

DEMAND NOTE

California

_____, 2024

\$1,000,000

BORROWER: **BERNAL HEIGHTS HOUSING CORPORATION**, a California nonprofit public benefit corporation, with an address of [_____].

TABERNACLE COMMUNITY DEVELOPMENT CORPORATION, a California nonprofit public benefit corporation, with an address of [_____].

MITCHELVILLE HOLDINGS LLC, a California limited liability company, with an address of [_____].

LENDER: **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting by and through the Mayor’s Office of Housing and Community Development, with an address of 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, Attn: Director.

Promise to Pay. For value received, and intending to be legally bound, Borrower promises to pay to the order of the Lender, ON DEMAND, the principal sum of **ONE MILLION DOLLARS (\$1,000,000)** (the “Maximum Principal Amount”) or the outstanding principal amount of this Note (the “Outstanding Principal Amount”), if less; plus interest as agreed below and all reasonable fees and costs (including reasonable attorneys’ fees and disbursements, whether for internal or outside counsel) the Lender incurs (whether before or after the entry of a judgment by Lender against Borrower hereunder) in order to collect any amount due under this Note, to negotiate or document a workout or restructuring, or to preserve its rights or realize upon any guaranty or other security for the payment of this Note (“Expenses”).

Authorized Representatives. This Note is issued by Borrower to the Lender in connection with a certain loan made available by the Lender to Borrower (the “Loan”). The Lender may make any loan or advance pursuant to the Loan in reliance upon any oral, telephonic, written, teletransmitted or other request (the “Request(s)”) that the Lender in good faith believes to be valid and to have been made by Borrower or on behalf of Borrower by any officer, employee or representative of Borrower who is authorized or designated as a signer of loan documents under the provisions of Borrower’s most recent resolutions or similar documents on file with the Lender (each an “Authorized Person”). By reason thereof, Borrower hereby assumes all risk of loss and responsibility for, and releases and discharges the Lender from any and all responsibility or liability for, and agrees to indemnify, reimburse on demand and hold Lender harmless from, any and all claims, actions, damages, losses, liability and expenses by reason of, arising out of, or in any way connected with or related to: (i) Lender accepting, relying on and acting upon any Request or other instructions with respect to the Loan; or (ii) any such error, omission, misinterpretation, fraud or mistake, provided such error, omission, misinterpretation, fraud or mistake is not directly caused by the Lender’s gross negligence or willful misconduct. The Lender shall incur no liability to Borrower or to any other person as a direct or indirect result of making any Loan pursuant to this paragraph.

Interest. The Outstanding Principal Amount of this Note shall not bear or earn interest.

Demand Facility. This is a pay-on-demand Note and the Loan hereunder shall become immediately due and payable upon demand by the Lender; provided, however, that the Outstanding Principal Amount of this Note and all accrued and unpaid interest shall automatically become immediately due and payable if Borrower or any guarantor or endorser of this Note commences or has commenced against it any bankruptcy or insolvency proceeding. Borrower hereby waives protest, presentment and notice of any kind in connection with this Note.

Payments. Payments shall be made in immediately available United States funds to the Lender at:

City and County of San Francisco
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Director

Purpose. Borrower certifies that the Loan shall only be used pursuant to the terms and conditions of the Funding Agreement dated on or about the date hereof and for the sole and limited purpose of satisfying the Funded Obligations, as such term is defined in the Funding Agreement. Lender's obligation hereunder shall be a recourse obligation of Lender.

Authorization. Borrower, if a corporation, partnership, limited liability company, trust or other entity, represents that it is duly organized and in good standing or duly constituted in the state of its organization and is duly authorized to do business in all jurisdictions material to the conduct of its business; that the execution, delivery and performance of this Note has been duly authorized by all necessary regulatory and corporate or partnership action or by its governing instrument; that this Note has been duly executed by an authorized officer, member, partner or trustee and constitutes a binding obligation enforceable against Borrower and not in violation of any law, court order or agreement by which Borrower is bound; and that Borrower's performance is not threatened by any pending or threatened litigation.

Miscellaneous. This Note, together with any related loan and security agreements, contains the entire agreement between the Lender and Borrower with respect to each Loan, and supersedes every course of dealing, other conduct, oral agreement and representation previously made by the Lender. All rights and remedies of the Lender under applicable law and this Note are cumulative and not exclusive. No single, partial or delayed exercise by the Lender of any right or remedy shall preclude the subsequent exercise by the Lender at any time of any right or remedy of the Lender without notice. No waiver or amendment of any provision of this Note shall be effective unless made specifically in writing by the Lender. No course of dealing or other conduct, no oral agreement or representation made by the Lender, and no usage of trade, shall operate as a waiver of any right or remedy of the Lender. No waiver of any right or remedy of the Lender shall be effective unless made specifically in writing by the Lender. Borrower agrees that in any legal proceeding, a copy of this Note kept in the Lender's course of business may be admitted into evidence as an original. This Note is a binding obligation enforceable against Borrower and its successors and assigns and shall inure to the benefit of the Lender and its successors and assigns. If a court deems any provision of this Note invalid, the remainder of the Note shall remain in effect. Section headings are for convenience only. Singular number includes plural and neuter gender includes masculine and feminine as appropriate.

Notices. Any demand or notice hereunder or under any applicable law pertaining hereto shall be in writing and duly given if delivered to Borrower (at its address on the Lender’s records) or to the Lender (at the address on page one). Such notice or demand shall be deemed sufficiently given for all purposes when delivered (i) by personal delivery and shall be deemed effective when delivered, or (ii) by mail or courier and shall be deemed effective three (3) business days after deposit in an official depository maintained by the United States Post Office for the collection of mail or one (1) business day after delivery to a nationally recognized overnight courier service (e.g., Federal Express). Notice by e-mail is not valid notice under this or any other agreement between Borrower and the Lender.

Governing Law; Jurisdiction. This Note has been delivered to and accepted by the Lender and will be deemed to be made in the State of California. Except as otherwise provided under federal law, this Note will be interpreted in accordance with the laws of the State of California excluding its conflict of laws rules. **BORROWER HEREBY IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN THE STATE OF CALIFORNIA IN A COUNTY OR JUDICIAL DISTRICT WHERE THE LENDER MAINTAINS AN OFFICE AND CONSENTS THAT THE LENDER MAY EFFECT ANY SERVICE OF PROCESS IN THE MANNER AND AT BORROWER’S ADDRESS SET FORTH ABOVE FOR PROVIDING NOTICE OR DEMAND; PROVIDED THAT NOTHING CONTAINED IN THIS NOTE WILL PREVENT THE LENDER FROM BRINGING ANY ACTION, ENFORCING ANY AWARD OR JUDGMENT OR EXERCISING ANY RIGHTS AGAINST BORROWER INDIVIDUALLY, AGAINST ANY SECURITY OR AGAINST ANY PROPERTY OF BORROWER WITHIN ANY OTHER COUNTY, STATE OR OTHER FOREIGN OR DOMESTIC JURISDICTION.** Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Lender and Borrower. Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

Acknowledgment. Borrower acknowledges that it has read and understands all the provisions of this Note, including the **Governing Law** and **Jurisdiction**, and has been advised by counsel as necessary or appropriate.

DEEMED EXECUTED UNDER SEAL, as of _____, 2024.

BORROWER

[Signature block]

[Notary block]