

SANTA BARBARA BOTANIC GARDEN, INC.
Notes to Financial Statements
December 31, 2017

On March 15, 2018 the Garden entered into a line of credit agreement with Montecito Bank & Trust. The line of credit provides a maximum principal amount of \$1,500,000 at an initial rate of 3.75%. The interest rate on the line of credit is variable with a floor of 2.5% and margin of .75% over the Wall Street Journal Prime Rate as published in the Wall Street Journal. The line of credit is secured by all deposits held at the bank. The line of credit expires March 15, 2023.

On January 2, 2018 the Garden renewed the two notes held by Northern Trust described in note 9 of these of these financial statements with a revolving-term note also held by Northern Trust. The terms of the new revolving-term note allow for a maximum amount of borrowing to be \$2,550,000 with an interest rate to be variable and based on the Overnight LIBOR-Base Rate plus a margin of 1.40% with a floor of 1.40%. The revolving-term note matures December 28, 2018. The revolving-term note is secured by all accounts held at Northern Trust.