

PROMISSORY NOTE

\$3,500,000.00

November __, 2018

FOR VALUE RECEIVED, Baypoint Family Apartments, L.P., a California limited partnership (the "Borrower"), having its office at c/o Meta Housing Corporation, 11150 West Olympic Boulevard, Suite 620, Los Angeles, California 90094, hereby promises to pay to the order of the County of Contra Costa, California (the "Governmental Lender"), the sum of three million five hundred thousand dollars (\$3,500,000.00) (the "Borrower Loan") pursuant to that certain Borrower Loan Agreement, dated as of November 1, 2018 (the "Borrower Loan Agreement"), among Borrower, Baypoint Family Apartments, LLC ("Baypoint") and Governmental Lender, plus interest thereon at the rate set forth below from the date of this Note until paid. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Borrower Loan Agreement, which is incorporated herein by this reference. All sums advanced pursuant to this Note shall be due and payable in full on the date which is the earlier of (a) November __, 2073, or (b) any earlier date on which the entire Borrower Loan is required to be paid in full, by acceleration or otherwise under the Borrower Loan Agreement or any of the other Borrower Loan Documents (the "Maturity Date").

1. The obligation of Borrower to Governmental Lender hereunder shall be secured by a Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, dated as of November 1, 2018 ("Deed of Trust") executed by Borrower encumbering certain land in Contra Costa County, California referenced in Exhibit A thereto (the "Property").

2. This Note evidences the obligation of Borrower to Governmental Lender in respect of a credit against the acquisition price of the Property by Borrower from Baypoint related to the acquisition and construction by the Borrower of 193 units of multifamily rental housing known as Baypoint Family Apartments in the Baypoint unincorporated area of the County of Contra Costa, California, and situated on the land described in Exhibit A to the Deed of Trust, all pursuant to the Borrower Loan Agreement.

3. Interest on the Borrower Loan shall bear interest at a fixed, simple interest rate of 3.75% per annum per annum based on a 360-day year comprised of twelve 30 day months. Interest shall be paid as provided below.

4. Commencing on the first day of November, 2019, and continuing on the first day of each November thereafter until the Maturity Date, Borrower shall pay to Governmental Lender payment of principal and interest equal to 75% of Borrower's residual cash flow (limited to such percentage of the "Cash Flow" as expected to be defined in the Borrower's Amended and Restated Partnership Agreement) from the Property after payment of Borrower's actual operating expenses for the property and all amounts due under the Funding Loan Documents and the Borrower Loan Documents (as such terms are defined in the Funding Loan Agreement referred to in Section 1.1 of the Borrower Loan Agreement) for the prior calendar year or portion of the prior year, as calculated by Baypoint. All accrued interest and unpaid principal shall be due and payable on the Maturity Date.

5. Borrower acknowledges that, in making the loan evidenced by this Note, the Governmental Lender has relied to a material extent upon the business reputation of the managers of Borrower and upon the continuing interest which Borrower will have in the Property. In the event Borrower sells, conveys, transfers, disposes of, hypothecates, mortgages or otherwise alienates or encumbers the Property or any part thereof, or any interest in the

Property, by operation of law or otherwise, or should the Property be syndicated without the prior written consent of Governmental Lender, then Governmental Lender shall have the right pursuant to the Borrower Loan Agreement and Borrower Loan Documents to declare all sums evidenced by this Note immediately due and payable, subject in any event to the provisions of Section 6.2 of the Borrower Loan Agreement.

Borrower acknowledges that if an Event of Default occurs under the Borrower Loan Agreement, the Deed of Trust or any other Borrower Loan Document which is not cured as provided therein, Baypoint, on behalf of Governmental Lender, shall have the right, pursuant to the terms of the Borrower Loan Agreement or the Deed of Trust, respectively, to declare all sums evidenced by this Note immediately due and payable, subject in any event to the provisions of Section 6.2 of the Borrower Loan Agreement. Borrower specifically agrees that any action by Governmental Lender, Baypoint or their respective designee to obtain performance under the Borrower Loan Agreement of an obligation other than repayment of the debt secured by the Deed of Trust shall not constitute an "action" within the meaning of California Code of Civil Procedure § 726, and Borrower hereby waives any defense it might otherwise have based on the "one-action" rule in any subsequent proceeding involving Governmental Lender's for Baypoint's foreclosure rights under the Deed of Trust.

6. Upon and during the continuation of an Event of Default, as defined in the Borrower Loan Agreement, the Borrower Loan shall bear interest, payable upon demand, at a rate per annum equal to the sum of the otherwise applicable interest rate plus five percent (5%) ("Default Rate").

If interest payments are not paid within ten (10) days from the date they become due or any other payment hereunder is not paid within ten (10) business days after written notice from Governmental Lender or Baypoint, any payment or other payment so unpaid, as the case may be, shall bear interest from the date such was due until paid at the Default Rate. Interest on such payment so unpaid shall be compounded monthly and shall be payable upon demand. In addition to payment of the Default Rate on such unpaid amount, Borrower shall pay a reasonable late or collection charge equal to five percent (5%) of the amount so unpaid. Governmental Lender and Borrower agree that the actual damages and costs sustained by Governmental Lender due to the failure to make timely payments would be extremely difficult to measure and that the charges specified in this paragraph represent a reasonable estimate by Borrower and Governmental Lender of a fair average compensation for such damages and costs. Such charges shall be paid by Borrower without prejudice to the right of Governmental Lender or Baypoint to collect any other amounts provided to be paid under this Note or any other agreement or, with respect to late payments, to declare an Event of Default.

Both principal and interest shall be paid by Borrower in lawful money of the United States of America such that Baypoint, on behalf of Governmental Lender, has received immediately available funds for the credit of Borrower not later than 3:00 p.m. Pacific time on the date that such payment is due. Any payment made after 3:00 p.m. Pacific time shall be deemed received on the next Business Day. If any payment becomes due on any day which is not a Business Day, such Payment shall be made on the next succeeding Business Day. The term "Business Day" means those weekdays on which Governmental Lender and Baypoint are open and conducting its customary transactions.

7. Payments under this Note are payable in lawful money of the United States at the principal office of Baypoint, on behalf of Governmental Lender, Baypoint Family Apartments, LLC c/o Meta Housing Corporation, 11150 West Olympic Boulevard, Suite 620, Los Angeles, California 90094, Attention: President, or at such other place as the holder hereof may inform Borrower in writing.

8. Borrower waives presentment for payment, demand, protest, and notice of dishonor and of protest; the benefits of all waivable exemptions; and all defenses and pleas on the ground of any extension or extensions of the time of payment or of any due date under this Note, in whole or part, whether before or after maturity and with or without notice.

9. As provided in the Borrower Loan Agreement, in the event of the occurrence of an Event of Default, Borrower and its partners shall not be personally liable for repayment of the Borrower Loan. Governmental Lender's and Baypoint's remedies in the event of an Event of Default shall be limited to judicial foreclosure of the property described in the Deed of Trust and the exercise of the power of sale or other rights granted under the Deed of Trust or any other instrument given to secure the indebtedness recited above.

10. Borrower shall have the right to prepay at any time without premium the Borrower Loan evidenced by this Note, or any part thereof, together with accrued interest to the prepayment date.

11. If this Note is not paid when due, whether at the Maturity Date or by acceleration, Borrower promises to pay all costs of collection including, without limitation, reasonable attorneys' fees, and all expenses in connection with the protection or realization of the Property securing the obligations evidenced by this Note, incurred by Governmental Lender or Baypoint on account of such collection, whether or not suit is filed. Such costs and expenses shall include, without limitation, all costs, reasonable attorneys' fees and expenses incurred by Governmental Lender or Baypoint in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceeding involving Borrower, which in any way affect the exercise by Governmental Lender or Baypoint of their respective rights and remedies under this Note or under the Deed of Trust or other agreement securing the obligations under this Note. Such costs and expenses shall also include reasonable attorneys' fees and costs incurred in enforcing any judgment in a legal action pursuant to this paragraph. This entitlement to post-judgment attorneys' fees is intended to be severable from the other provisions of this Note, to survive any judgment, and is not deemed merged into the judgment.

12. All notices, demands, approvals and other communications provided for herein shall be in writing and shall be given in the manner set forth in the Borrower Loan Agreement.

13. Time is of the essence with respect to every provision hereof. This Note shall inure to the benefit of Governmental Lender, its successors and assigns (including Baypoint), and shall be binding on Borrower, its successors and assigns.

14. This Note may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

15. The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a Borrower Note (the "Senior Note") executed by Borrower, payable to the order of the Governmental Lender, and endorsed by the Governmental Lender to Pacific Western Bank ("Senior Lender"), to the extent and in the manner provided in that certain Subordination Agreement to be entered into among the payee of this Note, and Senior Lender and Borrower (the "Subordination Agreement"). The Deed of Trust securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Deed of Trust, Security Agreement, Absolute Assignment of Leases and Rents and Fixture Filing, dated as of November 1, 2018 securing the Senior Note and the terms, covenants and conditions of the Loan Agreement, dated as of November 1, 2018, between the Governmental Lender and the Borrower, evidencing the terms of the Senior Note, as

more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent owner of this Note under the Deed of Trust securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent owner of this Note shall be deemed, by virtue of such owner's acquisition of this Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by Subordinate Lender under the Subordination Agreement.

16. The provisions of this Note shall be subject to the provisions of the second paragraph of 6.2 of the Borrower Loan Agreement which shall prevail in the event of any conflict between such provisions and the provisions of this Note.

IN WITNESS WHEREOF, this Note has been duly executed by Borrower as of the date first above written.

Borrower: BAYPOINT FAMILY APARTMENTS L.P., a
California limited partnership

By: BayPoint Family Apartments, LLC,
a California limited liability company,
its administrative general partner

By: _____
Kasey Burke,
Vice President

By: CHBA Affordable IX, LLC,
a California limited liability company,
its managing general partner

By: _____
Graham Espley-Jones,
President

Pay to the order of Baypoint Family Apartments, LLC, a California limited liability company, without recourse.

COUNTY OF CONTRA COSTA, CALIFORNIA

By: _____
John Kopchik,
Director, Department of
Conservation and Development

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[signature page to Promissory Note – Baypoint Family Apartments]