c) Owner covenants to maintain accurate books and records relating to the Loan in accordance with standard accounting principles consistently applied, and to permit the Town, during business hours and upon reasonable notice to inspect, audit and examine such books and records and to inspect the Property during normal business hours upon reasonable notice to ensure compliance with this Agreement.

(d) Owner covenants to comply with all Applicable Laws.

(e) Owner shall maintain and keep in force at Owner's expense, insurance coverage with respect to the Property in accordance with the requirements set forth in Exhibit D attached hereto and incorporated herein.

(f) Owner shall keep the Property and any improvements thereon, and the personal property used in Owner's operations, in good repair and condition, and from time to time make necessary repairs, renewals and replacements thereto so that the Property and improvements shall be preserved and maintained.

(g) Owner shall pay and discharge when due any and all indebtedness, obligations, assessments, taxes, including federal and state payroll and income taxes which are the obligations of Owner in relation to the Property except those that Owner may in good faith contest or as to which a bona fide dispute may arise, provided provision is made to the satisfaction of the Town for eventual payment thereof in the event that it is found that the same is an obligation of Owner.

9. Default.

(a) Events of Default. Each of the following events shall constitute an event of default hereunder ("**Event of Default**"):

(i) Owner fails to pay when due any principal payment or other sum due under this Agreement or the Note;

(ii) The Property or the Project cease to generate Transient Occupancy Tax;

(iii) The Project or Property shall be abandoned, or the operation of the Project shall cease for more than thirty (30) days (other than for force majeure or other reasons covered by insurance);

(iv) If any representation or warranty contained in the Loan Documents or any document furnished in connection with the foregoing proves to have been false or misleading in any material adverse respect when made.

(v) A default has been declared by a lender under any loan secured by a deed of trust on the Project;

(vi) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a Bankruptcy Law): (1) Owner (i) commences a voluntary case or proceeding, (ii) consents to the entry of an order for relief against it in an involuntary case, (iii) applies for or consents to the appointment of a trustee, receiver, assignee, liquidator or similar official, (iv) makes an assignment for the benefit of its creditors, or (v) admits in writing its inability to pay its debts as they become due; or (2) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Owner in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Owner or substantially all of Owner's assets, (iii) orders the liquidation of Owner, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or any other property of Owner, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance;

(vii) An Event of Default is declared under the Note or the Deed of Trust, subject to the expiration of any applicable cure period set forth in such documents; or

(viii) Owner defaults in the performance of any term, provision, covenant or agreement (other than an obligation enumerated in this Section 9) contained in this Agreement or unless a shorter cure period for such default is specified herein, the default continues for ten (10) days in the event of a monetary default or thirty (30) days in the event of a nonmonetary default after the date upon which the Town shall have given written notice of the default to Owner (or such longer time as the Town may agree upon in writing), provided that in each case Owner commences

to cure the default within thirty (30) days and thereafter prosecutes the curing of such default with due diligence and in good faith.

(b) Rights Upon Event of Default. Upon the occurrence of an Event of Default, the Town shall have all remedies available to it under law or equity, including, but not limited to the following, and the Town may, at its election, without notice to or demand upon Owner, except for notices or demands required by law or expressly required pursuant to this Agreement, exercise one or more of the following remedies:

(i) Seek specific performance to enforce the terms of this Agreement;

(ii) Accelerate and declare the balance of the Note and interest accrued thereon immediately due and payable;

(iii) Foreclose on the Property pursuant to the Deed of Trust; or

(iv) Pursue any and all other remedies available under law to enforce the terms of this Agreement and the Town's rights hereunder.

(c) Cumulative Remedies. Each of the remedies provided herein is cumulative and not exclusive of, and shall not prejudice any other remedy provided herein. The Town may exercise from time to time any rights and remedies available to it under applicable law, in addition to, and not in lieu of, any rights and remedies expressly granted in this Agreement or in any other instrument or notice.

10. **Indemnification**. To the fullest extent allowed by law, Owner shall indemnify, defend (with counsel approved by Town), and hold harmless Town and its elected and appointed officers, agents, employees, consultants and contractors (collectively, the **Indemnitees**"), from and against, and shall pay on demand, any and all losses, liabilities, damages, costs, claims, demands, penalties, deficiencies, fines, orders, judgments, actions, suits, judicial or administrative proceedings, injunctive or other relief, expenses and charges (including attorneys' fees and court costs) (collectively "**Claims"**) arising directly or indirectly in any manner in connection with or as a result of (a) any breach of Owner's covenants under the Loan Documents, (b) any failure of Owner's representations and warranties to be true and correct in all material respects when made, (c) injury or death to persons or damage to property or other loss occurring on the Property, whether caused by the negligence or any other act or omission of Owner or any other person or by negligent, faulty, inadequate or defective design, building, construction or maintenance or any other condition or otherwise, or (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which relates to or arises out of the Property, the Project, the Loan, the Loan Documents, or any transaction contemplated thereby, or any failure of Owner to comply with all Applicable Laws in connection with the Property and the Project, including but

not limited to, Prevailing Wage Laws, provided that no Indemnitee shall be entitled to indemnification under this Section for matters caused by such Indemnitee's sole negligence or willful misconduct. The obligations of Owner under this Section shall survive the expiration or termination of this Agreement and the making and repayment of the Loan.

11. **Successors and Assigns**. Owner may not assign this Agreement, in whole or in part, without the prior written consent of Town, and any attempt to make such assignment shall be null and void. Notwithstanding the foregoing and the restrictions on transfer in Section 6(b), the Parties hereby declare their express intent that all covenants, conditions and restrictions contained in this Agreement shall be deemed covenants running with the land and shall pass to and be binding upon Owner's successors in title to the Property.

12. **Governing Laws**. This Agreement shall in all respects be construed and enforced in accordance with laws of the State of California without regard to principles of conflicts of laws. Any action from or brought in connection with this Agreement shall be brought in a court of competent jurisdiction in Sonoma County, California.

13. **Notices**. All notices required to be delivered under this Agreement or applicable law shall be delivered by personal delivery, express mail or by United States mail, certified, postage prepaid. Notices personally delivered or delivered by express mail shall be deemed received upon receipt. Notices delivered by certified mail shall be deemed received the earlier of three (3) days following deposit of such notice with the United States Postal Service or actual receipt. Notices shall be sent as follows:

To Town: Town of Windsor
9291 Old Redwood Hwy
Windsor, CA 95492
Attn: Town Manager

To Owner: Windsor Hospitality Group, LLC
178 Dry Creek Road
Healdsburg, CA 95448
Attn: Nick Desai

14. **Attorneys' Fees and Costs**. In the event any legal action is commenced to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach thereof, the Party prevailing in any such action shall be entitled to recover against the other Party all reasonable attorneys' fees and costs incurred in such action.

15. **Entire Agreement**. This Agreement, together with Exhibits A-D, which are attached hereto and incorporated herein by reference, constitutes the entire agreement of Town

and Owner and supersedes all previous agreements, oral or written, on the subject matter of this Agreement.

16. **Modification**. This Agreement shall be amended or modified only by an Agreement in writing signed by each of the Parties.

17. **Further Acts**. The Parties agree to execute such additional documents and to take such further actions as are reasonably necessary to accomplish the objectives and intent of this Agreement.

18. **Severability**. If any provision or clause of this Agreement or any application of it to any person, firm, organization, partnership or corporation is held invalid, such invalidity shall not affect any other provision of this Agreement, and the Agreement shall be construed as if such provisions or clauses did not exist.

19. **Captions; Interpretation; Time.** The captions of the Sections of this Agreement are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party. Time is of the essence in the performance of this Agreement.

20. **Counterparts**. This Agreement may be executed in multiple counterparts each of which shall be an original and all of which taken together shall constitute one and the same instrument.

21. **No Third Party Beneficiary**. This Agreement and the performance of the Town's and the Owner's obligations hereunder are for the sole and exclusive benefit of the Town and the Owner. No person or entity who or which is not a signatory to this Agreement shall be deemed to be benefited or intended to be benefited by any provision hereof, and no such person or entity shall acquire any rights or causes of action against either the Town or the Owner hereunder as a result of the Town's or the Owner's performance or nonperformance of their respective obligations under this Agreement.

22. **Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Notwithstanding the foregoing, Town's obligation to make the Loan is personal to Owner, and shall not be assignable by Owner by operation of law or otherwise absent the express written consent of Town, and any such assignment by operation of law or otherwise shall be void.

23. **Survival**. All representations made by Owner herein and the provisions of Sections 7 and 10 hereof shall survive the expiration or earlier termination of this Agreement.

The representations of Owner made herein have been or will be relied upon by the Town, notwithstanding any investigation made by the Town or on its behalf.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have each caused this Agreement to be duly executed as of the date first written above.

WINDSOR HOSPITALITY GROUP, LLC
a Limited liability company

By: _____

Nick Desai, Manager

TOWN OF WINDSOR
a California municipal corporation

By: _____
Linda Kelly, Town Manager

ATTEST:

_____
Maria De La O, Town Clerk

APPROVED AS TO FORM:

By: _____
Robin Donoghue, Town Attorney

SIGNATURES MUST BE NOTARIZED.

EXHIBIT A

PROPERTY

(attach legal description)

EXHIBIT B

NOTE

EXHIBIT C

DEED OF TRUST

EXHIBIT D

INSURANCE REQUIREMENTS

(a) Owner and all contractors working on behalf of Borrower on the Project shall maintain a commercial general liability policy (occurrence form CG 0001) in the amount of One Million Dollars ($1,000,000) each occurrence, Two Million Dollars ($2,000,000) annual aggregate, or such other policy limits as Town may require in its reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Indemnitees as additional insureds.

(b) Owner and all contractors working on behalf of Owner shall maintain a comprehensive automobile liability coverage in the amount of One Million Dollars ($1,000,000), combined single limit including coverage for owned and non-owned vehicles and shall furnish or cause to be furnished to Town evidence satisfactory to Town that Owner and any contractor with whom Owner has contracted for the performance of work on the Property or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law. Automobile liability policies shall name the Indemnitees as additional insureds.

(c) Upon commencement of construction work and continuing until issuance of a Certificate of Completion, Owner and all contractors working on behalf of Owner shall maintain a policy of builder's all-risk insurance in an amount not less than the full insurable cost of the Project on a replacement cost basis naming Town as loss payee.

(d) Borrower shall maintain property insurance covering all risks of loss (other than earthquake), including flood (if required) for 100% of the replacement value of the Project with deductible, if any, in an amount acceptable to the Town, naming the Town as loss payee.

(e) Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII. The Commercial General Liability and comprehensive automobile policies required hereunder shall name the Indemnitees as additional insureds. Builder's Risk and property insurance shall name Town as a loss payees as its interests may appear.

(f) Prior to disbursement of Loan Proceeds, Owner shall furnish Town with certificates of insurance in form acceptable to Town evidencing the required insurance coverage and duly executed endorsements evidencing such additional insured status. The certificates shall contain a statement of obligation on the part of the carrier to notify Town of any material adverse

change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material adverse change, cancellation, termination or non-renewal.

(g) If any insurance policy or coverage required hereunder is canceled or reduced, Owner shall, within fifteen (15) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Town a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Town may, without further notice and at its option, procure such insurance coverage at Owner's expense, and Owner shall promptly reimburse Town for such expense upon receipt of billing from Town.

(h) Coverage provided by Owner shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by Town, and the policies shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of the Town. Owner shall furnish the required certificates and endorsements to Town prior to the commencement of construction of the Project, and shall provide Town with certified copies of the required insurance policies upon request of Town.

2321439.1

EXHIBIT "A"

Legal Description

For APN/Parcel ID(s): 164-030-061

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE TOWN OF WINDSOR, COUNTY OF SONOMA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Commencing at an iron pin driven in the ground in the Southerly line of Main Street in the Town of Windsor, California, now the California State Highway, at the intersection with the West line of Third Street extended Southwesterly being the Northwest corner of land of I. E. Smith, (formerly) and the Northeast corner of land of Smalley; thence along the Southerly line of said highway, North 61 3/4° West, 2.95 chains to an iron pin driven in the ground the place of beginning; thence South 29 1/2° West, 1.92 chains to an iron pin driven in the ground; thence South 16 1/4° West, 2.79 chains to an iron pin driven in the ground; thence South 7 1/2° West, 7.62 chains to the center of a White Oak Tree 3 1/2 feet in diameter; thence North 86 3/4° West, 4.50 chains to an iron pin driven in the ground in the Easterly line of the land of N. Bell; thence along said line, North 0° 45' West, 5.83 chains to a station in the center of a small creek; thence up the center of said creek, 9.26 chains, more or less, to the Southerly line of Main Street, now the California State Highway; thence Southeasterly along said Southerly line, 3.28 chains more or less, to the place of beginning.

Excepting therefrom that portion as set forth in a deed to The State of California recorded November 9, 1959 in Book 1711 at Page 633, Serial No. E-92430, Sonoma County Records.

Also excepting therefrom that portion as set forth in a deed to The County of Sonoma recorded June 19, 1990 under 90-61822, Sonoma County Records.

Also excepting therefrom that portion as set forth by Final Order of Condemnation by Sonoma County Superior Court No. SCV 222028 recorded September 27, 1999 under 99-120583, Sonoma County Records.

Also excepting therefrom that portion as set forth in Grant Deed to the Town of Windsor, recorded June 18, 2001 under 2001-79120, Sonoma County Records.

SECURED PROMISSORY NOTE
Development Impact Fee Loan Program

Windsor, California
_____, 2015

FOR VALUE RECEIVED, the undersigned Windsor Hospitality Group, LLC ("**Borrower**") promises to pay to the Town of Windsor ("**Town**") at 9291 Old Redwood Hwy, Windsor, CA 95492, or such other place as Town may from time to time designate by written notice to Borrower, in lawful money of the United States, the principal sum of one-million, three-hundred and three thousand, six-hundred and eighty dollars ($1,303,680), together with interest on the outstanding principal balance in accordance with the terms set forth in this Note. This Secured Promissory Note (this "**Note")** is secured by that certain Deed of Trust, Assignment of Rents, Fixture Filing and Security Agreement (the "**Deed of Trust**") dated as of the date hereof, executed by Borrower and recorded against the Property in the Official Records of Sonoma County. In addition to securing Borrower's obligation to repay the sums payable pursuant to this Note, the Deed of Trust secures Borrower's obligations set forth in that certain Development Impact Loan Agreement (the "**Agreement")** dated as of the date hereof, executed by Borrower and Town, and recorded against the Property. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Agreement.

1. **Interest Rate; Maturity Date**. Commencing on the Effective Date of the Agreement, through the date that all indebtedness and other amounts payable under this Note are paid in full, interest shall accrue on the outstanding principal balance of this Note at a rate equal to the Wall Street Journal Prime Rate in effect on the Effective Date of this Agreement, which is 3.25% simple interest per annum. The entire outstanding principal balance of this Note, together with accrued interest, and all other sums accrued hereunder shall be payable in full on fifth anniversary of the date that the Town issues a certificate of occupancy for the Project (the **"Maturity Date").** Notwithstanding the foregoing, the entire outstanding principal balance of this Note, together with accrued interest and all other sums due hereunder, shall be immediately due and payable upon the occurrence of an Event of Default (as defined in Section 6).

2. **Payment**. Commencing on the first (1st) day of the calendar month following the Town's issuance of a certificate of occupancy for the Project, and on the first (1st) day of each calendar month thereafter through the Maturity Date, Owner shall make monthly payments of principal to the Town in the amount of One-million, three-hundred and three thousand, six-hundred and eighty dollars ($1,303,680), together with accrued interest thereon. Any other amounts owing under this Note shall be due and payable on the Maturity Date.

Payments shall be credited first to any unpaid late charges and other costs and fees then due, then to accrued interest, if any, and then to principal. In no event shall any amount due under this Note become subject to any rights, offset, deduction or counterclaim on the part of Borrower.

3. **Prepayment.** Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this Note provided that each such repayment is accompanied by accrued interest on the amount of principal prepaid calculated to the date of such repayment. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due, then to accrued but unpaid interest, and then to principal.

4. **Due on Sale; Restrictions on Assignment and Assumption**. The entire unpaid principal balance and all sums accrued hereunder shall be immediately due and payable upon the Transfer (as defined in Section 6(b) of the Agreement) absent Town consent, of all or any part of the Property or the Project, or any interest therein, or upon the occurrence of an Event of Default under this Note or the Deed of Trust, subject to the expiration of any applicable cure period. Without limiting the generality of the foregoing, this Note shall not be assumable without Town's prior written consent, which consent may be granted or denied in Town's sole discretion.

5. **Manner of Payment.** All payments on this Note shall be made to the Town at 9291 Old Redwood Hwy, Windsor, CA 95492 or such other place as Town shall designate to Borrower in writing, or by wire transfer of immediately available funds to an account designated by the Town in writing.

6. **Events of Default; Acceleration of Payment**. Each of the following events will constitute an event of default (each, an "**Event of Default**") under this Note permitting Town to declare all sums payable hereunder immediately due and payable, and to exercise all remedies available to Town pursuant to the Agreement and the Deed of Trust:

(a) Failure to pay when due the principal and interest payable under this Note and such failure continues for ten (10) days;

(b) A default arises under any debt instrument secured by a mortgage or deed of trust on the Property and remains uncured beyond any applicable cure period such that the holder of such instrument has the right to accelerate payment thereunder.

(c) A default occurs under the terms of the Agreement or Deed of Trust and remains uncured beyond any applicable cure period.

(d) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Borrower (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

(e) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower in an involuntary case, (ii)

appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or substantially all of Borrower's assets, (iii) orders the liquidation of Borrower; or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within 60 days after its issuance.

(f) Borrower shall have assigned its assets for the benefit of its creditors (other than pursuant to a mortgage loan) or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within sixty (60) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the Property, in which event such lesser time period shall apply under this subsection as well) or prior to any sooner sale pursuant to such sequestration, attachment, or execution;

(g) Borrower defaults in the performance of any term, provision, covenant or agreement (other than an obligation enumerated in this Section 6) contained in this Note, the Agreement or in the Deed of Trust, and unless such document specifies a different cure period for such default, the default continues for ten (10) days in the event of a monetary default or thirty (30) days in the event of a nonmonetary default after the date upon which Town shall have given written notice of the default to Borrower (or such longer time as Town may agree upon in writing), provided that in each case Borrower commences to cure the default within thirty (30) days and thereafter prosecutes the curing of such default with due diligence and in good faith.

7. **Default Rate**. Upon the occurrence of an Event of Default, interest shall automatically be increased without notice to the rate of ten percent (10%) per annum (the "**Default Rate**"); provided however, if any payment due hereunder is not paid when due, the Default Rate shall apply commencing upon the due date for such payment. When Borrower is no longer in default, the Default Rate shall no longer apply, and the interest rate shall once again be the rate specified in Section 1 of this Note. Notwithstanding the foregoing provisions, if the interest rate charged exceeds the maximum legal rate of interest, the rate shall be the maximum rate permitted by law. The imposition or acceptance of the Default Rate shall in no event constitute a waiver of a default under this Note or prevent the Town from exercising any of its other rights or remedies.

8. **Remedies**. Upon the occurrence of any Event of Default, in addition to its other rights under this Note, at law or in equity, Town may exercise any one or more of the following rights and remedies without prior demand:

a) Accelerate and declare the entire unpaid balance of this Note together with all accrued interest thereon, if any, and all other sums owed to the Town immediately due and payable; and

b) Proceed at law or in equity to require Borrower to perform its obligations and covenants under this Note; and

c) Foreclose on the Property pursuant to the Deed of Trust.

The remedies provided herein are cumulative and not exclusive of, and do not prejudice any other remedy provided by law.

9. **Attorneys' Fees**. Borrower agrees to pay all costs and expenses, including reasonable attorneys' fees, which Town may incur in the collection or enforcement of this Note and the exercise of any or all of its rights and remedies hereunder, whether or not suit is filed, and all such sums shall be a part of the indebtedness secured by the Deed of Trust.

10. **No Offset; Borrower's Waivers**. Borrower hereby waives any rights of offset it now has or may hereafter have against Town, its successors and assigns, and agrees to make the payments called for hereunder in accordance with the terms of this Note. Borrower hereby waives diligence, presentment, protest, and demand, and notice of protest, notice of dishonor and notice of nonpayment of this Note, and expressly waives 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 waives the right to plead any and all statutes of limitation as a defense to any demand on this Note.

11. **Notices**. Any notice required or permitted to be given hereunder shall be given in accordance with Section 13 of the Loan Agreement.

12. **Governing Law**. This Note is construed in accordance with and is governed by the laws of the State of California without regard to principles of conflicts of laws.

13. **Severability**. If any provision of this Note is held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof are not in any way affected or impaired thereby.

14. **No Waiver by Town; Remedies Cumulative**. The rights and remedies of Town under this Note shall be cumulative and not alternative. No waiver by Town of any right or remedy under this Note shall be effective unless in writing signed by Town. Neither the failure nor any delay in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by Town will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law (a) no claim or right of Town arising out of this Note can be discharged by Town, in whole or in part, by a waiver or renunciation of the claim or right unless in a writing, signed by Town; (b) no waiver that may be given by Town will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of Town to take further action without notice or demand as provided in this Note. Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this Note, in whole or in part, whether before or after maturity and with or without notice.

15. **Joint and Several Obligations**. If this Note is executed by more than one person as Borrower, the obligations of each borrower will be joint and several.

16. **Entire Agreement; Amendments in Writing**. This Note, together with the Agreement and the Deed of Trust, sets forth the entire understanding and agreement of Borrower and Town with respect to the subject matter hereof. Any amendment to this Note must be in writing signed by both Town and Borrower.

17. **Relationship of the Parties**. The relationship of Borrower and Town under this Note is solely that of borrower and lender, and the loan evidenced by this Note and secured by the Deed of Trust will in no manner make Town the partner or joint venturer of Borrower.

18. **Time**. Time is of the essence in the performance of the terms and conditions of this Note.

19. **Headings**. The headings within this Note are for the purpose of reference only and do not limit or otherwise affect any of the terms of this Note.

Executed as of the date first written above:

_____

By: Nick Desai, Manager

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

Town of Windsor
Community Development Department
9291 Old Redwood Highway
Windsor, CA 95492

DEED OF TRUST AND ASSIGNMENT OF RENTS

This Deed of Trust, made on Feb. 2, 2015, between

TOWN GREEN ENTERPRISES, LLC, a California Limited Liability Company, herein called Trustor, whose address is 178 Dry Creek Road, Healdsburg, CA 95448

REDWOOD TRUST DEED SERVICES, INC., herein called Trustee, and

TOWN OF WINDSOR, herein called Beneficiary, whose address is 9291 Old Redwood Highway, Windsor, CA 95492

Witnesseth: That Trustor **IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE,** that property in the Unincorporated Area of the County of Sonoma, State of California, described as follows:

SEE EXHIBIT A ATTACHED HERETO
APN 164-020-037

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by paragraph (10) of the provisions incorporated herein by reference to collect and apply such rents, issues and profits. **For the Purpose of Securing:** (1) Performance of each agreement of Trustor incorporated by reference or contained herein; (2) Payment of the indebtedness evidenced by the Development Impact Loan Fee Agreement between Trustor and Beneficiary dated _____, and any extension or renewal thereof, in the principal sum of $_____ ; and (3) Payment of such further sums as the then record owner of said property become obligated to pay to Beneficiary, when evidenced by a promissory note (or notes) reciting it is so secured.

To Protect the Security of This Deed of Trust, Trustor Agrees:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violations of law to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general

(2) To provide maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such

application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed

(4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, all costs, fees and expenses of this Trust

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded

(6) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his rights either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(9) That upon written request of Beneficiary state that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "The person or persons legally entitled thereto". Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them)

(10) That as additional security, Trustor hereby give to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness

secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person , by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees. Upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder. Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(12) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(13) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby whether or not named as Beneficiary herein in this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(14) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

Dated:

TOWN GREEN ENTERPRISES, LLC

BY Nitin R. Desai, Manager

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 Sonoma)

On 2-2-2015 before me, PATRICIA MLEKUS, notary public, personally appeared NITIN R. DESAI, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person 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 _____
Notary Public

PATRICIA MLEKUS
COMM. #2076657
NOTARY PUBLIC - CALIFORNIA
SONOMA COUNTY
My Comm. Expires Aug. 29, 2018

JER-1 JER-1

January 23, 2015

Town of Windsor
Attention: Heather Ippoliti
P.O. Box 100
Windsor, CA 95492

RE: Deed of Trust for loan to Windsor Hospitality Group, LLC

Dear Ms. Ippoliti:

We are writing this letter to you as the managers of Town Green Enterprises, LLC.

Town Green Enterprises, LLC has reviewed the proposed loan documents related to the development impact fee deferral loan between Windsor Hospitality Group LLC and the Town of Windsor. On behalf of Town Green Enterprises, LLC we approve such documents and consent to providing the property located at 8865 Conde Lane in Windsor, owned by Town Green Enterprises, LLC, as security for the Windsor Hospitality Group, LLC loan from the Town of Windsor. Mr. Nitin Desai is specifically authorized to sign a Deed of Trust on such property in on behalf of Town Green Enterprises.

We represent to the Town that we are authorized under the operating agreement for Town Green Enterprises to take such action on behalf of the LLC.

Very truly yours,

Nitin Desai

Shasikant Patel

EXHIBIT "A"

Legal Description

For APN/Parcel ID(s): 164-020-037

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF SONOMA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

PARCEL B, AS SHOWN AND DESIGNATED ON PARCEL MAP NO. 92-02W, FILED MAY 28, 1999, IN THE OFFICE OF THE SONOMA COUNTY RECORDER, IN BOOK 591 OF MAPS, AT PAGES 25, 26 AND 27, SONOMA COUNTY RECORDS.

AND AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED JANUARY 5, 2006, INSTRUMENT NO. 2006001427, OF OFFICIAL RECORDS.

PARCEL TWO:

A "COMMON DRIVEWAY EASEMENT" APPURTENANT TO PARCELS "A", "B" AND "C" AND INCIDENTAL PURPOSES OVER PARCELS A AND B, AS SHOWN ON THE FILED PARCEL MAP NO. 92-02W.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN TRACT ONE DESCRIBED ABOVE

PARCEL THREE:

A "15' WIDE PRIVATE S.S.E. APP PARCEL B", AND INCIDENTAL PURPOSES OVER PARCEL A, AS SHOWN ON THE FILED PARCEL MAP NO. 92-02W.

PARCEL FOUR:

A RIGHT-OF-WAY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 6" CONCRETE MONUMENT MARKING A POINT ON THE SOUTHERLY BOUNDARY OF THE STATE HIGHWAY RUNNING FROM HEALDSBURG TO SANTA ROSA, WHICH MONUMENT BEARS SOUTH 27° 53' WEST 35.00 FEET FROM ENGINEER'S STATION 273+40.83 E.C., OF SAID STATE HIGHWAY, AND SAID MONUMENT BEARS NORTH 62° 07' WEST 799.14 FEET FROM ANOTHER 6" X 6" CONCRETE MONUMENT THAT MARKS A POINT ON THE AFORESAID SOUTHERLY BOUNDARY AND BEARS SOUTH 27° 26' 30" WEST 35.01 FEET FROM ENGINEER'S STATION 281+40.24 A.B. OF THE AFORESAID STATE HIGHWAY; THENCE NORTH 62° 06' 40" WEST 66.38 FEET TO A 6" X 6" FENCE CORNER POST, MARKING THE NORTHEAST CORNER OF THE LANDS, ETHEL A. AND BERT A. WILLIAMS, RECORDED IN BOOK 577 OF OFFICIAL RECORDS AT PAGE 56, SONOMA COUNTY RECORDS; SAID FENCE CORNER POST BEING THE TRUE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED; THENCE ALONG THE EAST BOUNDARY OF SAID LANDS OF WILLIAMS, SOUTH 9° 09' 40" WEST 840.55 FEET TO A 6" X 6" CORNER FENCE POST MARKING THE SOUTHEAST CORNER OF SAID LANDS OF WILLIAMS; THENCE NORTH 88° 29' 30" EAST 61.05 FEET TO A POINT; THENCE PARALLEL TO AND DISTANT 60.00 FEET FROM SAID EAST BOUNDARY OF THE WILLIAMS TRACT, NORTH 9° 09' 40" EAST 808.91 FEET TO SAID POINT BEARING NORTH 62° 06' 40" WEST 3.04 FEET FROM THE POINT OF COMMENCEMENT; THENCE NORTH 62° 06' 40" WEST 63.34 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND THAT MAY BE INCLUDED WITHIN THE BOUNDARIES OF U. S. HIGHWAY 101.