

PLEDGE AGREEMENT – DEMAND NOTE

THIS PLEDGE AGREEMENT – DEMAND NOTE (this “Agreement”) is made this _____ day of _____ 2024, by and among **BERNAL HEIGHTS HOUSING CORPORATION**, a California nonprofit public benefit corporation, with an address of [_____] (“*Bernal*”), **TABERNACLE COMMUNITY DEVELOPMENT CORPORATION**, a California nonprofit public benefit corporation, with an address of [_____] (“*Tabernacle*”) and **MITCHELVILLE HOLDINGS LLC**, a California limited liability company, with an address of [_____] (together with Bernal and Tabernacle, the “*Guarantor*”) and **3300 MISSION PARTNERS L.P.**, a California limited partnership (the “*Partnership*”), with an address of [_____].

WITNESSETH:

WHEREAS, the Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a thirty-five (35) unit residential project in one (1) building located in San Francisco, California (the “*Project*”); and

WHEREAS, the Partnership is operating pursuant to a First Amended and Restated Agreement of Limited Partnership (the “*Partnership Agreement*”); and

WHEREAS, the Guarantor is the guarantor under a certain Guaranty Agreement dated on or about even date with this Agreement by and between Guarantor and the Partnership for the benefit of **WINCOPIN CIRCLE LLLP**, a Maryland limited liability partnership, its successors and assigns (the “*Limited Partner*”); and

WHEREAS, the Guarantor is also the guarantor and borrower under a certain Funding Agreement and Demand Note, both dated on or about even date with this Agreement, whereby the 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, as lender, agreed to lend certain funds, without interest, to the Guarantor, as borrower, up to a maximum aggregate amount of ONE MILLION DOLLARS (\$1,000,000), in the event that Guarantor became obligated to perform the Funded Obligations, pursuant to the Guaranty Agreement and as defined in the Funding Agreement; and

WHEREAS, the Guarantor is required to pledge the Demand Note to the Partnership for the benefit of the Project pursuant to the Partnership Agreement and the Guaranty Agreement, Section 2, Covenant of the Guarantor; and

NOW, THEREFORE, in consideration of the sum of ONE DOLLAR (\$1.00), and for such other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, intending to be legally bound and with foregoing recitals being incorporated by reference, hereby agree as follows:

1. **Pledge.** Guarantor hereby pledges and assigns all of its rights and obligations under the Demand Note to the Partnership for the sole and exclusive benefit of the Project.

2. **Covenants.** Guarantor hereby covenants to the Partnership that it shall (a) perform all of its obligations under the Guaranty Agreement, Funding Agreement, and Demand Note; (b) not amend, modify, or otherwise alter or vary the terms of the Guaranty Agreement, Funding Agreement, and/or Demand Note without the prior written consent of the Partnership; and (c) immediately inform the Partnership of any event of default under the Guaranty Agreement, Funding Agreement, and/or Demand Note.

3. **Obligations.** The Partnership or any of its partners may exercise any or all of the Guarantor's rights and assume any or all of the Guarantor's obligations, including the right to receive payment, under the Demand Note immediately upon giving or receiving written notice or in the event of a default under the Guaranty Agreement, Funding Agreement, and/or Demand Note.

4. **Term.** This Agreement shall commence as of the date hereof and shall remain in full force and effect until the date the General Partner satisfies its obligations under Section 5.14 of the Partnership Agreement, at which time, this Agreement shall automatically terminate.

5. **Execution.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

6. **Interpretation.** This Agreement shall be construed, interpreted, and applied in accordance with the laws of the State of California and as if written by the Guarantor and Partnership equally.

7. **Intended Beneficiary.** The parties intend that the Limited Partner and its successors, assigns or transferees, shall be a direct third-party beneficiary of this Agreement.

IN WITNESS WHEREOF, the parties, intending to be legally bound hereby, have executed this Agreement, under seal, the day and year first above written.

PARTNERSHIP

GUARANTOR/DEVELOPER

[Signature block]

[Signature block]