

TRUTH-IN-LENDING DISCLOSURE

NOTICE TO BORROWER: This is a disclosure statement required by the Consumer Credit Protection Act related to your Loan. This statement is not a contract or a commitment. Please refer to the Promissory Note for the terms and provision of this transaction.

A. BORROWER(S): Mendocino Coast Hospitality Center
P.O. Box 2168
237 N. McPherson Street
Fort Bragg, CA 95437

B. DISCLOSURE STATEMENT:

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS*
The cost of my Credit as yearly rate	The dollar amount the credit will cost me	The amount of credit provided to me or on my behalf	The amount I will have paid after I make all payments as scheduled
0%			
0% Effective	\$0	\$1,162,791	\$ 1,162,791 (if loan is not forgiven)

C. PAYMENT SCHEDULE

Number of Payments	Amount of Payments	Payments Due Beginning
0	\$0	n/a
Collection Service Charge		\$0
Principal and Interest		\$1,162,791
TOTAL PAYMENT		\$1,162,791 (if loan is not forgiven)

D. SECURITY: The loan is secured by:

A Deed of Trust against the Real Property located at 101 N. Franklin St., Fort Bragg, CA 95437.

In the event of default, the filing and recording of a certificate of default with the County Recorder shall constitute a lien upon this property.

E. STATEMENT OF INSURANCE: Property, liability and/or flood insurance may be obtained by Borrower(s) through any person of his/her choice and is NOT obtainable through the City.

F. DEFAULT, DELINQUENCY AND SIMILAR CHARGES: Should the indebtedness not be paid when due, Borrower(s) shall be responsible for attorney's fees and all costs of collection.

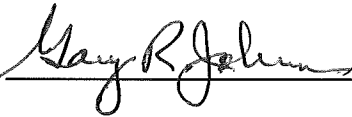
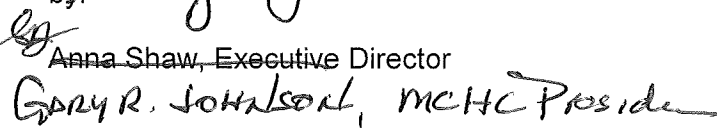
- G. PREPAYMENT: The Borrower may prepay at any time all or any part of the principal amount of this Note without the payment of penalties or premiums. However, any restrictions on the use of the Property associated with this loan shall remain in effect for the entire Term, regardless of any prepayment.
- H. ASSUMPTION: Someone buying your Property will not be able to assume the remaining indebtedness.

I/We hereby acknowledge receipt of a completed copy of this statement and I/we have not signed any note, contract or any other agreement in connection with this credit transaction.

Date: June 18, 2015 "Borrower"

MENDOCINO COAST HOSPITALITY CENTER

a California corporation

by: 
Anna Shaw, Executive Director
 Gary R. Johnson, MCHC President