

PROMISSORY NOTE
(Cashin's Field)

\$1,575,000

Nevada City, California
_____ 1, 2021

FOR VALUE RECEIVED, Nevada City Cashin's Field, LP, a California limited partnership (the "Borrower"), promises to pay to the County of Nevada, a political subdivision of the State of California (the "County"), in its capacity as the administrator of the Western Nevada County Regional Housing Trust Fund (the "WNCRHTF"), or order, the principal sum of One Million Five Hundred Seventy-Five Thousand Dollars (\$1,575,000), disbursed by the County to the Borrower pursuant to that certain Construction and Permanent Loan Agreement dated as of _____ 1, 2021, as may be amended or implemented from time to time (collectively, the "Loan Agreement"), or so much as is disbursed to Borrower, plus interest thereon pursuant to Section 2 below.

1. Borrower's Obligation. This promissory note (the "Note") evidences the Borrower's obligation to pay the County the principal amount of One Million Five Hundred Seventy-Five Thousand Dollars (\$1,575,000) (the "Loan" or the "County Loan"), for the funds loaned to the Borrower by County to finance the development of the Property pursuant to the Loan Agreement. All capitalized terms not otherwise defined in this Note shall have the meanings set forth in the Loan Agreement.

2. Interest. The outstanding principal balance of this Note shall bear simple interest at the rate of three percent (3%) per annum; provided, however, if an Event of Default occurs, interest on the principal balance shall begin to accrue, as of the date of the Event of Default (following expiration of applicable notice and cure periods), and continuing until such time as the Loan funds are repaid in full or the Event of Default is cured, at the default rate of ten percent (10%) compounded annually, or the highest rate permitted by law (whichever is lower).

3. Term and Repayment Requirements.

(a) The term of this Note (the "Term") shall commence on the date set forth above and shall expire on the earliest of: (i) on the fifty-fifth (55th) anniversary of the Completion Date; (ii) if a record of the Completion Date cannot be located or established, the fifty-seventh (57th) anniversary of the date set forth above, or (ii) the date of an Event of Default as provided in Section 3(b) below.

(b) Subject to the provisions of subsection (d) below, all principal and interest, if any, on the Loan shall, at the option of the County, be due and payable upon the earliest of: (i) a Transfer other than a Transfer permitted or approved by the County as provided in the Loan Agreement; (ii) the occurrence of an Event of Default for which the County exercises its right to cause the County Loan indebtedness to become immediately due and payable; or (iii) the expiration of the Term.

(c) The Borrower shall make annual repayments of the County Loan in an amount equal to the County Prorata Percentage of Residual Receipts, solely to the extent Residual Receipts exist, in accordance with the Loan Agreement.

(d) The Borrower shall have the right to prepay the County Loan at any time without penalty or additional charge.

4. No Assumption. This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the County, except as otherwise set forth in the Loan Agreement. In accordance with the Standard Agreement, the County may assign this Note to HCD without any consent or approval by Borrower.

5. Security. This Note is secured by a Construction Deed of Trust, with Assignment of Rents, Security Agreement, and Fixture Filing (collectively, the "Deed of Trust") of even date herewith, wherein the Borrower is Trustor and the County is the Beneficiary, recorded against the Borrower's fee interest in the Property.

6. Terms of Payment.

(a) All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

(b) All payments on this Note shall be paid to the County at the following address: County of Nevada, Department of Child Support, Collections, Housing and Community Services, Nevada County Health and Human Services Agency, 950 Maidu Avenue, Nevada City, CA 95959, or to such other place as the County may from time to time designate in writing.

(c) All payments on this Note shall be without expense to the County, and the Borrower agrees to pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of the County, incurred in connection with the payment of this Note and the release of any security hereof.

(d) Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the County may legally charge under the laws of the State of California, then the amount by which payments exceeds the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

7. Default.

(a) Any of the following shall constitute an "Event of Default" under this Note:

(i) Any failure to pay, in full, any payment required under this Note when due following written notice by the County of such failure and ten (10) days opportunity to cure;

(ii) Any failure in the performance by the Borrower of any other term, condition, provision or covenant set forth in the Loan Documents subject to the applicable notice and cure period set forth therein; and

(b) Upon the occurrence of such an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust shall at the option of the County become immediately due and payable upon written notice by the County to the Borrower without further demand.

(c) The failure to exercise the remedy set forth in subsection 7(b) above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by the County hereof of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of the County, except as and to the extent otherwise provided by law.

8. Waivers.

(a) The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of this Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that the County may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

(b) No extension of time for payment of this Note or any installment hereof made by agreement by the County with any person now or hereafter liable for payment of this Note shall operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

(c) The obligations of the Borrower under this Note shall be absolute and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

(a) All notices to the County or the Borrower shall be given in the manner and at the addresses set forth in Section 7.10 of the Loan Agreement, or to such addresses as the County and the Borrower may hereinafter designate.

(b) The Borrower promises to pay all costs and expenses, including reasonable attorney's fees and other professional service fees and costs, incurred by the County in the enforcement of the provision of this Note, regardless of whether suit is filed to seek enforcement.

(c) This Note may not be changed orally, but only by an agreement in writing signed by the Party against whom enforcement of any waiver, change, modification or discharge is sought.

(d) This Note shall be governed by and construed in accordance with the laws of the State of California.

(e) The times for the performance of any obligations hereunder shall be strictly construed, time being of the essence.

(f) This Note, together with the Loan Agreement, the Deed of Trust, and any other applicable Loan Document, contain the entire agreement between the Parties as to the Loan.

(g) This Note is subject to the non-recourse provision, and the limitations thereto, as set forth in Section 2.9 of the Loan Agreement.

Signatures on Following Page

Borrower has executed this Note as of the date first written above.

BORROWER:

NEVADA CITY CASHIN'S FIELD, LP a California limited partnership

By: Nevada City Cashin's Field, LLC,
a California limited liability company,
its Administrative General Partner

By: Central California Housing Corporation, a
California corporation, its Member/Manager

By: _____
Austin Herzog
President

By: Cashin's Field-BBP, LLC, a California limited liability company, its Managing General Partner

By: Building Better Partnerships, Inc., a
California nonprofit public benefit
corporation, its Sole Member and Manager

By: _____
Gustavo Becerra
President

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