

**PROMISSORY NOTE**  
(The Granada – 1000 Sutter Street)

\$37,185,184.00

San Francisco, California  
November 13, 2020

FOR VALUE RECEIVED, the undersigned 1000 SUTTER LLC, a California limited liability company (the “Borrower”) hereby promises to pay to the order of The San Francisco Housing Accelerator Fund, a California nonprofit public benefit corporation (the “Lender”), the principal amount of THIRTY SEVEN MILLION ONE HUNDRED EIGHTY FIVE THOUSAND ONE HUNDRED EIGHTY FOUR DOLLARS (\$37,185,184.00) plus interest thereon pursuant to Section 2 below.

All capitalized terms used but not defined in this Promissory Note (this “Note”) have the meanings set forth in the Loan Agreement.

1. Borrower's Obligation. This Note evidences Borrower's obligation to repay Lender the principal amount of THIRTY SEVEN MILLION ONE HUNDRED EIGHTY FIVE THOUSAND ONE HUNDRED EIGHTY FOUR DOLLARS (\$37,185,184.00), with interest for the funds loaned to Borrower by Lender to finance the acquisition and rehabilitation of the Development pursuant to the Loan Agreement between Borrower and Lender of even date herewith (the “Loan Agreement”).

2. Interest.

(a) Subject to the provisions of Subsection (b) below, the rate of interest (the “Interest Rate”) shall THREE AND ONE HALF PERCENT (3.5%) per annum. Accrued interest shall be paid in arrears. Interest on this Note shall be calculated for the actual days elapsed on the basis of a 360-day year.

(b) In the event of a Default, interest will accrue on all amounts due under this Note at the Default Rate until such Default is cured by Borrower or waived by Lender.

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 earlier of: (i) February 13, 2013 or (ii) the date of a Default.

(b) Accrued interest shall be paid monthly commencing on January 1, 2021 and continuing each month thereafter until full repayment of the principal and interest owed on the Loan. Principal and any outstanding interest shall be due in full upon expiration of the Term. Each payment under this Note shall be credited in the following order: (i) costs, fees, charges, and advances paid or incurred by Lender or payable to Lender and interest under any provision of the Loan Documents in connection with such costs incurred by Lender, in such order as

Lender, in its sole and absolute discretion elects; (ii) interest payable under this Note; and (iii) principal under this Note.

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

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

5. Security. This Note is secured by the Deed of Trust. Upon execution of this Note, the Deed of Trust will be recorded in the official records of the City and County of San Francisco, California. The terms of the Deed of Trust are hereby incorporated into this Note and made a part hereof.

6. Terms of Payment.

(a) Borrower shall make all payments due under this Note in currency of the United States of America to Lender at The San Francisco Housing Accelerator Fund, 2370 Market Street, Suite 103 PMB 442, San Francisco, California 94114, Attn: Rebecca Foster, or to such other place as Lender may from time to time designate, including by wire transfer or ACH transfer upon request of Lender.

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

(c) Notwithstanding any other provision of this Note, or any instrument securing the obligations of Borrower under this Note, if, for any reason whatsoever, the payment of any sums by Borrower pursuant to the terms of this Note would result in the payment of interest that exceeds the amount that Lender 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 Note, so that in no event is Borrower obligated under the terms of this Note to pay any interest that would exceed the lawful rate.

(d) 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; Acceleration.

(a) Upon the occurrence of a 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 will, at the option of Lender, become immediately due and payable without further demand.

(b) Lender's failure to exercise the remedy set forth in Subsection (a) above or any other remedy provided by law upon the occurrence of a 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 Default. The acceptance by Lender 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 Lender, except as and to the extent otherwise provided by law.

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 Note. Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that Lender may accept further security or release any security for this Note, all without in any way affecting the liability of Borrower.

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

9. Miscellaneous Provisions.

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

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

(c) This 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 Note is a part, contain the entire agreement between the parties as to the Loan. This Note may not be modified except upon the written consent of the parties.

*[signature on following page]*

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

BORROWER:

1000 SUTTER LLC,  
a California limited liability company

By: ECS HOUSING CORPORATION,  
a California nonprofit public benefit corporation  
Its Sole Member

By:   
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Mary Elizabeth Stokes  
its President