

FIRST AMENDMENT TO LOAN AGREEMENT

This First Amendment to Loan Agreement (this “**First Amendment**”) is entered into effective as of _____, 2025 (“**Effective Date**”) by and between the City of South San Francisco, a municipal corporation (the “**City**”) and 1051 Mission Affordable LLC, a California limited liability company public benefit corporation (“**Borrower**”). The City and Borrower are hereinafter collectively referred to as the “**Parties**.”

RECITALS

- A. Capitalized Terms not otherwise defined in this First Amendment will have the meaning set forth in the Original Loan Agreement.
- B. The City and BRIDGE Housing Corporation (“**BRIDGE**”) entered into that certain Loan Agreement dated January 27, 2022 pursuant to which City provided a predevelopment loan in the amount of Two Million and No/100 Dollars (\$2,000,000.00) (the “**Original Loan**”) using Commercial Linkage Fee monies in the Affordable Housing Assets Fund (the “**Original Loan Agreement**”), with respect to the development of the Project on the Property. Bridge also executed a Promissory Note in favor of the City, evidencing the Original Loan (the “**Original Note**”). The Original Loan Agreement and Original Note were later assigned by BRIDGE to Borrower pursuant to that certain Assignment and Assumption of City Loan Documents dated December 1, 2022 (the “**Assignment Agreement**”).
- C. In December 2022, Borrower acquired the Property. Concurrently with Borrower’s acquisition of the Property, Borrower and the City entered into an Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants dated December 1, 2022 (the “**Original Regulatory Agreement**”), which was recorded as Series No. 2022-087487 in the Official Records. The Borrower also executed and recorded a Deed of Trust, Security Agreement and Fixture Filing dated December 1, 2022 and recorded on December 22, 2022 as Series No. 2022-087488 in the Official Records (the “**Original Deed of Trust**”).
- D. The City was awarded 2021 Local Housing Trust Funds (the “**LHTF Funds**”) by the State of California, made available by the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1), adopted by voters on November 6, 2018 and pursuant to California Health and Safety Code Section 50842.2 and Section 50843.5(a), the Local Housing Trust Fund Final 2020 Guidelines dated April 2020 (the “**Guidelines**”) and the May 3, 2021 Notice of Funding Opportunity. The City’s award of LHTF is evidenced by Standard Agreement No. 21-LHTFCOM-16929 dated August 30, 2022.
- E. The City now desires to provide Two Million Three Hundred Sixty Two Thousand Five Hundred Dollars (\$2,362,500) in the LHTF Funds to Borrower (the “**New LHTF Loan**”) and an additional Three Hundred Sixty Two Thousand Five Hundred Dollars (\$362,500) from the City’s Affordable Housing Assets Fund, which holds funds generated by the City’s Commercial Linkage Fee (the “**New Linkage Fee Loan**”). The Original City Loan and the New Linkage Fee Loan are the local matching funds required by Section 104 of the Guidelines.

- F. Through this First Amendment, Borrower and the City desire to amend the Original Loan Agreement to also reflect the New LHTF Loan and the New Linkage Fee Loan for a total City Loan of Four Million Seven Hundred Twenty Five Thousand Dollars (\$4,725,000).
- G. Concurrently with the execution of this First Amendment, Borrower will execute a new promissory note, in the form attached as Exhibit A, for the benefit of the City, in the amount of Three Hundred Sixty Two Thousand Five Hundred Dollars (\$362,500) (the “**New Linkage Fee Note**”) The New Linkage Fee Note will evidence the New Linkage Fee Loan. Borrower will also execute a new promissory note, in the form attached as Exhibit B, for the benefit of the City, in the amount of Two Million Three Hundred Sixty Two Thousand Five Hundred Dollars (\$2,362,500) (the “**New LHTF Note**”). In addition, the Borrower will execute and record an amendment to the Original Regulatory Agreement, in the form attached as Exhibit C, to reflect the requirements of the LHTF Funds (the “**Regulatory Agreement Amendment**”) and an amendment to the Original Deed of Trust, in the form attached as Exhibit D, to evidence the New Loan (the “**Deed of Trust Amendment**”).

NOW THEREFORE, in consideration of their mutual undertakings and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. All terms, conditions and provisions in the Original Loan Agreement remain in full force and effect. If there is a conflict between the terms of this First Amendment and the Original Loan Agreement, the terms of the Original Loan Agreement will control unless specifically modified by this First Amendment.
2. Section 1.1.1 is added to the Original Loan Agreement to state the following:
 - 1.1.1 New Linkage Fee Loan and New LHTF Loan.

As of the date of the First Amendment, the City has fully disbursed the Original Loan pursuant to the Original Loan Agreement. Through the First Amendment, the City agrees to make the New Linkage Fee Loan and the New LHTF Loan, and Borrower agrees to accept the same, upon the terms and conditions and for the purposes set forth in the Original Loan Agreement as amended by the First Amendment. The New Linkage Fee Loan shall be evidenced by the New Linkage Fee Note. The New LHTF Loan shall be evidenced by the New LHTF Note.

3. Section 1.2 of the Original Loan Agreement is hereby amended in its entirety as follows:
 - 1.2 Interest; Maturity Date. Interest shall accrue on the Loan at a rate of one-tenth of a percent (0.1%) simple interest per annum for so long as Borrower is not in default under, (a) this Agreement, (b) the Note, (c) the Regulatory Agreement (collectively, the "Loan Obligations"). Otherwise, the Loan shall accrue interest at the Default Rate, as set forth in the Note, until such default is cured. Subject to Section 1.3, the outstanding balance of the Note will be due and payable on January 27, 2028 (the "Maturity Date"), provided, however, that if Borrower has made good faith efforts to apply for financing for the Project and obtain any remaining governmental approvals

for the Project, the Maturity Date may be extended in three (3) year increments for up to a total of six (6) years, as such extensions may be approved at the discretion of the City Manager. At the close of construction period financing, the Loan Agreement shall be Amended and Restated to extend the Maturity Date to a term of fifty-five years from the date of issuance of the last certificate of occupancy or equivalent certification provided for the Units by the City's building official; provided, however, that if such date cannot be established, the Maturity Date shall be the fifty-seventh (57th) anniversary of the Effective Date. If the California Department of Housing and Community Development ("HCD") is a lender to the Project, at conversion to permanent financing, the parties will extend to the Maturity Date to match the maturity date of the HCD financing.

- 2 Section 1.3 of the Original Loan Agreement is revised in part, to reflect this First Amendment, the New Linkage Fee Note and the New LFTH Note, to state the following:

1.3 Termination for Infeasibility; Forgiveness.

If any of the following circumstances arises, and no Borrower Event of Default has occurred and is ongoing, Borrower may terminate this Agreement, as amended, by giving notice to the City prior to the Maturity Date, and the City shall forgive all sums due under the Original Note, the New Linkage Fee Note and the New LHTF Note, as such terms as defined in the First Amendment:

.....

- 3 References to Agreement, Loan and Loan Obligation. All references to “**Agreement**” in the Original Agreement shall mean the Agreement, as amended. References to “**Loan**” in Sections 1.4 through 1.8, Sections 3.2 and 3.3 and Articles 4 and 5 of the Original Agreement and references to “**Loan**” in this First Amendment shall mean, collectively, the Original Loan, the New Linkage Fee Loan and the New LHTF Loan for a total Loan whose principal amount is equal to Four Million Seven Hundred Twenty Five Thousand Dollars (\$4,725,000). References to “**Loan Obligations**” in Sections 4.1, 4.2 and 5.15 of the Original Agreement and in this First Amendment shall mean the Original Agreement, as amended (b) the Original Note, the New Linkage Fee Note and the New LHTF Note, and (c) the Regulatory Agreement, as amended.
- 4 Predevelopment Budget. An updated Predevelopment Budget, as referenced under Section 1.4 (Use of Loan Proceeds) of the Original Loan Agreement, is attached as Exhibit E to this First Amendment.
- 5 Additional Conditions to Disbursement. In addition to the disbursement conditions set forth in Section 1.6 of the Original Agreement, the City’s obligation to disburse the New Linkage Fee Loan and the New LHTF Loan is conditioned upon Borrower’s (a) execution of the New Linkage Fee Note and the New LHTF Note; (b) execution and recordation of the Regulatory Agreement Amendment and the Deed of Trust Amendment in the Official Records.

- 6 Section 5.3 of the Original Loan Agreement is amended to updated Borrower's Address as follows:

BRIDGE Housing Corporation
350 California Street, Suite 1600
San Francisco, CA 94104
Attn: General Counsel
Email: rhlebasko@bridgehousing.com

- 7 Miscellaneous.

- 7.1 Section 5.7 of the Original Loan Agreement is amended in its entirety to state as follows:

5.7 Modifications for Lenders and Investors.

The City Manager is authorized to execute amendments to this First Amendment, the New Linkage Fee Note, the New LHTF Note, the Regulatory Agreement Amendment and the Deed of Trust Amendment, as may be reasonably requested by Project lenders and investors.

- 7.2 Counterparts. In accordance with Section 5.16 of the Original Loan Agreement, this First Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.
- 7.3 Electronic Signature. In accordance with Section 5.17 of the Original Loan Agreement, the Parties may deliver executed copies of this First Amendment to each other by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any such signature delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. No party may raise the use of any image transmission device or method or the fact that any signature was transmitted as an image as a defense to the enforcement of this First Amendment.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the Parties have executed this Loan Agreement as of the date first written above.

**CITY OF SOUTH SAN FRANCISCO,
a municipal corporation**

By: _____

Name: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

BORROWER:

**1051 MISSION AFFORDABLE LLC
a California limited liability company**

By: BRIDGE Housing Corporation, its sole member

By: _____
Sierra Atilano, Chief Real Estate Officer

Exhibit A
New Linkage Fee Note

PROMISSORY NOTE
(New Linkage Fee Note)

\$362,500

South San Francisco, California
_____, 2025

FOR VALUE RECEIVED, the undersigned, 1051 Mission Affordable LLC, a California limited liability company (“**Debtor**” or “**Borrower**”), promises to pay to the City of South San Francisco, a municipal corporation (“**Holder**” or “**City**”), at 400 Grand Avenue, South San Francisco, California 94080, or any other place designated in writing by Holder to Debtor, in lawful money of the United States a principal sum not to exceed THREE HUNDRED SIXTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$362,500) (“**Loan**”), together with interest on the outstanding principal balance pursuant to the loan agreement described in Paragraph 1 below and in accordance with the terms and conditions described herein. Capitalized terms used but not defined herein shall have the same meaning as set forth in the Loan Agreement dated January 27, 2022 between the City and BRIDGE Housing Corporation, as assigned to Borrower pursuant to that certain Assignment of City Loan Documents dated December 1, 2022 and as amended by that certain First Amendment to Loan Agreement dated evenly herewith (collectively, the “**Loan Agreement**”).

1. Loan. This Promissory Note (New Linkage Fee Note) (“**Note**”) has been executed and delivered pursuant to the Loan Agreement, which details the terms and conditions under which Holder agrees to lend to Debtor and Debtor agrees to borrow up to \$362,500 in Commercial Linkage Fee monies in the Affordable Housing Assets Fund to fund certain predevelopment costs associated with the Project. The rights and obligations of Debtor under this Note shall be governed by the Loan Agreement and by the terms set forth in this Note.

2. Payment Terms.

(a) Term. The Maturity Date is _____, 2028. If Borrower has made good faith efforts to apply for financing for the Project and obtain any remaining governmental approvals for the Project, the Maturity Date may be extended in two (2) additional three (3) year increments, as such extensions may be approved at the discretion of the City Manager. At the close of construction period financing (the “**Construction Date**”), the Maturity Date shall be extended to a term of fifty-five years from the date of issuance of the last certificate of occupancy or equivalent certification provided for the Units by the City’s building official; provided, however, that if such date cannot be established, the Maturity Date shall be the fifty-seventh (57th) anniversary of the Construction Date. If the California Department of Housing and Community Development (“HCD”) is a lender to the Project, at conversion to permanent financing, the parties will extend to the Maturity Date to match the maturity date of the HCD financing.

(b) Interest Rate. Except as provided under Section 8, the outstanding principal balance of the Loan shall accrue interest at one-tenth of a percent (0.1%) per annum on the unpaid principal outstanding from time to time commencing on the date of initial disbursement of the proceeds of such Loan and continuing through the date that all indebtedness and other amounts payable under this Note are paid in full.

3. Terms of Payment.

(a) Place and Manner of Payment. Payment shall be made in lawful money of the United States at Holder's address for notices set forth in Section 11 hereof, or to any other addresses as Holder may hereafter designate, in accordance with Section 11.

(b) Repayment. The entire outstanding principal, together with interest accrued thereon shall be due and repaid not later than the Maturity Date.

(c) Lawful Interest. Notwithstanding any other provisions of this Note, or any instrument securing the obligations of Debtor under this Note, if, for any reason whatsoever, the payment of any sums by Debtor pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that Holder may legally charge under the laws of the State of California, then the amount by which payment exceeds the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall Debtor be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

(d) Prepayment. Any portion of the outstanding principal balance due under this Note may be prepaid at any time, and from time to time, without penalty or premium. Any prepayment must be accompanied by interest accrued but unpaid to the date of prepayment.

4. Termination for Infeasibility. If any of the following circumstances arises, no Event of Default (as defined under this Note) has occurred and is ongoing, and Borrower has properly terminated the Loan Agreement for infeasibility (as provided for under the Loan Agreement), then the Holder shall forgive all sums due under the Note:

(a) Borrower is unable to acquire the Property despite commercially reasonable efforts under the conditions specified in section 1.3 of the Loan Agreement;

(b) Borrower or its assignee (including Borrower or an affiliate thereof) is excused from acquiring the Property under the conditions specified in section 1.3 of the Loan Agreement;

(c) Borrower does not receive additional land use, planning, environmental, or building approvals required for the development of the Project, despite Borrower's good faith efforts to obtain such approval; or

(d) Borrower is unable to obtain financing necessary to construct the Project despite Borrower's timely and good faith efforts to obtain such financing, that may include but is not limited to IIG, AHSC, MHP, tax credits, bonds, conventional mortgages or low-income housing tax credit equity, or philanthropic sources.

5. Security.

(a) Assignment. As security for the Loan, Debtor assigns its rights under the Collateral, as defined below (the "**Assignment**"). The Assignment shall become effective upon

the occurrence of an Event of Default or Termination for Infeasibility. The Holder shall have no obligation under the Collateral unless it expressly agrees in writing to be bound thereby. If the Assignment shall become effective, the Holder may use the Collateral for any purposes for which Debtor could have made use of the same in the development of the Project. Debtor shall cooperate with the Holder in the implementation of its rights under the Assignment, and shall immediately deposit the Collateral with the Holder if the Assignment becomes effective. As used herein, the term “Collateral” includes the following: All architectural designs, construction, engineering, surveying, and consulting contracts, and any and all amendments, modifications, supplements, addenda and general conditions thereto heretofore or hereafter entered into by Debtor and any contractor or consultant pertaining to development of the Project; all plans and specifications, surveys, shop drawings, working drawings, reports, studies, amendments, modifications, changes, supplements, general conditions, addenda and work product thereto heretofore or hereafter prepared by Debtor or any contractor or consultant pertaining to development of the Project; all land use approvals, conditional use permits, building permits and other governmental entitlements and approvals of any nature obtained for the Project; and all financing applications or other applications and all other tangible documents, except those of a proprietary or confidential nature, pertaining to development of the Project.

(b) Deed of Trust. In addition to the Assignment this Note shall be secured by the Deed of Trust, Security Agreement and Fixture Filing by Borrower for the benefit of City, dated December 1, 2022 and recorded on December 22, 2022 as Series No. 2022-087488 in the Official Records, as such Deed of Trust is amended by that certain Amendment to Deed of Trust by Borrower for the benefit of the City dated and recorded substantially concurrently herewith (collectively, the “**Deed of Trust**”). The Deed of Trust shall be subordinate to Debtor’s private financing for acquisition of the Property and construction of the Project, and to any HCD documents if required by HCD’s regulations and guidelines.

6. Events of Default. The occurrence of any one or more of the following events shall constitute an event of default (“Event of Default”) under the Note:

(a) Unless the Loan is forgiven pursuant to the terms of the Loan Agreement, Debtor fails to pay any amount due under the Note, and such failure continues for thirty (30) days after the Holder notifies Debtor thereof in writing.

(b) Any of Debtor’s representations or warranties contained in the Loan Agreement, or made by Debtor in connection with the execution and delivery of the Loan Agreement or in any certificate furnished pursuant hereto, or in connection with any request for disbursement of Loan proceeds, shall prove to have been incorrect when made in any material respect.

(c) Debtor fails to use Loan proceeds in accordance with the Loan Agreement or fails to use Loan proceeds in accordance with Debtor’s request for disbursement.

(d) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (“Bankruptcy Law”), Debtor, (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Debtor in an involuntary case; (iii) consents to the appointment of a trustee,

receiver, assignee, liquidator or similar official for Debtor; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

(e) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that, (i) is for relief against Debtor in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Debtor or substantially all of such entity's assets, (iii) orders the liquidation of Debtor, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance.

(f) Debtor fails to maintain insurance as required pursuant to any of the Loan Obligations, and Debtor fails to cure such default within ten (10) days.

(g) Debtor defaults in the performance of any term, provision, covenant or agreement contained in the Loan Obligations, and unless a shorter cure period is specified for such default, the default continues for thirty (30) days after the date upon which the Holder shall have given written notice of the default to Debtor; provided, however, that in the case of a nonmonetary default that is not susceptible of cure within thirty (30) days, an Event of Default shall not arise hereunder if Debtor commences to cure the default within thirty (30) days and thereafter prosecutes the curing of such default to completion with due diligence and in good faith, but in no event longer than one hundred twenty (120) days from the receipt of notice of default.

7. No Waiver or Consent. The failure by Holder to assert its rights upon the occurrence of an Event of Default, or the waiver by Holder of its rights upon any Event of Default, shall not constitute a consent to or waiver of Holder's rights with respect to any other Event of Default.

8. Default Interest. Upon the occurrence of any Event of Default, the interest rate on the sums as to which Debtor is in Default (including principal, if Holder has elected to declare it immediately due and payable) shall be the lower of (i) Ten Percent (10%) per annum, or (ii) the highest rate then allowed by law, commencing as of the date of the Default until paid in full, or until the Default as been cured, whichever is applicable.

9. Remedies. Upon the occurrence of any Event of Default, in addition to its other rights in this Note, the Deed of Trust and the Loan Agreement, at law, or in equity, Holder may exercise any one or more of the following rights and remedies without prior demand:

(a) Acceleration. Holder may declare the entire unpaid principal balance of the Note together with all accrued interest thereon, and all other sums owing to Holder immediately due and payable; or

(b) Proceed as Authorized at Law or in Equity. Holder may proceed as authorized at law or in equity with respect to the Event of Default, and in connection with that, pursue any and all other remedies available under law to enforce the terms of this Note.

10. Debtor's Waivers.

(a) Additional Security. Debtor expressly agrees that Holder may accept further security for this Note, all without in any way affecting the obligations of Debtor under this Note.

(b) Original Liability. No extension of time for payment of this Note or any installment hereof made by agreement by Holder with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Debtor under this Note, either in whole or in part.

(c) Obligations Absolute. The obligations of Debtor under this Note shall be absolute and Debtor waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

(d) Waivers. Debtor hereby waives (i) any notice of default or delinquency in addition to any notice expressly required by this Note; (ii) notice of acceleration; (iii) any notice of nonpayment in addition to any notice required by this Note; (iv) notice of costs, expenses, losses and interest thereon; (v) notice of interest on interest and late fees; (vi) diligence in taking any action to collect any sums owing under the Note or in proceeding against any of the rights and interest in and to properties securing payment of the Note; and (vii) presentment for payment, demand, protest, and notices of dishonor and/or protest.

11. Holder Forbearance. No waiver of any breach, default or failure of condition under the terms of this Note, the Loan Agreement, Deed of Trust, Regulatory Agreement, or the obligations secured thereby, shall be implied from any failure of Holder to take, or any delay by Holder in taking, action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of this Note or the Loan Agreement must be made in writing and shall be limited to the express written terms of such waiver.

12. Notice. Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by Holder shall be in writing and must be communicated to Debtor at the address of the Property, or at such other place or places as Debtor shall designate to Holder in writing, from time to time, for the receipt of communications from Holder. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mails in accordance with this provision.

City: City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080
Attention: City Manager

Debtor: BRIDGE Housing Corporation
350 California Street, Suite 1600
San Francisco, CA 94104
Attn: General Counsel

13. Miscellaneous Provisions.

(a) Successors and Assigns. This Note (i) may not be assigned by Debtor without Holder's written consent, (ii) can be assigned by Holder, at its sole option, and (iii) shall be binding on all successors and assigns of Holder and Debtor.

(b) Attorneys' Fees. If Holder elects to employ any of the remedies available to it in connection with any Event of Default, Debtor shall pay all reasonable costs and expenses incurred by or on behalf of Holder including, without limitation, reasonable attorneys' fees, incurred in connection with the Holder's enforcement of this Note and the exercise of any or all of its rights and remedies.

(c) Severability. If a court of competent jurisdiction finds any provisions of this Note invalid or unenforceable, the remaining provisions shall not in any way be affected or impaired thereby, and all other provisions of this Note shall remain in full force and effect.

(d) Time. Time is of the essence in the performance of the terms and conditions of this Note.

(e) Governing Law. The laws of the State of California shall govern this Note.

(f) Amendment. This Note may not be changed orally, but only by an amendment in writing signed by Debtor and approved by Holder.

(g) Headings. The headings within this Note are for the purpose of reference only and shall not limit or otherwise affect any of the terms of the Note.

(h) Assumptions. The Loan, including this Note, may not be assumed in whole or in part without the prior written consent of Holder, which consent shall be given or withheld at the sole discretion of Holder. Holder may condition its consent to an assumption of the Loan on the satisfaction of conditions reasonably required by Holder at the time of the assumption. Conditions may include, but not be limited to, Holder's satisfaction, in its sole discretion, with the proposed assuming party's ability to meet the Loan obligations, the payment of an assumption fee and reimbursement of Holder's fees and costs incurred by reason of the assumption.

(i) Electronic Signature. Debtor may deliver the executed version of this Note by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any such signature delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. No party may raise the use of any image transmission device or method or the fact that any signature was transmitted as an image as a defense to the enforcement of this Note.

Executed this Note on _____, 2025.

DEBTOR:

1051 MISSION AFFORDABLE LLC
a California limited liability company

By: BRIDGE Housing Corporation, its sole member

By: _____
Sierra Atilano, Chief Real Estate Officer

EXHIBIT B
New LHTF Note

PROMISSORY NOTE (New LHTF Note)

\$2,362,500

South San Francisco, California
_____, 2025

FOR VALUE RECEIVED, the undersigned, 1051 Mission Affordable LLC, a California limited liability company (“**Debtor**” or “**Borrower**”), promises to pay to the City of South San Francisco, a municipal corporation (“**Holder**” or “**City**”), at 400 Grand Avenue, South San Francisco, California 94080, or any other place designated in writing by Holder to Debtor, in lawful money of the United States a principal sum not to exceed TWO MILLION THREE HUNDRED SIXTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,362,500) (“**Loan**”), together with interest on the outstanding principal balance pursuant to the loan agreement described in Paragraph 1 below and in accordance with the terms and conditions described herein. Capitalized terms used but not defined herein shall have the same meaning as set forth in the Loan Agreement dated January 27, 2022 between the City and BRIDGE Housing Corporation, as assigned to Borrower pursuant to that certain Assignment of City Loan Documents dated December 1, 2022 and as amended by that certain First Amendment to Loan Agreement dated evenly herewith (collectively, the “**Loan Agreement**”).

1. Loan. This Promissory Note (New LHTF Note) (“**Note**”) has been executed and delivered pursuant to the Loan Agreement, which details the terms and conditions under which Holder agrees to lend to Debtor and Debtor agrees to borrow up to \$2,362,500 in LHTF Funds to fund certain predevelopment costs associated with the Project. The rights and obligations of Debtor under this Note shall be governed by the Loan Agreement and by the terms set forth in this Note.

2. Payment Terms.

(a) Term. The Maturity Date is January 27, 2028. If Borrower has made good faith efforts to apply for financing for the Project and obtain any remaining governmental approvals for the Project, the Maturity Date may be extended in two (2) additional three (3) year increments, as such extensions may be approved at the discretion of the City Manager. At the close of construction period financing (the “**Construction Date**”), the Maturity Date shall be extended to a term of fifty-five years from the date of issuance of the last certificate of occupancy or equivalent certification provided for the Units by the City’s building official; provided, however, that if such date cannot be established, the Maturity Date shall be the fifty-seventh (57th) anniversary of the Construction Date. If the California Department of Housing and Community Development (“HCD”) is a lender to the Project, at conversion to permanent financing, the parties will extend to the Maturity Date to match the maturity date of the HCD financing.

(b) Interest Rate. Except as provided under Section 8, the outstanding principal balance of the Loan shall accrue interest at one tenth of a percent (.1%) per annum on the unpaid principal outstanding from time to time commencing on the date of initial disbursement of the proceeds of such Loan and continuing through the date that all indebtedness and other amounts payable under this Note are paid in full.

3. Terms of Payment.

(a) Place and Manner of Payment. Payment shall be made in lawful money of the United States at Holder's address for notices set forth in Section 11 hereof, or to any other addresses as Holder may hereafter designate, in accordance with Section 11.

(b) Repayment. The entire outstanding principal, together with interest accrued thereon shall be due and repaid not later than the Maturity Date.

(c) Lawful Interest. Notwithstanding any other provisions of this Note, or any instrument securing the obligations of Debtor under this Note, if, for any reason whatsoever, the payment of any sums by Debtor pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that Holder may legally charge under the laws of the State of California, then the amount by which payment exceeds the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall Debtor be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

(d) Prepayment. Any portion of the outstanding principal balance due under this Note may be prepaid at any time, and from time to time, without penalty or premium. Any prepayment must be accompanied by interest accrued but unpaid to the date of prepayment.

4. Termination for Infeasibility. If any of the following circumstances arises, no Event of Default (as defined under this Note) has occurred and is ongoing, and Borrower has properly terminated the Loan Agreement for infeasibility (as provided for under the Loan Agreement), then the Holder shall forgive all sums due under the Note:

(a) Borrower is unable to acquire the Property despite commercially reasonable efforts under the conditions specified in section 1.3 of the Loan Agreement;

(b) Borrower or its assignee (including Borrower or an affiliate thereof) is excused from acquiring the Property under the conditions specified in section 1.3 of the Loan Agreement;

(c) Borrower does not receive additional land use, planning, environmental, or building approvals required for the development of the Project, despite Borrower's good faith efforts to obtain such approval; or

(d) Borrower is unable to obtain financing necessary to construct the Project despite Borrower's timely and good faith efforts to obtain such financing, that may include but is not limited to IIG, AHSC, MHP, tax credits, bonds, conventional mortgages or low-income housing tax credit equity, or philanthropic sources.

5. Security.

(a) Assignment. As security for the Loan, Debtor assigns its rights under the Collateral, as defined below (the "**Assignment**"). The Assignment shall become effective upon

the occurrence of an Event of Default or Termination for Infeasibility. The Holder shall have no obligation under the Collateral unless it expressly agrees in writing to be bound thereby. If the Assignment shall become effective, the Holder may use the Collateral for any purposes for which Debtor could have made use of the same in the development of the Project. Debtor shall cooperate with the Holder in the implementation of its rights under the Assignment, and shall immediately deposit the Collateral with the Holder if the Assignment becomes effective. As used herein, the term “Collateral” includes the following: All architectural designs, construction, engineering, surveying, and consulting contracts, and any and all amendments, modifications, supplements, addenda and general conditions thereto heretofore or hereafter entered into by Debtor and any contractor or consultant pertaining to development of the Project; all plans and specifications, surveys, shop drawings, working drawings, reports, studies, amendments, modifications, changes, supplements, general conditions, addenda and work product thereto heretofore or hereafter prepared by Debtor or any contractor or consultant pertaining to development of the Project; all land use approvals, conditional use permits, building permits and other governmental entitlements and approvals of any nature obtained for the Project; and all financing applications or other applications and all other tangible documents, except those of a proprietary or confidential nature, pertaining to development of the Project.

(b) Deed of Trust. In addition to the Assignment this Note shall be secured by the Deed of Trust, Security Agreement and Fixture Filing by Borrower for the benefit of City, dated December 1, 2022 and recorded on December 22, 2022 as Series No. 2022-087488 in the Official Records, as such Deed of Trust is amended by that certain Amendment to Deed of Trust by Borrower for the benefit of the City dated and recorded substantially concurrently herewith (collectively, the “**Deed of Trust**”). The Deed of Trust shall be subordinate to Debtor’s private financing for acquisition of the Property and construction of the Project, to any HCD documents if required by HCD’s regulations and guidelines.

6. Events of Default. The occurrence of any one or more of the following events shall constitute an event of default (“**Event of Default**”) under the Note:

(a) Unless the Loan is forgiven pursuant to the terms of the Loan Agreement, Debtor fails to pay any amount due under the Note, and such failure continues for thirty (30) days after the Holder notifies Debtor thereof in writing.

(b) Any of Debtor’s representations or warranties contained in the Loan Agreement, or made by Debtor in connection with the execution and delivery of the Loan Agreement or in any certificate furnished pursuant hereto, or in connection with any request for disbursement of Loan proceeds, shall prove to have been incorrect when made in any material respect.

(c) Debtor fails to use Loan proceeds in accordance with the Loan Agreement or fails to use Loan proceeds in accordance with Debtor’s request for disbursement.

(d) Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (“Bankruptcy Law”), Debtor, (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Debtor in an involuntary case; (iii) consents to the appointment of a trustee, receiver,

assignee, liquidator or similar official for Debtor; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

(e) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that, (i) is for relief against Debtor in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Debtor or substantially all of such entity's assets, (iii) orders the liquidation of Debtor, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance.

(f) Debtor fails to maintain insurance as required pursuant to any of the Loan Obligations, and Debtor fails to cure such default within ten (10) days.

(g) Debtor defaults in the performance of any term, provision, covenant or agreement contained in the Loan Obligations, and unless a shorter cure period is specified for such default, the default continues for thirty (30) days after the date upon which the Holder shall have given written notice of the default to Debtor; provided, however, that in the case of a nonmonetary default that is not susceptible of cure within thirty (30) days, an Event of Default shall not arise hereunder if Debtor commences to cure the default within thirty (30) days and thereafter prosecutes the curing of such default to completion with due diligence and in good faith, but in no event longer than one hundred twenty (120) days from the receipt of notice of default.

7. No Waiver or Consent. The failure by Holder to assert its rights upon the occurrence of an Event of Default, or the waiver by Holder of its rights upon any Event of Default, shall not constitute a consent to or waiver of Holder's rights with respect to any other Event of Default.

8. Default Interest. Upon the occurrence of any Event of Default, the interest rate on the sums as to which Debtor is in Default (including principal, if Holder has elected to declare it immediately due and payable) shall be the lower of (i) Ten Percent (10%) per annum, or (ii) the highest rate then allowed by law, commencing as of the date of the Default until paid in full, or until the Default as been cured, whichever is applicable.

9. Remedies. Upon the occurrence of any Event of Default, in addition to its other rights in this Note, the Deed of Trust and the Loan Agreement, at law, or in equity, Holder may exercise any one or more of the following rights and remedies without prior demand:

(a) Acceleration. Holder may declare the entire unpaid principal balance of the Note together with all accrued interest thereon, and all other sums owing to Holder immediately due and payable; or

(b) Proceed as Authorized at Law or in Equity. Holder may proceed as authorized at law or in equity with respect to the Event of Default, and in connection with that, pursue any and all other remedies available under law to enforce the terms of this Note.

10. Debtor's Waivers.

(a) Additional Security. Debtor expressly agrees that Holder may accept further security for this Note, all without in any way affecting the obligations of Debtor under this Note.

(b) Original Liability. No extension of time for payment of this Note or any installment hereof made by agreement by Holder with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Debtor under this Note, either in whole or in part.

(c) Obligations Absolute. The obligations of Debtor under this Note shall be absolute and Debtor waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

(d) Waivers. Debtor hereby waives (i) any notice of default or delinquency in addition to any notice expressly required by this Note; (ii) notice of acceleration; (iii) any notice of nonpayment in addition to any notice required by this Note; (iv) notice of costs, expenses, losses and interest thereon; (v) notice of interest on interest and late fees; (vi) diligence in taking any action to collect any sums owing under the Note or in proceeding against any of the rights and interest in and to properties securing payment of the Note; and (vii) presentment for payment, demand, protest, and notices of dishonor and/or protest.

11. Holder Forbearance. No waiver of any breach, default or failure of condition under the terms of this Note, the Loan Agreement, Deed of Trust, Regulatory Agreement, or the obligations secured thereby, shall be implied from any failure of Holder to take, or any delay by Holder in taking, action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of this Note or the Loan Agreement must be made in writing and shall be limited to the express written terms of such waiver.

12. Notice. Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by Holder shall be in writing and must be communicated to Debtor at the address of the Property, or at such other place or places as Debtor shall designate to Holder in writing, from time to time, for the receipt of communications from Holder. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mails in accordance with this provision.

City: City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080
Attention: City Manager

Debtor: BRIDGE Housing Corporation
350 California Street, Suite 1600
San Francisco, CA 94104
Attn: General Counsel

13. Miscellaneous Provisions.

(a) Successors and Assigns. This Note (i) may not be assigned by Debtor without Holder's written consent, (ii) can be assigned by Holder, at its sole option, and (iii) shall be binding on all successors and assigns of Holder and Debtor.

(b) Attorneys' Fees. If Holder elects to employ any of the remedies available to it in connection with any Event of Default, Debtor shall pay all reasonable costs and expenses incurred by or on behalf of Holder including, without limitation, reasonable attorneys' fees, incurred in connection with the Holder's enforcement of this Note and the exercise of any or all of its rights and remedies.

(c) Severability. If a court of competent jurisdiction finds any provisions of this Note invalid or unenforceable, the remaining provisions shall not in any way be affected or impaired thereby, and all other provisions of this Note shall remain in full force and effect.

(d) Time. Time is of the essence in the performance of the terms and conditions of this Note.

(e) Governing Law. The laws of the State of California shall govern this Note.

(f) Amendment. This Note may not be changed orally, but only by an amendment in writing signed by Debtor and approved by Holder.

(g) Headings. The headings within this Note are for the purpose of reference only and shall not limit or otherwise affect any of the terms of the Note.

(h) Assumptions. The Loan, including this Note, may not be assumed in whole or in part without the prior written consent of Holder, which consent shall be given or withheld at the sole discretion of Holder. Holder may condition its consent to an assumption of the Loan on the satisfaction of conditions reasonably required by Holder at the time of the assumption. Conditions may include, but not be limited to, Holder's satisfaction, in its sole discretion, with the proposed assuming party's ability to meet the Loan obligations, the payment of an assumption fee and reimbursement of Holder's fees and costs incurred by reason of the assumption.

(i) Electronic Signature. Debtor may deliver the executed version of this Note by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any such signature delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. No party may raise the use of any image transmission device or method or the fact that any signature was transmitted as an image as a defense to the enforcement of this Note.

(j) LHTF Provision: Pursuant to Section 107(a) of the Guidelines, repayment of amounts due under this Note shall be made to HCD in the event that the City is no longer in operation when the amounts owed hereunder become due and payable by Borrower.

Executed this Note on _____, 2025.

DEBTOR:

1051 MISSION AFFORDABLE LLC
a California limited liability company

By: BRIDGE Housing Corporation, its sole member

By: _____
Sierra Atilano, Chief Real Estate Officer

EXHIBIT C
Amendment to Regulatory Agreement

EXHIBIT C
Amendment to Deed of Trust

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City Clerk
City of South San Francisco
P.O. Box 711
South San Francisco, CA 94083

FIRST AMENDMENT TO DEED OF TRUST,
SECURITY AGREEMENT, AND FIXTURE FILING
(SSF PUC)

THIS FIRST AMENDMENT TO DEED OF TRUST, SECURITY AGREEMENT, AND FIXTURE FILING ("First **Amendment**") is dated as of _____, 2025 and amends that certain Deed of Trust, Security Agreement and Fixture Filing dated as of December 1, 2022 by 1051 Mission Affordable, LLC, a California limited liability company ("**Trustor**") for the benefit of the City of South San Francisco, a municipal corporation ("**Beneficiary**") and recorded in the Official Records of San Mateo County on December 22, 2022 as Series No. 2022-087488 in the Official Records (the "**Original Deed of Trust**"). Capitalized Terms not otherwise defined herein shall have the meaning set forth in the Loan Agreement (as defined below).

ARTICLE 1
Amendments to Defined Terms

Section 1.1 As used in this First Amendment and in the Original Deed of Trust, the term "Deed of Trust" shall mean the Original Deed of Trust as amended.

Section 1.2 The term "Loan" in the Deed of Trust is hereby revised, and all references in the Deed of Trust to "Loan" shall mean the loan made by Beneficiary to Trustor in the amount of Four Million Seven Hundred Twenty Five Thousand (\$4,725,000).

Section 1.3 The term "Loan Agreement" in the Deed of Trust is hereby revised, and all references in the Deed of Trust to "Loan Agreement" means the Loan Agreement between Beneficiary and Trustor related to the Loan and dated January 27, 2022, as amended by the First Amendment to Loan Agreement between Beneficiary and Trustor dated substantially concurrently herewith, as it may be further amended.

Section 1.4 The term "Loan Documents" in the Deed of Trust is hereby revised, and all references in the Deed of Trust to "Loan Documents" means the Deed of Trust as amended, the Loan Agreement, the Notes, and the Regulatory Agreement.

Section 1.5 The term "Note" in the Deed of Trust is hereby revised, and all references in the Deed of Trust to "Note" means the following promissory notes by Trustor in favor of beneficiary, as they may be amended or amended and restated (a) the Promissory Note in the

principal amount of Two Million Dollars (\$2,000,000) dated January 27, 2022; (b) the Promissory Note (New Linkage Fee Note) in the principal amount of Three Hundred Sixty Two Thousand Five Hundred Dollars (\$362,500) dated substantially concurrently herewith; and (c) the Promissory Note (New LHTF Note) in the principal amount of Two Million Three Hundred Sixty Two Thousand Five Hundred Dollars (\$2,362,500) dated substantially concurrently herewith. The payment of the Note is secured by this Deed of Trust. The terms and provisions of the Note are incorporated herein by reference.

ARTICLE 2 MISCELLANEOUS

Section 2.1 Non-Recourse. The Loan and Note are non-recourse to Borrower. The City may exercise any rights and remedies available at law or in equity, in addition to, and not in lieu of, any rights and remedies expressly granted in the Loan Documents; provided, however, that Borrower's obligation to repay the Loan and amounts due under the Note shall be secured by the Assignment and Deed of Trust without recourse to Borrower.

Section 2.2 Amendment. Except as otherwise specifically set forth in this First Amendment, the Original Deed of Trust remains in full force and effect

Section 2.3 Address.

Borrower's address in Section 8.3 is hereby updated as follows:

If Intended for Borrower:

1051 Mission Affordable
c/o BRIDGE Housing Corporation
350 California Street, Suite 1600
San Francisco, CA 94104
Attn: General Counsel

With a copy to:

Goldfarb & Lipman
1300 Clay Street
11th Floor
Oakland, CA 94612
Attn: Heather Gould

[Signature Page Follows]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

1051 MISSION AFFORDABLE LLC
a California limited liability company

By: BRIDGE Housing Corporation, its sole member

By: _____
Sierra Atilano, Chief Real Estate Officer

[SIGNATURE MUST BE NOTARIZED]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public,
personally appeared _____, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT E
Updated Predevelopment Budget

Project: 1051 Mission South San Francisco

Phase: Predevelopment

Date Completed: 5/9/2025



Yardi Category	USES OF FUNDS	City Predev Loan	LHTF + Commercial Linkage	Total Predevelopment Budget
0101-000	Acquisition (non-refundable deposits)	\$21,708	\$0	\$21,708
0102-000	Transaction Costs (Legal and Title)	\$68,986	\$0	\$68,986
0203-000	Holding Costs (Property taxes & Insurance)	\$67,979	\$43,000	\$110,979
	Subtotal Acquisition Costs	\$158,673	\$43,000	\$201,673
0501-000	Architecture	\$1,194,596	\$890,374	\$2,084,970
0504-000	Survey / Civil Engineer	\$128,323	\$100,000	\$228,323
0506-000	Geotech	\$14,000	\$86,000	\$100,000
0505-101	Acoustical Engineer	\$10,475	\$0	\$10,475
0507-000	Utility Consultant	\$31,200	\$33,000	\$64,200
0507-000	Hazardous Materials Consultant	\$25,000	\$0	\$25,000
0505-000	Phase I & 2 Reports	\$15,000	\$0	\$15,000
1901-000	Financial Consultant	\$19,750	\$70,000	\$89,750
2205-000	Construction Manager/Plan Check	\$31,250	\$58,750	\$90,000
0507-000	Waterproofing Consultant	\$0	\$0	\$0
0508-000	CEQA/NEPA, Trash Management	\$36,883	\$0	\$36,883
0508-000	Other Consultants	\$78,738	\$250,000	\$328,738
0505-000	Environmental	\$25,838	\$27,187	\$53,025
	Subtotal Architecture & Engineering	\$1,611,053	\$1,515,311	\$3,126,364
1601-000	Legal, Predevelopment	\$79,939	\$130,673	\$210,612
1801-000	Market Study	\$4,250	\$17,926	\$22,176
1802-000	Appraisal	\$9,000	\$3,000	\$12,000
1504-000	Community Outreach	\$6,750	\$0	\$6,750
0603-000	Planning Fees/Environmental Application	\$50,000	\$50,000	\$100,000
0601-000	Permits	\$12,000	\$200,000	\$212,000
0604-000	Utility Contracts and Permits	\$8,000	\$47,000	\$55,000
2001-000	TC/Bond Application & Performance Deposit	\$0	\$155,000	\$155,000
2101-000	Tax Cohnreznick	\$2,540	\$0	\$2,540
1901-000	Application Advisor	\$44,739	\$69,322	\$114,061
	Subtotal Indirect Development Costs	\$217,218	\$672,921	\$890,139
1401-000	Contingency	\$0	\$482,473	\$482,473
1201-000	Predevelopment Loan Interest	\$10,556	\$11,295	\$21,851
2001-000	CMFA Application Fee	\$2,500	\$0	\$2,500
	Subtotal Other	\$13,056	\$493,768	\$506,824
	TOTAL USES	\$2,000,000	\$2,725,000	\$4,725,000