

EDIT THE HIGHLIGHTED PORTIONS AS APPROPRIATE

PROMISSORY NOTE  
(Alameda County HOPWA/HOME Loan)

PROJECT NAME

\$1,554,576

Hayward, California  
February \_\_, 2012

FOR VALUE RECEIVED, the undersigned PROJECT NAME, L.P., a California limited partnership ("Borrower") hereby promises to pay to the order of the County of Alameda, a political subdivision of the State of California, 224 W. Winton Avenue, Room 108, Hayward CA 94544 ("Holder"), a principal amount of One Million Five Hundred Fifty-Four Thousand Five Hundred Seventy Six Dollars (\$1,554,576), plus interest thereon pursuant to Section 2 below.

1. Borrower's Obligation. This promissory note (the "Note") evidences Borrower's obligation to pay Holder the principal amount of up to One Million Five Hundred Fifty-Four Thousand Five Hundred Seventy Six Dollars (\$1,554,576) for the funds loaned to Borrower by Holder pursuant to the HOPWA/HOME Loan Agreement between Borrower and Holder of even date herewith (the "Loan Agreement"). All capitalized terms not otherwise defined in this Note have the meanings set forth in the Loan Agreement.

2. Interest.

(a) Subject to the provisions of Subsection (b) below, this Note bears simple interest at a rate of three percent (3%) per annum from the date of disbursement until full repayment of all principal.

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

3. Term and Repayment Requirements. The unpaid principal balance hereunder, together with accrued interest thereon, is due and payable no later than the date that is the fifty-ninth (59th) anniversary of the date of this Note, which is \_\_\_\_\_. This Note is due and payable as set forth in Section 2.8 of the Loan Agreement.

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

5. Security. This Note is secured by the Deed of Trust wherein the Borrower is the Trustor and the Holder is the Beneficiary.

6. Terms of Payment.

(a) All payments due under this Note must 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 must be paid to Holder at the Housing and Community Development Department, 224 W. Winton Ave, Room 108, Hayward, CA 94544, Attention: Housing Director, or to such other place as the Holder of this Note may from time to time designate.

(c) All payments on this Note must be without expense to the Holder, and the Borrower agrees to pay all costs and expenses, including re-conveyance fees and reasonable attorney's fees and other professional service fees and costs of the Holder, 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 Holder 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) Upon recordation of the Deed of Trust this Note will be nonrecourse to the Borrower, pursuant to and except as provided in Section 2.9 of the Loan Agreement.

7. Default.

(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 Holder, become immediately due and payable without further demand.

(b) Holder's failure to exercise the remedy set forth in Subsection 7(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 Holder 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 Holder, 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 Holder 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 of Holder with any person now or hereafter liable for payment of this Note will operate to release, discharge, modify, change or affect the original liability of 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 Holder or the Borrower shall be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as the Holder and the Borrower may therein designate.

(b) The Borrower promises to pay all costs and expenses, including reasonable attorney's fees and other professional service fees and costs, incurred by the Holder in the enforcement of the provisions 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 Loan Documents, contains the entire agreement between the parties as to the Loan. It may not be modified except upon written consent of the parties.

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

BORROWER:

PROJECT NAME, a California limited partnership

By: ENTITY  
a California non-profit public benefit corporation, its sole member/manager

By: \_\_\_\_\_  
NAME  
Executive Director

