

PROMISSORY NOTE
(Mayfair - PLHA Loan)

\$2,766,142

Martinez, California
INSERT DATE

FOR VALUE RECEIVED, the undersigned Mayfair Affordable Housing LP, a California limited partnership ("Borrower") hereby promises to pay to the order of the County of Contra Costa, a political subdivision of the State of California ("Holder"), the principal amount of Two Million Seven Hundred Sixty-Six Thousand One Hundred Forty-Two Dollars (\$2,766,142) plus interest thereon pursuant to Section 2 below.

All capitalized terms used but not defined in this PLHA Note have the meanings set forth in the Development Loan Agreement between Borrower and Holder of even date herewith (the "Loan Agreement").

1. Borrower's Obligation. This PLHA Note evidences Borrower's obligation to repay Holder the principal amount of Two Million Seven Hundred Sixty-Six Thousand One Hundred Forty-Two Dollars (\$2,766,142) with interest for the funds loaned to Borrower by Holder to finance the construction of the Development pursuant to the Development Loan Agreement. Concurrently with the execution of this PLHA Note, Borrower is executing the HOME Note.

2. Interest.

(a) Subject to the provisions of Subsection (b) below, the PLHA Loan bears simple interest at a rate of three percent (3%) per annum from the date of disbursement until full repayment of the principal balance of the PLHA Loan.

(b) If an Event of Default occurs, interest will accrue on all amounts due under this PLHA Note at the Default Rate until such Event of Default is cured by Borrower or waived by Holder.

3. Term and Repayment Requirements. Principal and interest under this PLHA Note is due and payable as set forth in Section 2.8 of the Loan Agreement. The unpaid principal balance hereunder, together with accrued interest thereon, is due and payable no later than the date that is the fifty-fifth (55th) anniversary of the Permanent Conversion; provided, however, if a record of the Permanent Conversion cannot be located or established, the PLHA Loan is due and payable on the fifty-seventh (57th) anniversary of the date of this PLHA Note.

4. No Assumption. This PLHA Note is not assumable by the successors and assigns of Borrower without the prior written consent of Holder, except as provided in the Loan Agreement.

5. Security. This PLHA Note, with interest, is secured by the Deed of Trust. Upon execution, the Deed of Trust will be recorded in the official records of Contra Costa County,

California. Upon recordation of the Deed of Trust, this PLHA Note will become nonrecourse to Borrower, pursuant to and except as provided in Section 2.10 of the Loan Agreement which Section 2.10 is hereby incorporated into this PLHA Note. The terms of the Deed of Trust are hereby incorporated into this PLHA Note and made a part hereof.

6. Terms of Payment.

(a) Borrower shall make all payments due under this PLHA Note in currency of the United States of America to Holder at Department of Conservation and Development, 30 Muir Road, Martinez, CA 94553, Attention: Assistant Deputy Director, or to such other place as Holder may from time to time designate.

(b) All payments on this PLHA Note are without expense to Holder. Borrower shall pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees of Holder, incurred in connection with the enforcement of this PLHA Note and the release of any security hereof.

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

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

7. Event of Default; Acceleration.

(a) Upon the occurrence of an Event of Default, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this PLHA Note and the Deed of Trust will, at the option of Holder, become immediately due and payable without further demand.

(b) Holder's failure to exercise the remedy set forth in Subsection 7(a) above or any other remedy provided by law upon the occurrence of an Event of Default does not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other Event of Default. The acceptance by Holder of any payment that is less than the total of all amounts due and payable at the time of such payment does 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 Holder, except as and to the extent otherwise provided by law.

(c) The notice and cure rights of Borrower's limited partner are set forth in Section 6.5 of the Loan Agreement.

8. Waivers.

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

(b) Any extension of time for payment of this PLHA Note or any installment hereof made by agreement of Holder with any person now or hereafter liable for payment of this PLHA Note must not operate to release, discharge, modify, change or affect the original liability of Borrower under this PLHA Note, either in whole or in part.

9. Miscellaneous Provisions.

(a) All notices to Holder or Borrower are to be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as Holder and Borrower may therein designate.

(b) Borrower promises to pay all costs and expenses, including reasonable attorney's fees, incurred by Holder in the enforcement of the provisions of this PLHA Note, regardless of whether suit is filed to seek enforcement.

(c) This PLHA Note is governed by the laws of the State of California.

(d) The times for the performance of any obligations hereunder are to be strictly construed, time being of the essence.

(e) The Loan Documents, of which this PLHA Note is a part, contain the entire agreement between the parties as to the PLHA Loan. This PLHA Note may not be modified except upon the written consent of the parties.

signature on following page

IN WITNESS WHEREOF, Borrower is executing this Promissory Note as of the day and year first above written.

MAYFAIR AFFORDABLE HOUSING LP,
a California limited partnership

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

By: BRIDGE Housing Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
Smitha Seshadri
Executive Vice President