

\$[_____]
CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA
MULTIFAMILY HOUSING REVENUE NOTE
(681 FLORIDA STREET APARTMENTS)
SERIES 2020I

THE TRANSFERABILITY HEREOF IS RESTRICTED BY THE TERMS OF SECTION 2.08 OF THE FUNDING LOAN AGREEMENT DESCRIBED HEREIN, INCLUDING THE PROVISION THEREOF LIMITING OWNERSHIP OF THIS NOTE TO A “QUALIFIED TRANSFEREE” (AS DEFINED IN THE FUNDING LOAN AGREEMENT).

US \$[_____] [_____], 2020

FOR VALUE RECEIVED, the undersigned, CITY AND COUNTY OF SAN FRANCISCO (the “Obligor”), promises to pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement referenced below) to the order of WELLS FARGO BANK, NATIONAL ASSOCIATION (the “Funding Lender”), and its assigns, the maximum principal sum of [_____] MILLION [_____] HUNDRED [_____] THOUSAND [_____] HUNDRED DOLLARS (US \$[_____]), plus premium, if any, and interest thereon and to pay the other amounts owing from time to time hereunder, all as set forth below.

This City and County of San Francisco, California, Multifamily Housing Revenue Note (681 Florida Street Apartments) Series 2020I (this “Note”) is being delivered pursuant to that certain Funding Loan Agreement dated as of [_____] 1, 2020 (together with any and all amendments, modifications, supplements and restatements, the “Funding Loan Agreement”), among the Funding Lender, the Obligor and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”), pursuant to which the Obligor has incurred a loan in the maximum aggregate principal amount of \$[_____] (the “Funding Loan”), and this Note is entitled to the benefits of the Funding Loan Agreement and is subject to the terms, conditions and provisions thereof. The Obligor is using the proceeds of the Funding Loan to make a loan to 681 Florida Housing Associates, L.P., a California limited partnership (the “Borrower”) pursuant to the Project Loan Agreement dated as of [_____] 1, 2020 (the “Project Loan Agreement”), among the Obligor, the Borrower and the Fiscal Agent. The outstanding principal balance of this Note at any time shall be an amount equal to the proceeds of the Funding Loan advanced by the Funding Lender under the Funding Loan Agreement and not otherwise prepaid.

1. **Defined Terms.** As used in this Note, (i) the term “Funding Lender” means the holder of this Note, and (ii) the term “Indebtedness” means the principal of, premium, if any, and interest on or any other amounts due at any time under this Note or the Funding Loan Agreement. “Event of Default” and other capitalized terms used but not defined in this Note shall have the meanings given to such term in the Funding Loan Agreement.

2. **Payments of Principal and Interest.** The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) on the first calendar day of each month commencing [_____] 1, 2020, interest on this Note at (i) the Construction Phase Interest Rate during the Construction Phase and (ii) the Permanent Phase Interest Rate during the

Permanent Phase, and shall also pay interest on this Note at the foregoing rates on the date of any optional or mandatory prepayment or acceleration of all or part of the Funding Loan pursuant to the Funding Loan Agreement, in an amount equal to the accrued and unpaid interest to the date of prepayment on the portion of this Note subject to prepayment (each such date for payment an “Interest Payment Date”). Interest shall accrue on the principal amount of the Funding Loan which has been advanced under the Funding Loan Agreement and is outstanding as reflected on the Record of Advances. Interest on this Note shall be computed on the basis of a 360-day year consisting of twelve 30-day months and shall accrue from the date of delivery to the Funding Lender.

The Obligor shall pay (but solely from the sources and in the manner provided for in the Funding Loan Agreement) the outstanding principal of this Note in full on [_____, 20__] (the “Maturity Date”) and in monthly installments [on each date set forth on the Funding Loan Amortization Schedule attached as Schedule 1 hereto] in an amount equal to the corresponding amounts set forth thereon (as such Schedule 1 shall be replaced by a new amortization schedule provided by CCRC in the event the Borrower makes a Pre-Conversion Loan Equalization Payment at Conversion) or at such earlier times and in such amounts as may be required, in the event of an optional or mandatory prepayment or acceleration of the Funding Loan pursuant to the Funding Loan Agreement. The outstanding principal hereof is subject to acceleration at the time or times and under the terms and conditions, and with notice, if any, as provided under the Funding Loan Agreement.

3. **Manner of Payment.** All payments under this Note shall be made in lawful currency of the United States and in immediately available funds as provided for herein and in the Funding Loan Agreement.

4. **Application of Payments.** If at any time the Funding Lender receives any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, the Funding Lender may apply that payment to amounts then due and payable in any manner and in any order determined by the Funding Lender, in the Funding Lender’s discretion. Neither the Funding Lender’s acceptance of a payment in an amount that is less than all amounts then due and payable nor the Funding Lender’s application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. **Security.** The Indebtedness is secured by, among other things, the Pledged Security pledged pursuant to the Funding Loan Agreement.

6. **Acceleration.** If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, and all other amounts payable under this Note shall at once become due and payable, at the option of the Funding Lender, as governed by the Funding Loan Agreement, without any prior notice to the Obligor (unless required by applicable law). The Funding Lender may exercise this option to accelerate regardless of any prior forbearance.

7. **Prepayment; Prepayment Premium.** This Note is subject to prepayment as specified in the Funding Loan Agreement. Prepayment Premium shall be payable as specified in the Funding Loan Agreement.

8. **Forbearance.** Any forbearance by the Funding Lender in exercising any right or remedy under this Note any other document evidencing or securing the Funding Loan or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by the Funding Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of the Funding Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by the Funding Lender of any security for the obligations under this Note shall not constitute an election by the Funding Lender of remedies so as to preclude the exercise of any other right or remedy available to the Funding Lender.

9. **Waivers.** Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by the Obligor and all endorsers and guarantors of this Note and all other third party obligors.

10. **Default Rate.** So long as (a) any monthly installment under this Note remains past due, (b) any other Event of Default has occurred and is continuing, or (c) a Determination of Taxability has occurred and is continuing, interest under this Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment, the occurrence of any other Event of Default, or the occurrence of a Determination of Taxability, as applicable, at the Default Rate. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate.

11. **Loan Charges.** Neither this Note nor any of the other Financing Documents will be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest at a rate greater than the rate of interest which results in the maximum amount of interest allowed by applicable law (the "Maximum Interest Rate"). If any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor in connection with the Funding Loan is interpreted so that any interest or other charge provided for in any Financing Document, whether considered separately or together with other charges provided for in any other Financing Document, violates that law, and Obligor is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Funding Lender in excess of the permitted amounts will be applied by Funding Lender to reduce the unpaid principal balance of this Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Obligor has been violated, all indebtedness that constitutes interest, as well as all other charges made in connection with the indebtedness that constitute interest, will be deemed to be allocated and spread ratably over the stated term of this Note. Unless otherwise required by applicable law, such allocation and spreading will be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of this Note.

12. **Governing Law.** This Note shall be governed by the internal laws of the State of California without regard to conflicts of laws principles.

13. **Captions.** The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

14. **Address for Payment.** All payments due under this Note shall be payable at the principal office of the Funding Lender as designated by the Funding Lender in writing to the Fiscal Agent and the Servicer.

15. **Project Note.** Anything herein or in the Funding Loan Agreement to the contrary notwithstanding, amounts shall not be due and payable hereunder except at the rates, in the amounts, and at the times due and payable under the Project Note. In the event of any conflict between the payment terms of the Project Note and this Governmental Note, the terms of the Project Note shall control, provided, however, that the Governmental Lender's obligation hereunder shall be limited as set forth herein and payable solely from the Pledged Security.

16. **Limited Obligation.** This Note is a limited obligation of the Obligor, payable solely from the Pledged Security pledged and assigned under the Funding Loan Agreement. None of the Obligor, the State, or any political subdivision thereof (except the Obligor, to the limited extent set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on this Note or for the performance of any pledge, obligation or agreement of any kind whatsoever except as set forth herein, and neither this Note or any of the Obligor's agreements or obligations shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever.

17. **Registration and Transfer.** The Funding Loan, or any interest therein, and this Note, shall be in fully-registered form transferable to subsequent holders, only on the registration books which shall be maintained by the Fiscal Agent for such purpose and which shall be open to inspection by the Governmental Lender. The Funding Loan, or any interest therein, and this Note, is only transferable subject to and in accordance with the limitations set forth in the Funding Loan Agreement.

18. **Recycling Transactions.** Notwithstanding any provision of this Note or the Funding Loan Agreement to the contrary, the Governmental Lender shall be permitted to direct Project Note prepayments to be transferred to a custodian or trustee selected by the Governmental Lender, in lieu of application to prepay a like portion of this Note, so long as the Governmental Lender simultaneously causes other funds to be applied to prepay such portion of this Note. The preceding provisions shall apply only for purposes of preserving or "recycling" private activity bond volume cap in accordance with Section 146(i)(6) of the Code.

This Note may not be changed orally.

[Signature page follows]

IN WITNESS WHEREOF, the Obligor has caused this Note to be duly executed by the manual signature of its Authorized Officer as of the date first set forth above.

OBLIGOR:

CITY AND COUNTY OF SAN FRANCISCO,
CALIFORNIA

By _____
London N. Breed
Mayor

CERTIFICATE OF AUTHENTICATION

This Multifamily Note is issued under the provisions of and described in the within mentioned Funding Loan Agreement.

Date of Authentication: _____

U.S. Bank National Association, as Fiscal Agent

By _____
Authorized Signatory

SCHEDULE 1
FUNDING LOAN AMORTIZATION SCHEDULE

[to be confirmed]