

AMENDED AND RESTATED  
PROMISSORY NOTE  
(Las Terrazas-County Loan)

\$4,995,289

San Bernardino, California  
November 17, 2020

FOR VALUE RECEIVED, AMCAL Las Terrazas Fund, L.P., a California limited partnership (the "Borrower", promises to pay to the County of San Bernardino, a political subdivision of the State of California (the "County"), or order, the principal sum of up to Four Million Nine Hundred Ninety-Five Thousand Two Hundred Eighty-Nine (\$4,995,289) (the "County Loan"), or so much as is disbursed to Borrower, plus interest thereon pursuant to Section 2 below.

1. Borrower's Obligation. This amended and restated promissory note (the "Note") evidences the Borrower's obligation to pay the County the principal amount of up to Four Million Nine Hundred Ninety-Five Thousand Two Hundred Eighty-Nine (\$4,995,289), for funds loaned to the Borrower by the County to finance the acquisition of a leasehold interest, development and construction of the Affordable Development pursuant to that certain First Amended and Restated Disposition, Development and Loan Agreement between the County and the Borrower, dated as of January 7, 2020, as amended by that certain First Amendment to First Amended and Restated Disposition, Development and Loan Agreement, dated as of November 17, 2020, as such may be amended from time to time (the "Disposition Agreement"). All capitalized terms not otherwise defined in this Note shall have the meanings set forth in the Disposition Agreement.

2. Interest.

(a) Interest Rate. Subject to the provisions of Section (b) below, the outstanding principal balance of the County Loan shall bear three percent (3%) simple interest.

(b) Default Rate. In the event of a Default, interest on the County Loan shall begin to accrue, as of the date of Default and continuing until such time as the County Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.

3. Term and Repayment Requirements.

(a) The term of the County Loan shall commence on the date of this Note and shall expire fifty-seven (57) years from the Housing Lease commencement date, but in no event later than December 31, 2077.

(b) This Note shall be due and payable as set forth in Section 3.5 of the Disposition Agreement. Repayment of this Note shall be non-recourse to the Borrower pursuant to Section 3.11 of the Disposition Agreement. Each of the Disposition Agreement sections cited in this subsection (b) are incorporated herein by this reference.

4. No Assumption. Except as otherwise provided for in the Disposition Agreement, this Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the County as provided in the Disposition Agreement.

5. Security. This Note is secured by the Leasehold Deed of Trust recorded against the Borrower's leasehold interest in the Property and is secured by the Assignment Agreement (as defined in the Disposition Agreement).

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 Community Development and Housing Agency, at 385 North Arrowhead Ave., Third Floor, San Bernardino, CA 92415-0140, Attention: Community Development and Housing Agency Director 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 exceed 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.

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

7. Default.

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

(1) 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;

(2) Any failure in the performance by the Borrower of any term, condition, provision or covenant set forth in this Note subject to the notice and cure period set forth in Section 9.4(a) of the Disposition Agreement; and

(3) The occurrence of any Event of Default under the Disposition Agreement, the Leasehold Deed of Trust, the Regulatory Agreement, the Disposition Agreement, or other instrument securing the obligations of the Borrower under this Note or under any other promissory notes hereafter issued by the Borrower to the County pursuant to the Disposition Agreement or the Leasehold Deed of Trust, subject to notice and cure periods, if any, set forth therein.

(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 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 County's 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 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, notice of dishonor and notice of non-payment 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 the Disposition 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, 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 document, together with the County Loan Documents (as defined in the Disposition Agreement), contains the entire agreement between the parties as to the County Loan. This Note may not be modified except upon written consent of the parties.

10. Cancellation of all Previous Notes. This Note replaces, supersedes, and makes null and void any other promissory notes previously executed by the Borrower, in favor of Holder, including a promissory note dated February 20, 2013 for \$850,000, a promissory note dated February 12, 2013 in the amount of \$2,266,000, and a promissory note date January 7, 2020 in the amount of \$3,042,000, all of which are hereby cancelled.

***[Signature Page Follows]***

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the first date written above.

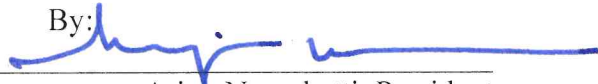
**BORROWER:**

AMCAL LAS TERRAZAS FUND, L.P., a California  
limited partnership

By: AMCAL FNMA LLC,  
a California limited liability company,  
its administrative general partner

By: AMCAL Multi-Housing Inc.,  
a California corporation,  
its manager

By:



Arjun Nagarkatti, President

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

By: Las Palmas Foundation,  
a California nonprofit public benefit  
corporation,  
its manager

By:

Joseph M. Michaels, President

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