

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, as amended, (b) the Original Note, the New Linkage Fee Note and the New LHTF Note, (collectively, the “Note”) and (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 two (2) year increments for up to a total of four (4) years, as such extensions may be approved at the discretion of the City Manager. the Maturity Date may be extended in two (2) additional three (3) year increments, as such extensions are approved by the City Manager. The City Manager will approve such an extension if Borrower has (1) made good faith efforts to obtain land use, planning, environmental, and building approvals required for the development of the Project; and (2) Borrower has made timely and good faith efforts to obtain an Affordable Housing and Sustainable Communities (AHSC) grant, tax credits, bonds, conventional mortgages or low-income housing tax credit equity, and philanthropic sources.~~ 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**” and “**First Amendment**” 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 Loan 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 in~~ the Original Loan Agreement and in this First Amendment shall mean the Original Loan 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 Loan 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 update 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 Agreement, as amended, 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

EXHIBIT B
New LHTF Note

EXHIBIT C
Amendment to Regulatory Agreement

EXHIBIT C
Amendment to Deed of Trust

EXHIBIT E
Updated Predevelopment Budget