

AMENDMENT TO LOAN AGREEMENT
(Terra Cotta Apartments)

This Amendment to Loan Agreement (this "Amendment") is entered into effective as of _____, 2024 ("Effective Date") by and between the **CITY OF SAN MARCOS** acting solely in its capacity as the designated successor housing agency to the former San Marcos Redevelopment Agency ("Agency") and **TERRA COTTA HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP** ("Borrower"). Agency and Borrower are collectively referred to herein as the "Parties."

RECITALS

A. The Parties entered into that certain loan (the "Loan") evidenced by a promissory note from the Borrower dated October 31, 1997 in the original principal amount of \$5,800,000, and by a promissory note from the Borrower dated October 31, 1997 in the original principal amount of \$500,000, each as amended from time to time (collectively, the "Promissory Notes"), and a Construction and Permanent Financing Loan Agreement, dated October 31, 1997, modified by a Modification Agreement dated December 22, 1999 and recorded in the Official Records of San Diego County as Instrument No. 2000-0014245 (the "Loan Agreement").

B. In connection with the refinance of the Property, the Parties hereby wish to amend the Loan Agreement as more particularly set forth herein.

NOW THEREFORE,

In consideration of the foregoing Recitals and for the promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

1. Section 2.21 and Exhibit B of the Loan Agreement are hereby amended to provide that the Right of First Refusal of the Agency shall not be triggered by any transfer of the Project by Borrower to an entity which is controlled by or under common control with BRIDGE Housing Corporation for the purposes of refinancing and/or rehabilitating the Project. Further, the Agency and Borrower agree to subordinate the Right of First Refusal to any lender providing financing for the Project. Agency acknowledges that the Option granted to Agency expired by its terms and is of no further force and effect.

2. No Other Modification. Except as amended by this Amendment, the Loan Agreement shall continue unmodified and in full force and effect.

3. Counterparts. This Amendment may be executed in several counterparts each of which will constitute an original document, and all of which shall constitute one agreement, binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterparts.

[Signature Page(s) Follow]

IN WITNESS WHEREOF, the Parties have entered into this Amendment effective as of the date first written above.

AGENCY:

THE CITY OF SAN MARCOS,

Acting solely in its capacity as the designated successor housing agency to the former San Marcos Redevelopment Agency

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:

By: _____
Its: _____

BORROWER:

**TERRA COTTA HOUSING ASSOCIATES,
A CALIFORNIA LIMITED PARTNERSHIP**

By: San Marcos Family Housing, Inc.
a California nonprofit public benefit corporation,
its general partner

By: _____
Name: Natalia Williams
Its: Vice President