



\$100,000,000
BRIDGE HOUSING CORPORATION
Taxable Bonds, Series 2020 (Sustainability Bonds)

100,000,000 3.250% Term Bond due July 15, 2030 Price 100.000% CUSIP No.† 10806CAA6

Dated: Date of Delivery

The above-described bonds (the “Bonds”) will be issued by BRIDGE Housing Corporation (“BRIDGE”) pursuant to a Bond Indenture, dated as of December 1, 2020 (the “Bond Indenture”), by and between BRIDGE and Wilmington Trust, National Association, as bond trustee (the “Bond Trustee”). The Bonds are issuable only as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. Interest from the date of delivery of the Bonds will be payable on each January 15 and July 15, commencing January 15, 2021.

The Bonds will be initially maintained in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to which payments of principal of, premium, if any, and interest on, the Bonds will be made by the Bond Trustee. Individual purchases will be made in book-entry form only. Purchasers of Bonds will not receive physical delivery of bond certificates. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the “registered owners” shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (hereinafter defined) of the Bonds. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments on the Bonds will be made directly to Cede & Co. Disbursement of such payments to DTC’s Participants (hereinafter defined) is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Direct Participants and DTC’s Indirect Participants (hereinafter defined), as more fully described herein. See “APPENDIX E—BOOK-ENTRY SYSTEM” attached hereto.

The Bonds are subject to optional redemption prior to maturity as described herein. See “THE BONDS – Redemption Provisions” herein.

The Bonds constitute unsecured general obligations of BRIDGE, and no specific BRIDGE assets or revenues, other than amounts held in certain accounts established under the Bond Indenture, are pledged by the Bond Indenture for the payment of Bond debt service when due. Certain of BRIDGE’s assets are subject to legal restrictions and are not an anticipated source of payment of Bond debt service. See “SECURITY FOR THE BONDS” and “CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS—Certain BRIDGE Assets Are Subject to Legal Restrictions” herein.

INTEREST ON THE BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL, STATE, OR LOCAL INCOME TAX PURPOSES. For a more complete discussion of the tax aspects, see “CERTAIN U.S. FEDERAL TAX CONSIDERATIONS” herein.

BRIDGE has designated the Bonds as “Sustainability Bonds” due to the nature of its organizational mission and the intended use of proceeds of the Bonds. Further, Sustainalytics US, Inc. has provided a second-party opinion that BRIDGE’s Sustainability Bond Framework comports with recognized standards and entitles the Bonds to be labeled as Sustainability Bonds. See “INTRODUCTION—Sustainability Bonds” herein and “APPENDIX F—Framework Overview and Second Opinion by Sustainalytics” attached hereto.

The Bonds are offered by the Underwriter, when, as and if issued, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of certain legal matters by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Special Finance Counsel to BRIDGE. In addition, certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York. It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York or to DTC’s custodial agent on or about December 8, 2020.

Morgan Stanley

Dated: December 1, 2020

† See the statement regarding CUSIP numbers under “GENERAL INFORMATION — CUSIP Information” herein.

GENERAL INFORMATION

No Offering May be Made Except by this Offering Memorandum. No dealer, broker, salesperson or other person has been authorized by BRIDGE or the Underwriter to give any information or to make any representations with respect to this offering, other than as contained in this Offering Memorandum and, if given or made, such other information or representations must not be relied upon as having been authorized by BRIDGE or the Underwriter.

No Unlawful Offer, Solicitation or Sale. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Use of this Offering Memorandum. This Offering Memorandum is provided in connection with the sale of the Bonds referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. This Offering Memorandum is not to be construed as a contract or agreement among BRIDGE, the Underwriter and the purchasers or owners of any offered Bonds. This Offering Memorandum is being provided to prospective purchasers either in bound printed form (“original bound format”) or in electronic format on the following website: www.munios.com. This Offering Memorandum may be relied upon only if it is in its original bound format or if it is printed in its entirety directly from such website.

Preparation of this Offering Memorandum. The information contained in this Offering Memorandum has been derived from information provided by BRIDGE and other sources which are believed to be reliable. Additional information, including financial information, concerning BRIDGE is available from BRIDGE’s website. Any such information that is inconsistent with the information set forth in this Offering Memorandum should be disregarded. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of BRIDGE since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party. The Underwriter has reviewed the information in this Offering Memorandum in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. References to website addresses presented herein, including BRIDGE’s website, are for informational purposes only and, unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Offering Memorandum.

No Registration or Approval. The Bonds have not been registered with the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended, in reliance upon the exemption from registration set forth in Section 3(a)(4) of such Act. Neither the SEC nor any other federal or state securities commission or regulatory authority has approved or disapproved of the Bonds or passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

Public Offering Prices. In connection with this offering, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market; such stabilizing, if commenced, may be discontinued at any time.

Forecasts and Forward-Looking Statements. Statements contained in this Offering Memorandum that do not reflect historical facts are forward-looking statements. Forward-looking statements can be identified by words such as “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe,” “plan,” “budget,” “predict,” “may,” “should,” and similar expressions. Projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are not to be construed as representations of fact and are qualified in their entirety by the cautionary statements set forth in this Offering Memorandum. The forward-looking statements are based on various assumptions and estimates and are inherently subject to risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Offering Memorandum and such variations may be material, which could affect the ability to fulfill some or all of the obligations under the Bonds. All forward-looking statements included in this Offering Memorandum are based on information available on the date of this Offering Memorandum, and BRIDGE assumes no obligation to update any such forward-looking statements.

Miscellaneous. Any references to internet websites in this Offering Memorandum are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites and any links contained within those websites are not incorporated herein by reference and do not constitute part of this Offering Memorandum.

In making an investment decision, investors must rely upon their own examination of BRIDGE and the terms of the offering of the Bonds, including the merits and risks involved. Prospective investors should not construe the contents of this Offering Memorandum as legal, tax or investment advice.

The order and placement of materials in this Offering Memorandum, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Offering Memorandum, including the Appendices, must be considered in its entirety.

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SUMMARY OF THE OFFERING

Issuer	BRIDGE Housing Corporation
Securities Offered	BRIDGE Housing Corporation Taxable Bonds, Series 2020 (Sustainability Bonds) \$100,000,000 3.250% Term Bond due July 15, 2030 Price 100.000%
Interest Accrual Date	Interest will accrue from the date of issuance.
Interest Payment Dates	January 15 and July 15, commencing January 15, 2021.
Redemption	The Bonds are subject to optional redemption by BRIDGE, in whole or in part as described herein. BRIDGE shall have the option to purchase any Bonds called for optional redemption as discussed more fully herein. See “THE BONDS—Redemption Provisions” herein.
Date of Issuance	December 8, 2020.
Authorized Denominations	\$5,000 and any integral multiple thereof.
Security	The Bonds constitute unsecured general obligations of BRIDGE, and no specific BRIDGE assets or revenues, other than amounts held in certain accounts established under the Bond Indenture, are pledged by the Bond Indenture for the payment of Bond debt service when due. Certain of BRIDGE’s assets, including without limitation restricted cash are subject to legal restrictions and are not an anticipated source of payment of Bond debt service. No reserve fund is established for the Bonds. See “SECURITY FOR THE BONDS” and “CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS—Certain BRIDGE Assets Are Subject to Legal Restrictions herein.
Form and Depository	The Bonds will be delivered solely in registered form under a book-entry system through the facilities of DTC. See “APPENDIX E—BOOK-ENTRY SYSTEM” attached hereto.
Use of Proceeds	BRIDGE will use the net proceeds of the Bonds to (i) refinance existing debt obligations; (ii) fund pre-identified projects, (iii) finance other lawful corporate purposes in furtherance of BRIDGE’s mission and (iv) pay costs of issuance of the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “UNDERWRITING” herein.
Rating	S&P: “A+”
Bond Trustee	Wilmington Trust, National Association
Sustainability	Sustainalytics US, Inc. has provided a second-party opinion that BRIDGE’s Sustainability Bond Framework comports with recognized standards and entitles the Bonds to be labeled as Sustainability Bonds. See “APPENDIX F—FRAMEWORK OVERVIEW AND SECOND OPINION BY SUSTAINALYTICS” attached hereto.

Offering Memorandum
Relating to
\$100,000,000
BRIDGE HOUSING CORPORATION
TAXABLE BONDS, SERIES 2020 (SUSTAINABILITY BONDS)

INTRODUCTION

This Introduction contains only a brief summary of certain of the terms of the Bonds being offered, and a full review should be made of the entire Offering Memorandum, including the cover page and the Appendices (this “Offering Memorandum”), in order to make an informed investment decision. All statements contained in this Introduction are qualified in their entirety by reference to the entire Offering Memorandum. References to, and summaries of, provisions of the laws and administrative rules and regulations of any jurisdiction or of any contractual documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions thereof.

General

The purpose of this Offering Memorandum is to set forth certain information concerning BRIDGE Housing Corporation (“BRIDGE”) and its \$100,000,000 aggregate principal amount of Taxable Bonds, Series 2020 (Sustainability Bonds), dated their date of delivery (the “Bonds”). The Bonds are being issued by BRIDGE pursuant to a Bond Indenture, dated as of December 1, 2020 (the “Bond Indenture”), by and between BRIDGE and Wilmington Trust, National Association, as bond trustee (the “Bond Trustee”). **The Bonds constitute unsecured general obligations of BRIDGE.** All capitalized terms used herein and not otherwise defined have the meanings set forth in the Bond Indenture. See “APPENDIX C— FORM OF THE BOND INDENTURE” attached hereto.

BRIDGE

Founded in 1983, BRIDGE is a California nonprofit corporation, a public charity exempt from tax under Section 501(c)(3) of the Internal Revenue Code. BRIDGE is a mission-driven, affordable housing developer headquartered in San Francisco. BRIDGE, one of the largest affordable housing apartment owners in the country, currently owns 113 properties comprising over 12,000 units. Since its inception, through September 2020, BRIDGE has created or preserved more than 18,000 units of housing, leveraging about \$3 billion in total development costs, resulting in serving an estimated 45,000 low-income individuals and creating more than 24,000 construction jobs. BRIDGE has three main business lines: Real Estate Development, Asset Management, and Property Management. BRIDGE’s mission is to strengthen communities and improve the lives of these residents, beginning – but not ending – with affordable housing. In all its developments, BRIDGE utilizes a holistic community development lens on how it plans, implements, and manages affordable housing. BRIDGE leverages its role as a real estate developer to partner with and improve neighborhood institutions and communities by also focusing on the social determinants of health that affect residents’ quality of life and long-term health and success. BRIDGE offers quality resident support services (such as early childhood education, vocational/job training, afterschool programs, among others), that aim to ensure that its developments help stabilize the neighborhoods that surround its properties, improve housing conditions for its residents and increase access to economic advancement and social mobility. BRIDGE is a long-term owner and manages many of the properties it develops, ensuring continued quality standards and community responsiveness. For more information about BRIDGE, see “APPENDIX A—BRIDGE HOUSING CORPORATION” attached hereto.

The Bonds

The Bonds will be issued in denominations of \$5,000 and any integral multiple thereof, will be dated their date of delivery and will mature on the date, and will bear interest at the rate, as shown on the front cover of this Offering Memorandum. Interest on the Bonds will be payable on each January 15 and July 15, commencing January 15, 2021. See “THE BONDS” herein.

Redemption

The Bonds are subject to optional redemption and purchase in lieu of redemption prior to maturity, in whole or in part on any date, at the option of BRIDGE as described herein. See “THE BONDS—Redemption Provisions” herein.

Use of Proceeds

The proceeds of the Bonds are expected to be used by BRIDGE to (i) refinance existing debt obligations; (ii) fund pre-identified projects, (iii) finance other lawful corporate purposes in furtherance of BRIDGE’s mission and (iv) pay costs of issuance of the Bonds.

Sustainability Bonds

The term “Sustainability Bonds” is not defined in or related to the Bond Indenture and its use herein is for identification purposes only and is not intended to imply or to provide that a holder of the Bonds is entitled to additional security other than as provided in the Bond Indenture.

Introduction. BRIDGE intends to issue sustainability bonds and to use the proceeds to finance/refinance existing or future projects that fit within its Sustainability Bond Framework. The Sustainability Bond Framework defines eligibility in three areas:

- Affordable Housing
- Transit Oriented Development
- Green Building and Energy Efficiency

BRIDGE’s Sustainability Bond Framework is designed to track the Sustainability Bond Guidelines and corresponding Green Bond Principles and Social Bond Principles as promulgated by the International Capital Market Association (“ICMA”). By reference to the ICMA’s “Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals,” BRIDGE’s Sustainability Bonds designation also aims to further certain of the United Nations 17 Sustainable Development Goals (“UNSDGs”), specifically:

- Goal 1: No Poverty – End poverty in all its forms everywhere
- Goal 7: Affordable and Clean Energy – Ensure access to affordable, reliable, sustainable and modern energy
- Goal 10: Reduced Inequalities – Reduce inequality within and among countries
- Goal 11: Sustainable Cities and Communities – Make cities and human settlements inclusive, safe, resilient, and sustainable

The UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. Identifying the Bonds as Sustainability Bonds allows investors to invest directly in bonds which finance social and sustainable impacts in the underserved communities of the United States. Holders of the Bonds do not assume any specific project risk related to any of the funded projects. See “SECURITY FOR THE BONDS” herein.

BRIDGE Sustainability Bond Framework

Use of Proceeds. The Bonds are being issued to refinance existing debt obligations and provide predevelopment and acquisition loans that are aligned with BRIDGE’s Sustainability Bond Framework as described herein. All projects financed with proceeds of the Bonds will meet the criteria for eligibility in a least one of the three pillars of BRIDGE’s Sustainability Framework – Affordable Housing, Transit-Oriented Development or Green Building and Energy Efficiency. Proceeds from sustainability bonds are intended to finance the creation and preservation of affordable housing that have environmentally-friendly features and spur holistic community revitalization. BRIDGE currently has a pipeline of over 8,000 units, with total development costs of \$3.5 billion. It is

worth noting that BRIDGE has created and preserved 5,148 units of affordable housing in the past 5 years, leveraging more than \$1.6 billion in total development costs. All of these projects utilized either 4% or 9% Low-Income Housing Tax Credit (“LIHTC”) and hence qualify in Area Median Income (“AMI”) and Green categories as described above. In 2019, the average targeted AMI for BRIDGE created/preserved units was 50% of AMI, highlighting BRIDGE’s commitment to creating housing with deep affordability.

Affordable Housing. Throughout the West Coast, the shortage of affordable housing has reached crisis proportions. According to the 2019 report from the National Low-Income Housing Coalition, Washington, Oregon and California has some of the lowest number of rental homes affordable to extremely low-income families (0-30% of AMI)¹. Very low-income (“VLI”) and low income (31-80% of AMI) households have also struggled, with +80% of VLI (50% and under of AMI) households across the 3 states considered rent burdened². This shortage of affordable housing significantly increased the number of people who are homeless and has also put many working families one or two paychecks away from homelessness.

BRIDGE is responding to this crisis through a two-pronged strategy for creating and preserving affordable housing. First, BRIDGE builds and preserves housing in high poverty areas, strengthening communities through holistic community development practices and providing critical programs and services to stabilize families and provide access to greater economic opportunity. Second, BRIDGE builds affordable housing in high-cost areas that are near quality schools, public transportation, and employment centers. BRIDGE believes that in so doing, working families have increased chances to access good schools, employment centers, healthcare, etc. As Raj Chetty³ found, children who grow up in affluent communities are more likely to achieve better educational and career outcomes.

BRIDGE utilizes a holistic community development lens on how it plans, implements, and manages affordable housing. BRIDGE leverages its role as a real estate developer to partner with and improve neighborhood institutions and communities by also focusing on the social determinants of health that affect residents’ quality of life and long-term health and success. BRIDGE’s Community Development (“CD”) approach ensures that its developments help stabilize the neighborhoods that surround its properties, improve housing conditions for residents and increase access to their economic advancement and social mobility. BRIDGE’s CD framework starts in the beginning of the development process and ensures that neighborhood conditions are systematically considered early in the process and integrated into all aspects of the development and property management practice. At the start of each project, BRIDGE will prepare a Neighborhood Environment Assessment for each property being considered, pulling publicly available data to give a snapshot of the environmental conditions, such as demographics, a stabilization index (to see if a community is in danger of gentrification), access to transit, quality of schools, etc. Based on these assessments, BRIDGE offers quality resident support services in the areas of Adult Education, Community Building, Youth Programming and Service Coordination (such as early childhood education, vocational/job training, afterschool programs, etc.), that ensures that BRIDGE’s developments help stabilize the neighborhoods that surround its properties, improve housing conditions for its residents and increase access to economic advancement and social mobility.

BRIDGE is also working on “Bridging the Digital Divide” by helping to provide access to low or no-cost internet services to residents and the larger community. Through this approach, BRIDGE ensures that its developments:

- Improve housing conditions for its residents through affordability, quality and safety;
- Stabilize residents’ lives and communities by reducing displacement and exclusion of low-income families;
- Improve social mobility through income integration within its properties and their surrounding neighborhoods; and

¹National Low-Income Housing Coalition, “Out of Reach – the High Cost of Housing”: https://reports.nlihc.org/sites/default/files/oor/OOR_2020.pdf.

²National Low-Income Housing Coalition, Housing Needs by State, Washington: <https://nlihc.org/housing-needs-by-state/washington>; <https://nlihc.org/housing-needs-by-state/california>; <https://nlihc.org/housing-needs-by-state/oregon>.

³Chetty, Raj, et al. “Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States.” *Quarterly Journal of Economics* 129(4): 1553-1623,2014.

- Provide access to resources for advancement that include civic participation, transit, technology, quality education, social support and open space.

Since inception in 1983, BRIDGE has developed over 18,000 total homes or apartment units, leveraging about \$3 billion in total development costs, of which over 14,000 or 78% have been affordable to tenants or families earning \leq 80% AMI. BRIDGE prioritizes properties that include larger percentages of affordable units that target households at deeper affordability levels, especially those earning \leq 60% AMI. Currently, the BRIDGE portfolio includes a majority (54%) of units targeting extremely low income (“ELI”) /30% AMI and below households; with 94% of all units in its portfolio affordable to households earning 79% and below of AMI.

Transit-Oriented Development (“TOD”). BRIDGE believes that walkable communities are healthier communities. BRIDGE prioritizes developments that are in walkable-distance to transit which not only cuts carbon emissions/pollution but also promotes healthier habits. A study by John MacDonald⁴ found that residents in a TOD community (on average) have increased probability of becoming less obese and having lower BMI. Further, research has shown that low-income households are unfairly burdened by long and expensive commutes⁵ with some spending more than two hours each day commuting from homes to their place of work. Eighty-two percent of BRIDGE’s affordable housing units are in TOD or transit-friendly sites (1/4 mile from transit). BRIDGE has several large pipeline projects that are in TOD (Balboa, Northgate ETOD, Vermont and Manchester, etc.) constituting more than 1,499 units and will prioritize such projects in regard to use of Bond proceeds.

Green Building and Energy Efficiency. BRIDGE is committed to environmentally sound smart-growth development, providing transit-oriented housing and retail, remediation of neighborhood toxicity, and green building measures in its new developments. Green building provides multiple benefits to residents, property owners, and the community. Design approaches and equipment that reduce energy and water use result in lower utility costs and reduced stress on the environment. Low-VOC products and good ventilation improve the health of the living environment. Features that capture stormwater, reduce the urban heat island effect, and restore landscapes contribute to community-wide and regional efforts to improve regional ecosystems. BRIDGE’s commitment to energy reduction has led to a 42% decrease in energy use throughout its existing portfolio of properties. Additionally, 29% of BRIDGE properties are designated as Green which include sustainable and regenerative development approaches or components such as:

- LEED Certifications: LEED certification provides independent verification of a building or neighborhood’s green features, allowing for the design, construction, operations and maintenance of resource-efficient, high-performing, healthy, cost-effective buildings. Projects that qualify under the LEED criteria will be built to at least the LEED Silver standard, with most properties qualifying for LEED Gold.
- GreenPoint Rated: Launched in 2005, GreenPoint Rated’s recommended measures and performance benchmarks specifically address climate and market conditions across five categories: energy and water conservation, indoor air quality, sustainable building materials, and community benefits such as proximity to public transportation. GreenPoint Rated is recognized by several third-party sources, including the Fannie Mae Green Certification program.
- Low Income Housing Tax Credit Qualified Allocation Plans: The majority of the BRIDGE’s projects will be financed with either 4% or 9% LIHTC. In order to qualify for funding, developers must meet requirements administered by the Washington/Oregon/California governmental body which administers the tax credit allocation. The allocation is dependent upon meeting minimum construction and environmental standards for both new construction and rehabilitation projects. Note that prospective developers must score full points on various environmental and energy metrics in the area of sustainable design, building methods and materials, including compliance with various recognized green building standards and the integration of energy and water efficiency measures to be competitive in the awarding of LIHTC investments. In addition, LIHTC allocation

⁴ MacDonald JM, Stokes RJ, Cohen DA, Kofner A, Ridgeway GK. The effect of light rail transit on body mass index and physical activity. *Am J Prev Med.* 2010;39(2):105-112. doi:10.1016/j.amepre.2010.03.016.

⁵White, Gillian. “Long Commutes are Awful, Especially for the Poor.” *The Atlantic*: June 10, 2015. <https://www.theatlantic.com/business/archive/2015/06/long-commutes-are-awful-especially-for-the-poor/395519/>.

limits rental costs to a maximum of 80% of AMI. Most of these developments will be exempt from Federal and State income taxes because these projects meet the IRS Safe Harbor for relieving the poor and distressed by providing affordable housing in which 75% of the units are occupied by households with incomes at 80% of AMI or less; and (1) at least 20% of the units are occupied by households at 50% of AMI or less; or (2) 40% of the units are occupied by households at 60% of median income or less. BRIDGE will also pursue acquisition of Naturally Occurring Affordable Housing to ensure continued affordability:

A summary of the refinanced properties is found below.

Series 2020 (Sustainability Bonds) Property Summary																											
No	Property Name	City	State	Zip Code	Current Loan Amount	New Loan Amount	Projected Loan Amount	Total Units	Unit Set-Aside Breakdown at or Below Indicated AMI										Rental Subsidy	Target Population	Tenant Service(s) Provided	Qualified Census Tract (QCT)	Racially- or Ethnically-Concentrated Area of Poverty (RECAP)	Environmental Characteristics	Allocation of LBTC		
									MGR	30%	40%	50%	60%	70%	80%	90%	100%	120%								150%	
1	4640 Mission	San Francisco	CA	94112	\$400,000	\$0	\$400,000	137	2	44	22	30	-	5	34	-	-	-	-	-	PBV and Local Affordable Program	Family	Yes	Yes, OZ	No	GreenPoint Rating	Yes
2	El Cerrito	El Cerrito	CA	94530	\$950,000	\$1,600,000	\$1,850,000	67	1	-	26	-	23	-	15	-	-	-	-	-	PBV	Family	Yes	Yes, OZ	No	Transit Oriented Development, GreenPoint Rating	Yes
3	South San Francisco	South San Francisco	CA	94080	\$0	\$1,750,000	\$1,750,000	158	1	43	-	69	26	-	17	-	-	-	-	-	FMR Vouchers/Local Affordable Program	Family/Supportive	Yes	No	No	Transit Oriented Development, GreenPoint Rating	Yes
4	Centerdown	San Rafael	CA	94901	\$388,000	\$382,000	\$750,000	60	1	-	-	24	35	-	-	-	-	-	-	-	Section 8/Local Affordable Program	Family	No	Yes	No	GreenPoint Rating	Yes
5	Coleridge	San Francisco	CA	94110	\$77,000	\$123,000	\$200,000	49	1	-	-	35	-	-	13	-	-	-	-	-	Project Based Vouchers (TBO)	Senior	Yes	Yes	No	GreenPoint Rating	Yes
6	Sycamore Place	Danville	CA	94526	\$15,000	\$485,000	\$500,000	74	1	8	43	22	-	-	-	-	-	-	-	-	Section 8 Vouchers	Senior	Yes	Yes	No	LEED Silver, GreenPoint Rating	Yes
7	Acorn Phase 1	Oakland	CA	94607	\$0	\$3,750,000	\$3,750,000	180	4	18	-	122	24	-	12	-	-	-	-	-	Project Based Vouchers	Family	Yes	Yes, OZ	Yes		Yes
8	Coronado Springs Tower	Seattle	WA	98146	\$900,000	\$1,000,000	\$1,900,000	184	2	-	-	91	91	-	-	-	-	-	-	-	None	Family	Yes	Yes	No		No
9	South Cooper Mountain	Beaverton	OR	97007	\$0	\$3,600,000	\$3,600,000	75	1	14	-	-	60	-	-	-	-	-	-	-	None	Family	Yes	Yes	No	Earth Advantage Green Building Platinum	Yes
10	Balboa Reservoir	San Francisco	CA	94112	\$1,987,000	\$3,300,000	\$5,287,000	550	8	130	-	49	116	-	78	-	169	-	-	-	State and Local Affordable Programs (TBO)	Family	Yes	No	No	LEED Gold, GHG Neutral	Yes
11	Aloha	Beaverton	OR	97003	\$0	\$2,400,000	\$2,400,000	82	1	33	-	-	48	-	-	-	-	-	-	-	None	Family	Yes	Yes	No	Earth Advantage Green Building Platinum	Yes
12	Northgate ETOD	Seattle	WA	98124	\$41,000	\$2,959,000	\$3,000,000	232	2	12	-	12	206	-	-	-	-	-	-	-	State and Local Affordable Program	Family	Yes	No	No	Transit Oriented Development	Yes
13	Vermont and Manchester	Los Angeles	CA	90044	\$799,000	\$8,201,000	\$9,000,000	180	4	90	-	64	-	-	22	-	-	-	-	-	Project Based Vouchers	Family/Senior/PSH	Yes	Yes	No	LEED Gold, Transit Oriented Development	Yes
14	Westview 2	Ventura	CA	93001	\$776,000	\$474,000	\$1,250,000	90	1	11	-	15	23	-	-	-	-	-	-	-	RAD+PBVs	Senior	Yes	Yes	No	LEED Gold	Yes
15	Jordan Downs 3	Los Angeles	CA	90002	\$245,000	\$1,255,000	\$1,500,000	195	2	49	6	36	57	-	43	-	-	-	-	-	RAD+Section 8 PBVs	Family	Yes	Yes	Yes	LEED Silver	Yes
16	Jordan Downs 4	Los Angeles	CA	90002	\$0	\$3,000,000	\$3,000,000	194	2	48	6	36	57	-	43	-	-	-	-	-	RAD+Section 8 PBVs	Family	Yes	Yes	Yes	LEED Silver	Yes
17	Jordan Downs 5	Los Angeles	CA	90002	\$0	\$2,000,000	\$2,000,000	117	2	28	4	23	34	-	26	-	-	-	-	-	RAD+Section 8 PBVs	Family	Yes	Yes	Yes	LEED Silver	Yes
18	New Hampshire HHH	Los Angeles	CA	90005	\$0	\$1,500,000	\$1,500,000	109	2	107	-	-	-	-	-	-	-	-	-	-	HUD Section 8 - Project Based Vouchers	PSH	Yes	Yes	No	Transit Oriented Development	Yes
19	Watts HHH	Los Angeles	CA	90002	\$0	\$1,500,000	\$1,500,000	49	1	48	-	-	-	-	-	-	-	-	-	-	HUD Section 8 - Project Based Vouchers	PSH	Yes	Yes	No	Transit Oriented Development	Yes
20	Cedar and Kettner	San Diego	CA	92101	\$571,000	\$1,428,000	\$2,000,000	64	1	5	-	56	2	-	-	-	-	-	-	-	Local Affordable Program	Senior/PSH	Yes	Yes	No	LEED Gold	Yes
21	1501 Sixth Avenue	San Diego	CA	92101	\$317,000	\$1,183,000	\$1,500,000	120	2	21	-	49	48	-	-	-	-	-	-	-	Section 8 PBV/Local Affordable Program	Family/Senior/PSH	Yes	Yes	No	LEED Gold	Yes
22	Los Litos	Los Angeles	CA	90033	\$910,000	\$840,000	\$1,750,000	64	1	33	-	30	-	-	-	-	-	-	-	-	Project Based Section 8 Vouchers	Family/PSH	Yes	Yes	No	Transit Oriented Development	Yes
23	Anaheim & Walnut	Long Beach	CA	90813	\$837,000	\$990,000	\$1,337,000	88	1	40	27	16	4	-	-	-	-	-	-	-	(40) Project Based Section 8 vouchers	Family/PSH	Yes	Yes, including PSH services	No	GreenPoint Rated Gold	Yes
24	RiverPlace (Phase 2 & 3)	Portland	OR	97201	\$3,332,001	\$0	\$3,332,000	178	2	17	-	-	159	-	-	-	-	-	-	-	VASH	Family/PSH	Yes	Yes	No	LEED Gold, Transit Oriented Development	Yes
25	Heritage 2	Pasadena	CA	91103	\$0	\$1,250,000	\$1,250,000	70	1	89	-	-	-	-	-	-	-	-	-	-	Section 8 PBVs	Homeless Services	Yes	No	No	LEED Gold, Green Point Rated	Yes
26	Tressa	Seattle	WA	98133	\$900,000	\$0	\$900,000	474	8	-	-	-	466	-	-	-	-	-	-	-	None	Family/Disabled	No	No	No		Yes
27	Ramona	Portland	OR	97209	\$2,958,000	\$0	\$2,958,000	138	1	-	-	-	137	-	-	-	-	-	-	-	None	Family	No	Yes	No		Yes
28	The Abigail	Portland	OR	97209	\$2,971,000	\$0	\$2,971,000	155	1	-	-	78	48	-	-	-	-	-	-	27	Local Affordable Program	Family	Yes	Yes	No	LEED Gold	Yes
29	Hunt's Grove	St. Helena	CA	94574	\$105,788	\$2,634,212	\$3,040,000	56	1	-	-	25	30	-	-	-	-	-	-	-	None	Family	Yes	No	No		Yes
30	Northpoint Village Apartments II	Santa Rosa	CA	95407	\$468,985	\$2,309,015	\$2,778,000	40	1	4	6	27	-	-	-	-	-	-	-	-	Local Affordable Program	Family	Yes	No	No		Yes
31	Terra Cotta	San Diego	CA	92078	\$2,005,120	\$8,472,880	\$10,478,000	168	2	56	46	64	-	-	-	-	-	-	-	-	None	Family	Yes	No	No		Yes
32	La Pradera	Calistoga	CA	94515	\$172,305	\$1,414,103	\$1,586,408	48	1	-	-	21	26	-	-	-	-	-	-	-	None	Family	Yes	No	No		Yes
33	Northpoint Village Apartments I	Santa Rosa	CA	95407	\$430,609	\$3,056,191	\$3,487,000	70	1	10	59	-	-	-	-	-	-	-	-	-	Local Affordable Program	Family	Yes	No	No		Yes
34	COMM 22 lofts	San Diego	CA	92113	\$0	\$1,000,000	\$1,000,000	70	1	-	12	-	38	-	12	-	-	-	-	7	State and Local Affordable Programs (TBO)	Workforce	Yes	Yes	No	LEED Gold, Transit Oriented Development	Yes
Total					\$21,837,008	\$68,667,400	\$85,504,408	4,545	64	938	261	999	1,760	5	315	0	169	7	27			30	20	4			29

Process for Evaluation and Selection. BRIDGE will evaluate and select new projects to be funded by Bond proceeds through its two-tiered review and approval process for all potential projects (new developments/acquisition/rehabilitation of new and existing projects). This process starts with the proposed project evaluation of social impact and financial feasibility, including affordability targets, community benefit guidelines, services provision, total development cost, minimum debt coverage ratio, loan to value maximums, etc. The results are then presented to the Internal Project Review Committee comprised of the following members of the BHC Senior Management team: President and CEO, Chief Financing Officer, Chief Operating Officer, Chief Investment Officer, Executive Vice President, Business Development, Executive Vice Presidents for each development region, and General Counsel. Projects and Project Financing Reports are presented to the Committee by staff, and reviewed against current company underwriting criteria.

Projects that have been approved by the Internal Projects Committee are submitted to the Projects Committee of the BRIDGE Board of Directors (the “Projects Committee”) for review. The Projects Committee meets monthly and often reviews a project multiple times throughout the stages of its development. As with Internal Projects Review, BRIDGE staff members present to the Projects Committee comprehensive project reports that draw on various social impact metrics and review of these metrics against current company underwriting criteria. The Projects Committee reviews and approves project capital expenditures and financing over a dollar threshold established from time to time by the BRIDGE Board of Directors. (The President and Chief Executive Officer reviews and approves project capital expenditures and financing in amounts under such threshold). The Projects Committee also reviews and approves all project related property acquisitions and project-related corporate guaranties.

See also “APPENDIX A—BRIDGE HOUSING CORPORATION—PROJECT SELECTION, UNDERWRITING, AND MANAGEMENT” attached hereto.

Management of Proceeds. Net of transaction costs, all of the proceeds of the Bonds will be deposited into a separate account, held by BRIDGE. For all of the previously described, pre-identified refinanced properties, the Bond Proceeds will be disbursed to refinance the refinanced properties. The remainder of the Bond proceeds will not be comingled with existing investment accounts or invested as part of the investment portfolio, and will be deposited in a separate interest-bearing account until dispersed to finance an eligible property. See “SECURITY FOR THE BONDS” herein.

Sustainability Bonds Reporting. BRIDGE does not intend to provide additional annual updates regarding the refinanced properties. Any additional properties financed with Bond proceeds will be reported on an annual basis, with disclosure in similar form to the above property summary, highlighting such properties’ alignment with BRIDGE’s Sustainability Bond Framework. Along with its existing Annual Report, BRIDGE intends to publish its ongoing property disclosure on BRIDGE’s website. Once all net proceeds of the Bonds have been spent, no further updates will be provided with respect to the Bonds. The continuation of such ongoing project disclosure is voluntary, does not constitute a covenant of BRIDGE, and failure by BRIDGE to provide such updates shall not constitute a default or an event of default under the Bond Indenture. BRIDGE’s ongoing property disclosures will be found at: <https://bridgehousing.com/about/impact/>.

Second Party Opinion by Sustainalytics. BRIDGE has engaged Sustainalytics, a provider of environmental, social, and governance research and analysis, to provide an opinion regarding BRIDGE’s Sustainability Bond Framework, including its environmental and social credentials and its alignment with the Sustainability Bond Guidelines. After reviewing BRIDGE’s Sustainability Bond Framework, as well as the refinanced properties and the planned use of proceeds of the Bonds, Sustainalytics is of the opinion that BRIDGE’s Sustainability Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles and the Sustainability Bond Guidelines. The opinion finds that BRIDGE’s approach to selecting projects, to be in line with market best practice. The opinion further finds that BRIDGE’s Sustainability Bonds advance UNSDG Goals 1, 7, 10 and 11. See “APPENDIX F— FRAMEWORK OVERVIEW AND SECOND OPINION BY SUSTAINALYTICS” for a copy of the complete opinion.

Security for the Bonds

The Bonds constitute unsecured general obligations of BRIDGE. The Bonds are not secured by a reserve fund, mortgage lien or security interest on or in any funds, property or other assets of BRIDGE, except for funds held from time to time by the Bond Trustee in certain accounts established under the Bond Indenture for the benefit of the Holders of the Bonds. See “SECURITY FOR THE BONDS” and “CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS—Certain BRIDGE Assets Are Subject to Legal Restrictions” herein.

See “APPENDIX C—FORM OF THE BOND INDENTURE” attached hereto for the provisions relating to the rights and duties of BRIDGE, the rights and remedies of the Bond Trustee and the Bondholders upon an event of default, provisions relating to amendments of the Bond Indenture and other Bond Indenture provisions.

Book-Entry Only System

When delivered, the Bonds will be registered in the name of Cede & Co., the nominee of The Depository Trust Company (“DTC”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds may be made in book-entry form only, through brokers and dealers who are, or who act through, DTC Participants. Beneficial Owners of the Bonds will not receive physical delivery of certificated securities except under certain circumstances described in the Bond Indenture. The principal or Make-Whole Redemption Price of and interest on the Bonds are payable by the Bond Trustee to DTC, which will in turn remit such payments to the DTC Participants, which will in turn remit such payments to the Beneficial Owners of the Bonds. In addition, so long as Cede & Co. is the registered owner of the Bonds, the right of any Beneficial Owner to receive payment for any Bond will be based only upon and subject to the procedures and limitations of the DTC book-entry system. Purchasers may own beneficial ownership interests in the Bonds through DTC. See “APPENDIX E—BOOK-ENTRY SYSTEM” attached hereto.

Outstanding Indebtedness of BRIDGE

BRIDGE’s outstanding long-term indebtedness as of July 31, 2020 totaled \$1.87 billion, approximately \$15 million of which will be refinanced with the proceeds of the Bonds. In addition, BRIDGE may issue Additional Bonds under the Bond Indenture from time to time, which may be secured on a parity basis with the Bonds, as described under “THE BONDS—Additional Bonds” herein.

THE BONDS

Description of the Bonds

Terms. The Bonds will be issued in fully registered form and will be payable as to interest on each January 15 and July 15 of each year, commencing January 15, 2021, during the term of the Bonds. The Bonds will be dated their date of delivery except with respect to Bonds authenticated and delivered on and after the first Bond Payment Date (as defined in the Bond Indenture). The Bonds shall bear interest from their date of delivery, shall mature on the date and shall bear interest prior to their date of principal payment, at the rate set forth on the cover page of this Offering Memorandum. The amount of interest payable on any Bond Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall be issued in denominations of \$5,000 and any integral multiple in excess thereof. The Bonds will be registered under a book-entry system initially in the name of “Cede & Co.,” as nominee of the securities depository and will be evidenced by a single Bond in the total principal amount of the maturity of the Bonds. Registered ownership of the Bonds, or any portions thereof, may not thereafter be transferred except as set forth in the Bond Indenture. So long as the Bonds are held in the book-entry system, DTC or its nominee will be the registered owner of the Bonds for all purposes of the Bond Indenture and the Bonds. So long as the Bonds are held in book-entry form through DTC, all payments with respect to principal of and interest on each Bond will be made pursuant to DTC’s rules and procedures. See “APPENDIX E—BOOK-ENTRY SYSTEM” attached hereto.

Bond Trustee. Wilmington Trust, National Association is the Bond Trustee for the Bonds.

Medium and Place of Payment. Principal of, the Redemption Price or Make-Whole Redemption Price of, if any, and interest on the Bonds will be payable in the currency of the United States of America which, on the respective dates of payment of principal and interest, is tender for the payment of public and private debts.

Redemption Provisions

Optional Redemption. The Bonds are subject to redemption prior to their stated maturity in whole or in part, at the option of BRIDGE, on any Business Day, (i) on or after January 15, 2030, at a redemption price equal to 100% of the aggregate principal amount of such Bonds to be redeemed, together with the interest, if any, accrued thereon from the most recent Bond Payment Date to which interest has been duly paid or provided for to the date fixed for redemption, or (ii) prior to January 15, 2030, at the Make-Whole Redemption Price, together with accrued interest to the date fixed for redemption.

“Make-Whole Redemption Price” shall mean the greater of:

- (1) 100% of the principal amount of any Bonds being redeemed; or
- (2) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the Bonds being redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed), discounted to the date on which such Bonds are to be redeemed on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at the Treasury Rate plus 35 basis points. BRIDGE shall retain, at its expense, an independent accounting firm or financial advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Bond Trustee and BRIDGE may conclusively rely upon the calculations of such accounting firm or financial advisor in connection with, and determination of, the Make-Whole Redemption Price, and neither the Bond Trustee nor BRIDGE will have any liability for their reliance.

“Treasury Rate” shall mean, with respect to any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Selection of Bonds for Redemption. If less than all of the Bonds are called for optional redemption, the Bond Trustee will select the Bonds or any given portion thereof to be redeemed from the Bonds Outstanding or such given portion thereof not previously called for redemption, as directed in writing by BRIDGE or, in the absence of direction, *pro rata*.

If the Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Bonds, if less than all of the Bonds are called for redemption prior to maturity, the particular Bonds or portions thereof to be redeemed shall be selected on a *pro rata* pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect.

It is BRIDGE’s intent that redemption allocations made by DTC be made on a *pro rata* pass-through distribution of principal basis as described above. However, BRIDGE can provide no assurance that DTC, DTC’s direct and indirect participants or any other intermediary will allocate the redemption of Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Bonds on a *pro rata* pass-through distribution of principal basis as discussed above, then the Bonds will be selected for redemption randomly in accordance with

DTC procedures, by lot. BRIDGE can provide no assurance how DTC and other parties allocate redemption payments.

Notice of Redemption. After receipt of a written direction from BRIDGE to the Bond Trustee to effect an optional redemption of Bonds, so long as DTC is acting as securities depository for the Bonds, notice of optional redemption, containing the information required by the Bond Indenture, will be mailed by first class mail, postage prepaid, not less than 20 days nor more than 60 days prior to the date fixed for redemption, by the Bond Trustee to DTC (not to the Beneficial Owners of any Bonds designated for optional redemption). Pursuant to the Bond Indenture, if DTC is not acting as securities depository for the Bonds, notice of optional redemption will be mailed by the Bond Trustee to (i) the respective Holders of any Bonds designated for optional redemption at their addresses appearing on the Bond registration books of the Bond Trustee on the date such notice is mailed, and (ii) any successor securities depository. Notices to DTC shall be given by telecopy or by other electronic means at the time of the mailing of notices to Bondholders.

The notice with respect to any optional redemption of Bonds by BRIDGE may state that: (i) such optional redemption is conditional upon the receipt by the Bond Trustee, on or prior to the date fixed for such optional redemption, of such moneys sufficient to pay the Redemption Price of, and accrued but unpaid interest to the redemption date on, such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and such Bonds shall not be required to be redeemed; and (ii) such notice is revocable at any time by the Bond Trustee, at the direction of BRIDGE, prior to the date fixed for redemption. In the event a notice of optional redemption of Bonds contains such conditions and sufficient moneys are not so received or the notice is so revoked, the optional redemption of Bonds as described in the conditional notice of redemption shall not be made and the Bond Trustee shall, within a reasonable time after the date on which such optional redemption was to occur, give notice to the persons and in the manner in which the notice of optional redemption was given, that sufficient moneys were not so received or the notice was so revoked and that there will be no optional redemption of Bonds pursuant to the notice of redemption.

The receipt by any Bondholder of any notice mailed pursuant to the provisions of the Bond Indenture shall not be a condition precedent to the redemption of any Bond. Failure by a Bondholder to receive any notice of optional redemption pursuant to the Bond Indenture, or the insufficiency of any such notice, shall not affect the sufficiency of the proceedings for optional redemption.

Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Bond Trustee shall provide a replacement Bond of the same maturity in a principal amount equal to the portion of such Bond not redeemed and deliver it to the registered owner thereof. The Bond so surrendered will be canceled by the Bond Trustee. BRIDGE and the Bond Trustee will be fully released and discharged from all liability to the extent of payment of the redemption price for such partial redemption.

Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price being held by the Bond Trustee, the Bonds, or portions thereof, so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price specified in such notice, interest on the Bonds or portions thereof so called for redemption shall cease to accrue, said Bonds shall cease to be entitled to any lien, benefit or security under the Bond Indenture, and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. All Bonds fully redeemed pursuant to the provisions described in the Bond Indenture shall be canceled upon surrender thereof and may be destroyed by the Bond Trustee, in accordance with applicable law and its customary procedures.

Purchase In Lieu of Optional Redemption. BRIDGE shall have the option to purchase any Bonds called for optional redemption (the "Callable Bonds") in lieu of optional redemption of those Bonds. Such option may only be exercised by BRIDGE upon delivery to the Bond Trustee of written notice from BRIDGE at least two Business Days prior to the date set for dissemination of the notice of optional redemption for the Callable Bonds preceding the proposed optional redemption date for the Callable Bonds specifying that the Callable Bonds shall not be redeemed, but instead shall be purchased pursuant to the Bond Indenture. Upon delivery of such notice from BRIDGE, the Callable Bonds shall not be redeemed, but shall instead be subject to mandatory tender on the date that would have been the optional redemption date at a purchase price equal to the redemption price that would have been payable with respect to such Callable Bonds. BRIDGE's option to purchase the Callable Bonds shall be effective and contained in

the notice of optional redemption/tender sent to the Holders of the Bonds indicating that BRIDGE has exercised, or intends to exercise, such option. No further or additional notice to the Holders of the Bonds shall be required in connection with the purchase of Callable Bonds in lieu of optional redemption. The Callable Bonds purchased shall (i) not be cancelled or retired, but shall continue to be Outstanding under the Bond Indenture, (ii) be registered in the name of, or as directed by, BRIDGE, and (iii) continue to bear interest at the rate provided for in the Bond Indenture. Notwithstanding any provision of the Bond Indenture to the contrary, if at any time the consent of the Holders of the Bonds of a particular percentage of the Bonds then Outstanding is required pursuant to the provisions of the Bond Indenture, any Bonds which have been purchased by BRIDGE and are registered in the name of BRIDGE or any of its affiliates in accordance with the provisions of the Bond Indenture shall be deemed not to be Outstanding under the Bond Indenture for purposes of obtaining such consent.

Acceleration

If any Bond Indenture Event of Default occurs under the Bond Indenture, including a Bond Indenture Event of Default resulting from a payment default on the part of BRIDGE, the principal of the Bonds may be accelerated and become immediately due and payable, at par, with interest payable thereon to the accelerated payment date. **The Make-Whole Redemption Price will not be payable in the event of acceleration of the Bonds.** For a description of the Bond Indenture Events of Default under the Bond Indenture, see “APPENDIX C — FORM OF THE BOND INDENTURE” attached hereto

Additional Bonds

In accordance with the Bond Indenture, BRIDGE may issue Additional Bonds under the Bond Indenture from time to time, which may be secured on a parity basis with the Bonds, and upon receipt by the Bond Trustee of the following items: (i) an executed original counterpart or certified copy of the Supplement authorizing the series of Additional Bonds; (ii) a request and authorization by BRIDGE to the Bond Trustee to authenticate and deliver the series of Additional Bonds describing such Additional Bonds, designating the purchasers or underwriters to whom such Additional Bonds are to be delivered upon payment therefor and stating the amount to be paid therefor to the Bond Trustee for the account of BRIDGE; (iii) a certificate of BRIDGE, signed by a BRIDGE Representative, stating that BRIDGE has no reason to believe that, upon issuance of the Additional Bonds, it will be in default in the performance of any of the terms, provisions or covenants of the Bond Indenture or of the Bonds and that all conditions precedent to the issuance and delivery of the Additional Bonds have not been satisfied and complied with; and (iv) one or more Opinions of Counsel to the effect that the Supplement has been duly authorized, executed and delivered by BRIDGE and, assuming due authorization, execution and delivery by the Bond Trustee, constitutes a valid and binding agreement between the parties thereto and the Additional Bonds constitute valid, binding, general obligations of BRIDGE, enforceable in accordance with their terms and the terms of the Bond Indenture as supplemented by the Supplement. No Bondholder consent is required in connection with the issuance of Additional Bonds.

Additional Bonds may be issued pursuant to the Bond Indenture from time to time, that are consolidated with the Bonds or which are issued as a separate series of bonds. Additional Bonds consolidated with the Bonds pursuant to the terms of the Bond Indenture shall have the same interest rate, redemption provisions, maturity date and other terms (other than issue price) as the Bonds offered hereby, may have the same CUSIP number as the Bonds and shall be treated as a single series of Bonds for all purposes of the Bond Indenture.

Certificated Bonds

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to BRIDGE and the Bond Trustee. In addition, BRIDGE may determine that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners. If for either reason the Book-Entry-Only system is discontinued, Bond certificates will be delivered as described in the Bond Indenture and the Beneficial Owner, upon registration of certificates held in the Beneficial Owner’s name, will become the Bondholder. Thereafter, the Bonds may be exchanged for an equal aggregate principal amount of the Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal Corporate Trust Office of the Bond Trustee. The transfer of any Bond may be registered on the books maintained by the Bond Trustee for such purpose only upon assignment in form satisfactory to the Bond Trustee. For every exchange or registration of transfer of the Bonds, the Bond Trustee may make a charge sufficient

to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, and the Bond Trustee may also require the Bond owners requesting such exchange to pay a reasonable sum to cover any expenses incurred by BRIDGE or the Bond Trustee in connection with such exchange. The Bond Trustee will not be required to exchange (i) any Bond during the fifteen (15) days preceding mailing of notice relating to Bonds selected for redemption or (ii) any Bond called for redemption.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied to: (i) refinance existing debt obligations; (ii) fund pre-identified projects, (iii) finance other lawful corporate purposes in furtherance of BRIDGE's mission and (iv) pay costs of issuance of the Bonds.as shown below:

Estimated Sources of Funds:	
Par Amount of the Bonds	\$100,000,000.00
Total Sources	\$100,000,000.00
Estimated Uses of Funds:	
Transfer to BRIDGE	\$98,690,059.32
Underwriter's discount	759,700.78
Costs of Issuance ⁽¹⁾	550,239.90
Total Uses	\$100,000,000.00

⁽¹⁾ Certain other costs of issuance will be paid by BRIDGE from Bond proceeds and other available funds.

ESTIMATED DEBT SERVICE REQUIREMENTS

The following table sets forth the projected amounts required to be paid by BRIDGE, as principal of, interest on and total debt service on the Bonds during each twelve-month fiscal year ending December 31 through the last scheduled maturity of the Bonds. Columns may not add to total due to rounding.

<u>Fiscal Year Ending December 31,</u>	<u>Interest on Bonds</u>	<u>Principal on Bonds</u>	<u>Total Debt Service on Bonds</u>
2021	\$1,959,028	-	\$1,959,028
2022	3,250,000	-	3,250,000
2023	3,250,000	-	3,250,000
2024	3,250,000	-	3,250,000
2025	3,250,000	-	3,250,000
2026	3,250,000	-	3,250,000
2027	3,250,000	-	3,250,000
2028	3,250,000	-	3,250,000
2029	3,250,000	-	3,250,000
2030	3,250,000	\$100,000,000	103,250,000

SECURITY FOR THE BONDS

The Bonds shall be unsecured general obligations of BRIDGE, payable by BRIDGE from its unrestricted revenue and unrestricted assets and from certain funds and accounts established under the Bond Indenture. **In addition, no reserve fund is established for the Bonds.** See “CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS” herein.

Certain of BRIDGE’s assets, including, but not limited to, restricted cash, are subject to legal restrictions that prevent the effective pledge of such assets as security for BRIDGE debt, including the Bonds. Investors cannot and should not assume that any portion of BRIDGE’s restricted cash will be available to satisfy obligations incurred by BRIDGE with respect to any BRIDGE debt, including the Bonds.

In the Bond Indenture BRIDGE has agreed to certain limitations on its ability to incur and secure certain additional long-term corporate indebtedness as follows:

BRIDGE will not incur additional general long-term corporate indebtedness secured on a parity with the Bonds unless BRIDGE certifies to the Trustee that, as of the date of incurrence of such indebtedness:

(a) Income Available For Debt Service (as defined below) is either (a) projected by BRIDGE for the next fiscal year to be two (2) times the amount of interest paid on outstanding general long-term indebtedness of BRIDGE and its Affiliates (as “BRIDGE and Affiliates” means BRIDGE and all entities included in the audited BRIDGE Housing Corporation and Affiliates Consolidated Financial Statements), together with the amount of interest to be paid on the long-term corporate indebtedness proposed to be incurred; or (b) at least one and one half (1.5) times the amount of interest paid on outstanding general long-term indebtedness of BRIDGE and its Affiliates, together with the amount of interest to be paid on the long-term corporate indebtedness proposed to be incurred; and

(b) Unrestricted net assets of BRIDGE and its Affiliates are at least three times the principal amount of outstanding long-term corporate indebtedness, together with the principal amount of the long-term corporate indebtedness proposed to be incurred. Unrestricted net assets are exclusive of donor restricted assets.

“Income Available for Debt Service” means, as to any period of 12 consecutive calendar months, the excess of revenues over expenses of BRIDGE and its Affiliates before depreciation, amortization and interest expense on long-term indebtedness, as determined in accordance with GAAP consistently applied; provided, however, that (1) expenses shall not include other partnership expense and financing expense (interest), as those items are characterized in note 18 on page 41 of the 2019 audited financial statements, a copy of which is attached to APPENDIX B-1 and (2) revenues shall not include earnings from investment income.

The Bond Indenture further provides that such additional long-term corporate indebtedness may not be secured by a pledge of revenues or assets that is senior to the pledge provided to the Bonds unless such pledge is granted to all debt holders equally.

For purposes hereof, the terms “long-term corporate indebtedness” means all obligations of BRIDGE to repay BRIDGE-borrowed money with a term of more than one year.

CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS

Prospective purchasers of the Bonds should be aware of certain investment considerations and risk factors in evaluating an investment in the Bonds. Purchase of the Bonds involves investment risk. Some of the factors which may affect the actual financial results of BRIDGE are described below. Accordingly, prospective purchasers should consider carefully the following investment considerations and risk factors, in addition to the other information concerning BRIDGE contained in this Offering Memorandum, before purchasing the Bonds offered hereby.

COVID -19

The worldwide outbreak of a highly contagious, upper respiratory tract illness caused by a novel strain of coronavirus (“COVID-19”) and the measures taken by federal, state and local governments in response thereto are affecting individuals and businesses in a manner that to an unknown extent will have negative effects on economic activity across the country and the State of California, and may adversely affect the financial condition and operations of BRIDGE. For a description of the impacts of COVID-19 on the operations and finances of BRIDGE and the measures taken by BRIDGE in response to COVID-19 see “APPENDIX A — BRIDGE HOUSING CORPORATION—Impact of COVID-19 on BRIDGE” attached hereto.

Factors Potentially Affecting Revenue and Expenses

The Bonds are payable solely from and secured by payments to be made by BRIDGE as and to the extent received by the Bond Trustee and deposited into the Bond Fund established pursuant to the Bond Indenture. There can be no assurance that the revenue and assets of BRIDGE will provide sufficient funds to pay the principal of or interest on the Bonds when due. Amortization of principal and total debt service of BRIDGE’s debt is expected to vary in each year through the final maturity of the Bonds. See “ESTIMATED DEBT SERVICE REQUIREMENTS” herein. Revenue available to pay debt service may also vary from year to year while the Bonds are outstanding. BRIDGE expects to be able to manage these variations through its financial planning and its commitment of financial resources.

BRIDGE currently derives most of its revenue from rental income, developer fees and contributions. Over the term of the Bonds, various contingencies and uncertainties could adversely affect these sources of revenue, including, among other factors, volatility in the financial markets and economic conditions, which in turn may affect the collection of rental income and generation of developer fees. Generation of developer fees may also be adversely impacted by reduction or elimination of governmentally provided or subsidized funding for affordable housing development, curtailment or elimination of the LIHTC or economic conditions or changes in the tax law which reduce the value of or demand for LIHTC. Curtailment or elimination of rent subsidy programs would negatively impact collection of rental income and could negatively impact generation of developer fees. Increase in interest rates, land cost, increase in construction costs and other development costs and land costs, particularly in combination with reduction in government financing sources could negatively impact the ability to do new projects and generate developer fees. See also “Risks Associated with Real Estate Development” below.

BRIDGE does not rely upon fundraising to further its mission, as surpluses from operations have been sufficient to cover BRIDGE’s activities to date. No assurance, however, can be given that such earnings results will continue in the future. For additional information on BRIDGE see “APPENDIX A — BRIDGE HOUSING CORPORATION” and “APPENDIX B-1— “CONSOLIDATED FINANCIAL STATEMENTS OF BRIDGE HOUSING CORPORATION AND AFFILIATES FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016 AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015” attached hereto.

Matters Relating to Enforceability

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Bond Indenture. In the event of a default and the exercise by the Bond Trustee of available remedies, the Bond Trustee would be an unsecured creditor with respect to any specific revenues, property or assets of BRIDGE other than any amounts held by it under the Bond Indenture. Any attempt by the Bond Trustee to enforce these remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Bond Indenture may not be readily enforceable. For example, a court may decide not to order the specific performance of the covenants contained in the Bond Indenture if it determines that monetary damages will be an adequate remedy. See “ENFORCEABILITY OF REMEDIES” herein.

Basis of Rating

The rating that is assigned to the Bonds upon their initial issuance is based upon the views of the rating agency at such time. BRIDGE has not covenanted to maintain the applicability of such rating to the Bonds. The financial condition and affairs of BRIDGE, and the evaluations of the rating agency of such matters, may change in a manner which could cause the rating agency to suspend, reduce or withdraw the rating that it has previously assigned to the Bonds. Any such adverse rating action, or any statement by a rating agency that it is considering such an action with respect to the Bonds, is not a default under the Bond Indenture but may adversely affect the market value of the Bonds and the existence of a secondary market for the Bonds. See “RATING” herein.

There is no assurance that the credit rating assigned to BRIDGE at the time of issuance of the Bonds or at a subsequent time will not be lowered or withdrawn, the effect of which could adversely affect the market price and the market for such Bonds.

Secondary Markets and Prices

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance is given that any secondary market will develop following the completion of the offering of the Bonds, and no assurance is given that the initial offering prices for the Bonds will continue for any period of time.

Certain BRIDGE Assets Are Subject to Legal Restrictions

BRIDGE’s restricted cash is subject to legal and donor restrictions that may preclude or significantly restrict its use and, in some cases, may preclude any material changes in use or that may condition such actions upon certain approvals. **The obligation of BRIDGE to repay the Bonds is not secured by any lien on, or other interest in, BRIDGE’s assets or revenues.**

Federal and State Laws

BRIDGE and its operations and assets are subject to regulation and certification by various federal, state and local government agencies, including its designation as a tax-exempt 501(c)(3) organization by the United States Internal Revenue Service. Such regulations and standards are subject to change, and there can be no assurances that in the future, BRIDGE will meet any changed regulations and standards or that BRIDGE will not be required to expend significant sums to comply with changed regulations and standards. No assurance can be given as to the effect on BRIDGE’s future operations of existing laws, regulations and standards for certification or accreditation or of any future changes in such laws, regulations and standards.

A loss of 501(c)(3) tax exemption by BRIDGE could result in income taxability of its earnings and a loss of access to favorable funding sources and reputational harm.

Although the specific changes and the ultimate timing of any future federal income tax reform, if implemented at all, are currently unknown, federal income tax reform could have an adverse effect on BRIDGE, particularly to the extent of changes impacting low-income housing tax credit programs.

Future changes in federal or state laws may also adversely affect BRIDGE’s ability to continue to access financing.

Unsecured Bonds; Limited Covenants

The Bonds will be unsecured general obligations of BRIDGE. The Bond Indenture contains limited financial covenants and does not restrict BRIDGE’s ability to incur, secure or make payments on other indebtedness, make loans to or investments in its affiliates or otherwise limit BRIDGE’s operations, except as described above under “Security For the Bonds”. For a description of such covenants contained in the Bond Indenture, see “APPENDIX

C— FORM OF THE BOND INDENTURE” attached hereto. No reserve fund has been, nor will be, established to provide for repayment of the Bonds.

Risks Associated with Real Estate Development

Development, ownership and operation of real estate and multifamily housing projects involves certain risks. The development of, the value of projects and properties and the revenue generated by these projects and properties may be adversely affected by a number of factors, including:

- national and local economic conditions;
- local real estate conditions (such as the possible future oversupply and lagging demand);
- community acceptance of low income multifamily housing;
- shortages of materials, strikes, acts of nature, pandemics, permitting issues, environmental regulations and legal challenges;
- changes in the costs of construction, interest rate levels and the availability of financing;
- changes to the availability of governmentally provided or subsidized funding for affordable housing development or government rental subsidy;
- changes in law adversely impacting the value of LIHTC; and
- damage caused by adverse weather, climate change, as well as uninsured losses therefrom.

BRIDGE’s business is dependent upon successful execution of affordable housing development projects, from which it derives substantial developer fees. For each development project, BRIDGE provides repayment and completion guaranties to private construction lenders, completion, environmental indemnities to private permanent lenders, and for LIHTC projects, guaranty to the tax credit investor of delivery of the tax credits and project operating deficit guaranties. Difficulties facing a project’s development and/or operation could result in financial obligations for BRIDGE as a result of such guaranties.

Affiliate Operations

BRIDGE’s affiliates are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the Bonds or to make funds available to BRIDGE to do so. The Bonds are not secured by the assets and cash flows of those affiliates.

Related Party Transactions/Conflicts of Interest

BRIDGE may be subject to conflicts of interest arising out of its relationship with and/or investments in its affiliates, including conflicts with respect to loans to and investments in such affiliates, shared administrative costs and other overhead and other commercial arrangements. BRIDGE does currently and may in the future guarantee certain debt or obligations of its affiliates. The loans to, and investments in, such affiliates, and other commercial arrangements with such related parties, may be on terms more favorable to the affiliate or related party than would otherwise be available to it in the market. The ability of BRIDGE to repay the Bonds may be adversely impacted by the performance of these affiliates and related party investments, loans and commercial arrangements. See “APPENDIX A—BRIDGE HOUSING CORPORATION—BRIDGE Corporate Overview” and “—Description of BRIDGE Housing Corporation” attached hereto.

ENFORCEABILITY OF REMEDIES

The remedies available to the Bond Trustee or the Bondholders upon a Bond Indenture Event of Default are in many respects dependent upon judicial actions which are often subject to discretion and delay, and such remedies may not be readily available or may be limited. In particular, under the United States Bankruptcy Code, a bankruptcy petition may be filed by BRIDGE. In general, the filing of any such petition operates as a stay against enforcement of the terms of the agreements to which the bankrupt entity is a party. The various legal opinions delivered in

connection with the issuance of the Bonds are qualified as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity applied in the exercise of judicial discretion.

CERTAIN U.S. FEDERAL TAX CONSIDERATIONS

General

Interest on the Bonds is not excluded from gross income for U.S. federal, state or local income tax purposes.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Bonds that acquire their Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies, estates and trusts, investors that hold their Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. federal income tax considerations applicable to investors that acquire their Bonds pursuant to this offering for the issue price that is applicable to such Bonds (i.e., the price at which a substantial amount of the Bonds are sold to the public) and who will hold their Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds) by

more than a de minimis amount, the difference may constitute original issue discount (“OID”). U.S. Holders of Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Bond.

Sale or Other Taxable Disposition of the Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Issuer) or other disposition of a Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder’s adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the U.S. Holder for the Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder’s holding period for the Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Bonds. If the Issuer defeases any Bond, the Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder’s adjusted tax basis in the Bond.

Information Reporting and Backup Withholding. Payments on the Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Bonds may be subject to backup withholding at the current rate of 24% with respect to “reportable payments,” which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder’s U.S. federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder’s failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders,” payments of principal of, and interest on, any Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, a such term is defined in the Code, which is related to the Issuer through stock ownership and (2) a bank which acquires such Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Issuer or a deemed retirement due to defeasance of the Bond) or other disposition of a Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Issuer) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading “Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders,” under current U.S. Treasury Regulations, payments of principal and interest on any Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Bond or a financial institution holding the Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

CERTAIN ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain restrictions on employee pension and welfare benefit plans subject to ERISA (“ERISA Plans”) regarding prohibited transactions, and also imposes certain obligations on those persons who are fiduciaries with respect to ERISA Plans. Section 4975 of the Code imposes similar prohibited transaction restrictions on certain plans, including (i) tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under section 501(a) of the Code and which are not governmental or church plans as defined herein (“Qualified Retirement Plans”), and (ii) individual retirement accounts (“IRAs”) described in Section 408(b) of the Code (the foregoing in clauses (i) and (ii), “Tax-Favored Plans”). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements—or Section

4975 of the Code, but may be subject to requirements or prohibitions under applicable federal, state, local, non-U.S. or other laws or regulations that are, to a material extent, similar to the requirements of ERISA and Section 4975 of the Code (“Similar Law”).

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan’s investment be made in accordance with the documents governing the plan, ERISA Plans are subject to prohibited transaction restrictions imposed by Section 406 of ERISA. ERISA Plans and Tax-Favored Plans are also subject to prohibited transaction restrictions imposed by Section 4975 of the Code. These rules generally prohibit a broad range of transactions between (i) ERISA Plans, Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, “Benefit Plans”) and (ii) persons who have certain specified relationships to the Benefit Plans (such persons are referred to as “Parties in Interest” or “Disqualified Persons”), in each case unless a statutory, regulatory or administrative exemption is available. The definitions of “Party in Interest” and “Disqualified Person” are expansive. While other entities may be encompassed by those definitions, they include most notably: (1) a fiduciary with respect to a Benefit Plan; (2) a person providing services to a Benefit Plan; (3) an employer or employee organization any of whose employees or members are covered by a Benefit Plan; and (4) an owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a non-exempt prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory, regulatory or administrative exemption is available. Without an exemption, an owner of an IRA may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Bonds might be deemed to constitute prohibited transactions under ERISA and the Code if assets of BRIDGE were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor at 29 C.F.R. section 2510.3-101, as modified by Section 3(42) of ERISA (the “Plan Assets Regulation”), the assets of BRIDGE would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Code if the Benefit Plan acquires an “equity interest” in BRIDGE and none of the exceptions contained in the Plan Assets Regulation are applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although there can be no assurances in this regard, it appears that the Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation and accordingly the assets of BRIDGE should not be treated as the assets of Benefit Plans investing in the Bonds. The debt treatment of the Bonds for ERISA purposes could change subsequent to issuance of the Bonds. In the event of a withdrawal or downgrade to below investment grade of the rating of the Bonds or a characterization of the Bonds as other than indebtedness under applicable local law, the subsequent purchase of the Bonds or any interest therein by a Benefit Plan is prohibited.

However, without regard to whether the Bonds are treated as an equity interest for such purposes, the acquisition or holding of Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if BRIDGE or the Bond Trustee, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. The fiduciary of a Benefit Plan that proposes to purchase and hold any Bonds should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a Party in Interest or a Disqualified Person, (ii) the sale or exchange of any property between a Benefit Plan and a Party in Interest or a Disqualified Person, or (iii) the transfer to, or use by or for the benefit of, a Party in Interest or a Disqualified Person, of any Benefit Plan assets.

Certain status-based exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Bond. These are commonly referred to as prohibited transaction class exemptions or “PTCEs”. Included among these exemptions are:

PTCE 75-1, which exempts certain transactions between a Benefit Plan and certain brokers-dealers, reporting dealers and banks;

PTCE 96-23, which exempts transactions effected at the sole discretion of an “in-house asset manager”;

PTCE 90-1, which exempts certain investments by an insurance company pooled separate account;

PTCE 95-60, which exempts certain investments effected on behalf of an “insurance company general account”;

PTCE 91-38, which exempts certain investments by bank collective investment funds; and

PTCE 84-14, which exempts certain transactions effected at the sole discretion of a “qualified professional asset manager.”

In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code generally provide for a statutory exemption from the prohibitions of Section 406(a) of ERISA and Section 4975 of the Code, commonly referred to as the “Service Provider Exemption”. The Service Provider Exemption covers transactions involving “adequate consideration” between Benefit Plans and persons who are Parties in Interest or Disqualified Persons solely by reason of providing services to such Benefit Plans or who are persons affiliated with such service providers, provided generally that such persons are not fiduciaries with respect to “plan assets” of any Benefit Plan involved in the transaction and that certain other conditions are satisfied.

The availability of each of these PTCEs and/or the Service Provider Exemption is subject to a number of important conditions which the Benefit Plan’s fiduciary must consider in determining whether such exemptions apply. There can be no assurance that all the conditions of any such exemptions will be satisfied at the time that the Bonds are acquired by a purchaser, or thereafter, if the facts relied upon for utilizing a prohibited transaction exemption change, or that the scope of relief provided by these exemptions will necessarily cover all acts that might be construed as prohibited transactions. Therefore, a Benefit Plan fiduciary considering an investment in the Bond should consult with its counsel prior to making such purchase.

By its acceptance of a Bond (or an interest therein), each purchaser and transferee (and if the purchaser or transferee is a Benefit Plan, its fiduciary) will be deemed to have represented and warranted that either (i) no “plan assets” of any Benefit Plan or a plan subject to Similar Law have been used to purchase such Bond or (ii) the purchase and holding of such Bonds is exempt from the prohibited transaction restrictions of ERISA and Section 4975 of the Code pursuant to a statutory, regulatory or-administrative exemption and will not violate Similar Law. A purchaser or transferee who acquires Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

None of BRIDGE, the Bond Trustee, or the Underwriter is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the acquisition or transfer of the Bonds by any Benefit Plan.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that any Benefit Plan fiduciary or other person considering whether to purchase Bonds on behalf of a Benefit Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any exemption. In addition, persons responsible for considering the purchase of Bonds by a governmental plan, non-electing church plan or non-U.S. plan should consult with their counsel regarding the applicability of any Similar Law to such an investment.

RATING

S&P Global Ratings (“S&P”) has assigned a long-term rating of “A+” to the Bonds. A securities rating is not a recommendation to buy, sell or hold the Bonds and may be subject to revision or withdrawal at any time. A rating reflects only the view of the rating agency giving such rating. Any explanation of the significance of such rating may only be obtained from S&P at 55 Water Street, New York, New York 10041. Generally, rating agencies base their ratings on information and materials furnished and on investigation, studies, and assumptions by the rating agencies. There is no assurance that a rating will apply for any given period of time or that a rating will not be revised or withdrawn. A revision or withdrawal of a rating may have an effect on the market price or the marketability of the

Bonds. BRIDGE and the Underwriter have not undertaken any responsibility to bring to the attention of the Bondholders any proposed revision or withdrawal of the rating or to oppose any such proposed revision or withdrawal.

BRIDGE has agreed to maintain a rating on the Bonds from S&P Global Ratings.

UNDERWRITING

The Bonds are being purchased by Morgan Stanley & Co. LLC (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$99,240,299.22, reflecting the par amount of the Bonds, less an underwriting discount of \$759,700.78. The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The Underwriter’s obligation to make such purchase is subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by counsel and certain other conditions. The offering price of the Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers and others at a price lower than the initial offering price.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates, from time to time, have performed, and may in the future perform, various investment banking services for BRIDGE, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of BRIDGE (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with BRIDGE. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Morgan Stanley & Co. LLC, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

LEGAL MATTERS

Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Special Finance Counsel to BRIDGE and for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York.

ABSENCE OF MATERIAL LITIGATION

To the knowledge of BRIDGE, there is not now pending or threatened any litigation restraining or enjoining the issuance of the Bonds or questioning or affecting the validity of the Bonds, or the proceedings and authority under which such Bonds are to be issued. To the knowledge of BRIDGE, neither the creation, organization or existence, nor the title of the present directors or other officers of BRIDGE to their offices, is being contested. To the knowledge of BRIDGE, there is no litigation pending or threatened which in any manner questions the right of BRIDGE to repay the Bonds in accordance with the provisions of the Bond Indenture or, except as described in APPENDIX A hereto, which could have a material adverse impact on BRIDGE’s financial position or results of operations. See “APPENDIX A— BRIDGE HOUSING CORPORATION—Litigation” attached hereto.

FINANCIAL STATEMENTS

The consolidated financial statements of BRIDGE for the fiscal years ended December 31, 2019, 2018, 2017, 2016, and 2015 are included in “APPENDIX B-1 — CONSOLIDATED FINANCIAL STATEMENTS OF BRIDGE HOUSING CORPORATION AND AFFILIATES FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016 AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015” to this Offering Memorandum. CohnReznick LLP, independent auditor, audited the consolidated financial statements of BRIDGE, as stated in their reports appearing therein.

The information contained in the unaudited interim consolidated financial statements as of and for the seven (7) month period ended July 31, 2020, included in “APPENDIX B-2 — UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF BRIDGE HOUSING CORPORATION AND AFFILIATES FOR THE SEVEN MONTHS ENDED JULY 31, 2020” of this Offering Memorandum, is derived from unaudited internal records and should be read in conjunction with the audited financial statements and report included in “APPENDIX B-1 — CONSOLIDATED FINANCIAL STATEMENTS OF BRIDGE HOUSING CORPORATION AND AFFILIATES FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016 AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015” attached hereto.

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS AND FINANCIAL INFORMATION

BRIDGE has agreed in the Bond Indenture to use commercially reasonable efforts to post or cause to be posted on BRIDGE’s website, not later than 180 days after the end of each fiscal year of BRIDGE, commencing with the fiscal year ended December 31, 2020, (i) copies of BRIDGE’s annual audited financial statements for each fiscal year, (ii) disclosure regarding any additional properties financed with Bond proceeds, in similar form to that in the Sustainability Bond Framework, highlighting such properties’ alignment with BRIDGE’s Sustainability Bond Framework, and (iii) a copy of its Affordable Housing Real Estate Portfolio, as shown in “APPENDIX B-3 — AFFORDABLE HOUSING REAL ESTATE PORTFOLIO”, provided, however, (a) once all net proceeds of the Bonds have been spent, no further updates will be provided in connection with (ii) above with respect to the Bonds and (b) that upon the receipt by BRIDGE of the advice of its auditors or other consultants, BRIDGE may change the make-up, presentation style, etc. of such tables from time to time, and shall describe on its website any such changes.

In addition to the annual audited financial statements referred to above, BRIDGE has agreed to provide quarterly unaudited consolidated financial statements within sixty (60) days of the end of each of the first three quarters and ninety (90) days of the end of the fourth quarter each year.

BRIDGE has also agreed to provide on a quarterly basis information on its real estate portfolio and will use its best efforts to host a live annual investor call within 30 days of the posting of its annual audit.

Any failure of BRIDGE to timely provide such financial statements or financial information does not constitute a Bond Indenture Event of Default. The sole and exclusive remedy for a breach of these provisions is specific performance, and no person, including any holder or any Beneficial Owner of the Bonds, may recover monetary damages thereunder under any circumstances.

MISCELLANEOUS

The references herein to the Bonds and the Bond Indenture are summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is made to such documents for full and complete statements thereof. The agreements of BRIDGE with the Holders of the Bonds are fully set forth in the Bond Indenture, and neither any advertisement of the Bonds nor this Offering Memorandum is to be construed as constituting an agreement with the purchasers of the Bonds. Any statements made in this Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. Executed copies of the Bonds and the Bond Indenture are on file at the Corporate Trust Office of the Bond Trustee. The Appendices hereto (other than APPENDICES C, D & E) contain certain information with respect to BRIDGE. The information

contained in the Appendices (other than APPENDICES C, D & E) has been furnished by BRIDGE and its officers and officials, and by other sources BRIDGE believes to be current and reliable.

All quotations from and summaries and explanations of the Bond Indenture and of other statutes and documents contained herein do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions. Copies in reasonable quantities of the Bond Indenture may be obtained upon request directed to the Bond Trustee, the Underwriter or BRIDGE.

BRIDGE has reviewed the information contained herein which relates to it and has approved all such information for use in this Offering Memorandum. The purchase contract for the Bonds contain provisions constituting the agreement of BRIDGE to indemnify the Underwriter against losses, claims, damages and liabilities arising out of any incorrect or misleading statements or information contained in this Offering Memorandum pertaining to BRIDGE and supplied by it. BRIDGE, however, takes no responsibility for the information in this Offering Memorandum under the Sections entitled “INTRODUCTION—Book-Entry Only System” and “UNDERWRITING” herein and in “APPENDIX D— PROPOSED FORM OF OPINION OF SPECIAL FINANCE COUNSEL TO BRIDGE” and “APPENDIX E—BOOK-ENTRY SYSTEM” attached hereto. “APPENDIX A— BRIDGE HOUSING CORPORATION” attached hereto has been prepared by BRIDGE, and “APPENDIX B-1— CONSOLIDATED FINANCIAL STATEMENTS OF BRIDGE HOUSING CORPORATION AND AFFILIATES FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017, FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016 AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015” and “APPENDIX B-2 — UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF BRIDGE HOUSING CORPORATION AND AFFILIATES FOR THE SEVEN MONTHS ENDED JULY 31, 2020”, attached hereto were furnished by BRIDGE. “APPENDIX B-3 —AFFORDABLE HOUSING REAL ESTATE PORTFOLIO” attached hereto has been prepared by BRIDGE. “APPENDIX C— FORM OF THE BOND INDENTURE” and “APPENDIX D— PROPOSED FORM OF OPINION OF SPECIAL FINANCE COUNSEL TO BRIDGE” attached hereto has been prepared by Orrick, Herrington & Sutcliffe LLP, Special Finance Counsel. Information relating to DTC and its book-entry system described under the headings “INTRODUCTION—Book-Entry Only System” herein and “APPENDIX E— BOOK-ENTRY SYSTEM” attached hereto is based upon information furnished by DTC and is believed to be reliable, but neither BRIDGE nor the Underwriters make any representations or warranties whatsoever with respect to such information. “APPENDIX F— FRAMEWORK OVERVIEW AND SECOND OPINION BY SUSTAINALYTICS” attached hereto has been furnished by Sustainalytics.

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BRIDGE HOUSING CORPORATION

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BRIDGE Housing Corporation

This Appendix A provides certain information relating to BRIDGE Housing Corporation (“BRIDGE”) in connection with its issuance of BRIDGE Housing Corporation Taxable Bonds, Series 2020 (Sustainability Bonds) (the “Bonds”).

History and Mission

Founded in 1983, BRIDGE is a California nonprofit public benefit corporation, a public charity exempt from tax under Section 501(c)(3) of the Internal Revenue Code. BRIDGE Housing is a mission-driven, affordable housing developer headquartered in San Francisco. BRIDGE has three main business lines: Real Estate Development, Asset Management, and Property Management.

BRIDGE’s mission is to strengthen communities and improve the lives of its residents, beginning – but not ending – with affordable housing. In all its developments, BRIDGE utilizes a holistic community development lens on how it plans, implements, and manages affordable housing. BRIDGE leverages its role as a real estate developer to partner with and improve neighborhood institutions and communities by also focusing on the social determinants of health that affect residents’ quality of life and long-term health and success. BRIDGE offers quality resident support services (such as early childhood education, vocational/job training, afterschool programs, among others), that aim to ensure that its developments help stabilize the neighborhoods that surround its properties, improve housing conditions for its residents and increase access to economic advancement and social mobility. Examples of BRIDGE’s Housing Projects include Celadon at 9th and Broadway in San Diego, California, and North Beach Place in San Francisco, California.

Both the governance relationships and operating connections to other parts of BRIDGE are relevant to fully understand how BRIDGE accomplishes its mission. See “BRIDGE CORPORATE OVERVIEW” for an organizational chart and a detailed description of the affiliate companies.

Results

With almost a 40-year history, BRIDGE pays close attention to the double-bottom line of financial and social return on investment, always in pursuit of quality, quantity and affordability. BRIDGE is known for creating award-winning affordable homes that not only reflect the character of the community but also display the same quality of design and construction as market-rate housing. A seasoned-developer, BRIDGE is uniquely equipped to find and leverage capital, lower development costs and forge community partnerships.

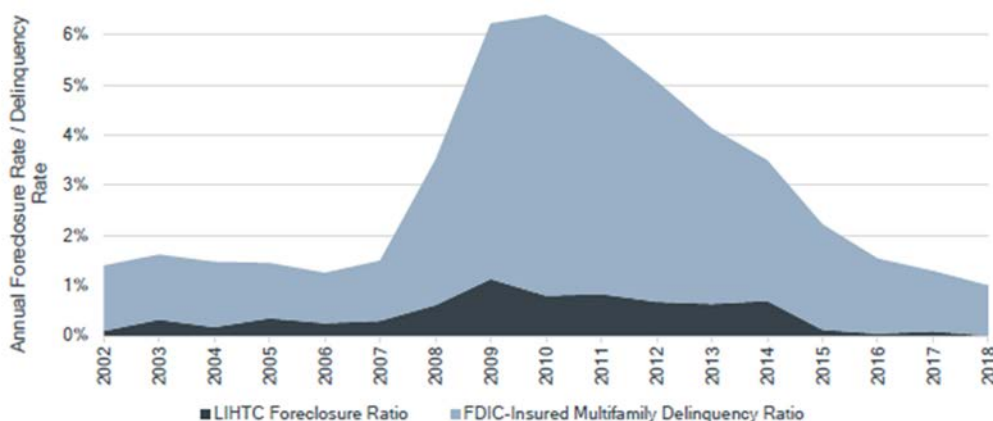
BRIDGE is a long-term owner and manages many of the properties it develops, ensuring continued quality standards and community responsiveness. Revenues in excess of costs generated by BRIDGE Property Management Company are reinvested to support resident and community services and to create new affordable housing opportunities. Since its inception, through September 2020, BRIDGE has created or preserved more than 18,000 units of housing, including over 14,000 affordable units, leveraging about \$3 billion in total development costs, resulting in serving an estimated 45,000 low-income individuals and creating more than 24,000 construction jobs. Additionally, BRIDGE has also created 25 community-serving facilities such as early childhood centers, retail centers, groceries, and community centers in excess of 235,000 square feet. By investing in communities, services and economic opportunities, BRIDGE provides a way for its residents and larger community the opportunity to improve their lives.

Competitive Landscape and Market Position

Decades of housing underproduction have led to and resulted in an acute shortage of housing throughout the metropolitan cities of the West Coast, home to thriving centers of technology and investment. For

example, from 2010-2015, California added 4.4 jobs per one unit of housing¹, significantly increasing demand and costs for housing. Further, rents within the California market continue to rise, with California now home to six of the nation's 15 most expensive large metropolitan rental markets (San Francisco, San Jose, Oakland, Orange County, San Diego and Los Angeles), according to a January 2020 Public Policy Institute of California report². Since 2015, rents have risen across these markets by 36% to 60% in nominal terms³. These phenomena have especially impacted low- and moderate-income families whose wages have largely stagnated, making cities unaffordable to all but the highest earners and contributing to the need for affordable housing. The Affordable Housing sector responds to this need mostly by utilizing the Low-Income Housing Tax Credit ("LIHTC") Program. The LIHTC program annually finances the construction or rehabilitation of more than 75,000 units of housing nationally, supporting roughly 96,000 jobs and generating \$3.5 billion in tax revenue⁴. The LIHTC Program has been stable, with a 0.65% cumulative foreclosure rate since the program's inception in 1986⁵. These annual foreclosure rates have remained well below annual conventional multifamily delinquency rates, as illustrated in the below graph over the 2002 – 2018 period⁶.

Annual LIHTC Foreclosure Rate vs. Conventional Multifamily Delinquency Rate



BRIDGE is one of the largest nonprofit affordable housing developers in the nation, with significant presence in the key rental markets discussed above. BRIDGE is known for creating award-winning affordable homes that not only reflect the character of the community but also display the same quality of design and construction as market-rate housing. In the last five years, BRIDGE properties have had an average of 41 applications for each available unit. This demand continues, two developments opened in Q3 of 2020, La Fenix (157 units) and Avanza (81 units); both properties received over 6,000 applications each.

¹ Up for Growth, Housing Underproduction in California, 2018. <https://www.upforgrowth.org/research/housing-underproduction-california>

² Public Policy Institute of California, California's Future: Housing, January 2020; <https://www.ppic.org/wp-content/uploads/californias-future-housing-january-2020.pdf>

³ Ibid.

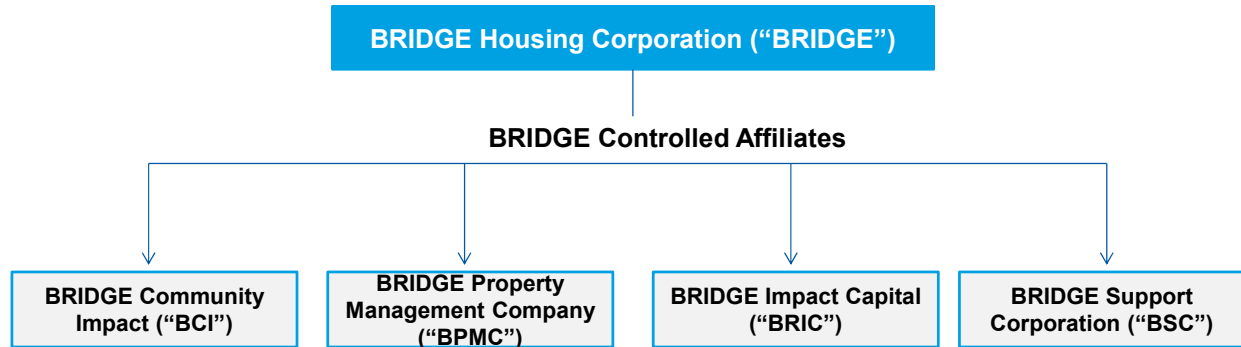
⁴ Housing Tax Credit Investments, November 28, 2019

⁵ Ibid

⁶ Ibid.

BRIDGE Corporate Overview

BRIDGE creates high-quality, affordable homes for working families and seniors. With over 18,000 homes placed in service and over 8,000 units currently in progress, BRIDGE is among the largest nonprofit affordable housing developers in the nation. BRIDGE builds a range of housing types that aim to not only fit comfortably into their surroundings but also act as a catalyst for revitalizing and strengthening neighborhoods. Below is an overview of BRIDGE’s organization and its affiliated entities.



Notes:

1. These are the main BRIDGE entities. BRIDGE has numerous controlled affiliates that BRIDGE will use at property ownership level

Description of BRIDGE Housing Corporation

BRIDGE controls other not-for-profit corporations (collectively, the "Affiliates") that have been formed either as supporting entities to BRIDGE, or as instruments to further BRIDGE's organizational objectives. These entities, which are included in the consolidated financial statements of BRIDGE and Affiliates in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles" or "GAAP"), include:

BRIDGE Community Impact ("BCI") - BCI was formed to fund and provide services to support programs that assist the low- and moderate-income, elderly and disabled households who reside in BRIDGE-related housing developments, and to lessen the burden of local government, combat community deterioration and lessen neighborhood tensions in communities associated with BRIDGE-related housing developments through programs that provide service to the communities.

BRIDGE Property Management Company ("BPMC") - BPMC is the provider of property and marketing services to rental properties developed or acquired by BRIDGE and Affiliates.

BRIDGE Impact Capital, Inc. ("BRIC") - BRIC is a Community Development Financial Institution ("CDFI") as designated by the U.S. Department of Treasury. BRIC provides lending for affordable housing development, mortgage assistance programs for low-income families, and is the sole member of HomeBricks NSP LLC.

BRIDGE Support Corporation ("BSC") – BSC is a not-for-profit established as a support corporation to BRIDGE.

In addition to the entities detailed or referred to above, other BRIDGE affiliates include:

BRIDGE Community Development, Inc. ("BCDI") - BCDI is a not-for-profit established and controlled by BRIDGE. BCDI was formed to provide and facilitate lending and investment in low income communities.

BRIDGE Infill Development, Inc. ("BID") – BID, a taxable not-for-profit entity, is a managing member and 2% owner of BRIDGE Urban Infill Land Development, LLC ("BUILD"). BUILD was formed as a partnership with the State of California Public Employees' Retirement System ("CalPERS"). In 2014, a BRIDGE affiliate purchased CalPERS's interest in BUILD, and BUILD is in the process of winding down.

Consistent with customary practice in the affordable housing industry, BRIDGE also forms separate affiliate entities to develop and own its properties. These affiliate entities are typically single purpose limited liability companies or limited partnerships whose general partners are limited liability companies and whose managing member is BRIDGE or a BRIDGE-controlled corporate non-profit affiliate.

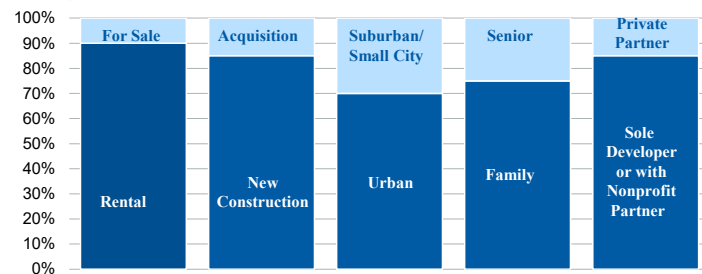
BRIDGE Housing Portfolio Mix and Areas of Operation

BRIDGE develops, owns, and manages housing in four major regions: Northern California, Southern California, Seattle Metro, and Portland Metro. BRIDGE does not own or develop properties in rural areas; all properties are in urban or suburban locations. BRIDGE’s properties in the development pipeline are in areas where BRIDGE already operates. BRIDGE currently owns 113 properties of more than 12,000 homes. For further details of BRIDGE’s Affordable Housing Real Estate Portfolio as of December 31, 2019, please refer to Appendix B-III.

BRIDGE serves a diverse population, which diversifies the risk profile of any single resident type. Approximately half of the residences serve families, and the remainder is a mix of senior, mixed income, former public housing, and supportive housing. As of September 2020, 33% of rental income is covered by government subsidies, including tenant subsidies and project based vouchers, which are awarded prior to the start of construction. As of December 31, 2019, the average economic occupancy for BRIDGE’s Affordable Housing Real Estate Portfolio (weighted by # of units) was approximately 96.8% excluding four properties that were in the lease up phase during the year.

Range of BRIDGE Product Types

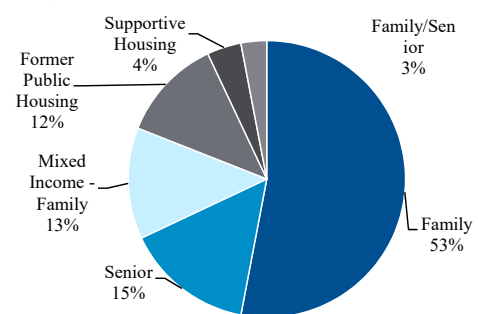
As of April 9, 2019 0 (%)



Source: BRIDGE Housing 2019-2023 Strategic Plan

BRIDGE Resident Types

As of April 9, 2019 (%)



Summary of BRIDGE-Owned Properties

As of June 30, 2020

	Oregon (Portland Metro)		Washington (Seattle Metro)		Northern California		Southern California		Total	
	Units	# of prop	Units	# of prop	Units	# of prop	Units	# of prop	Units	# of prop
Properties managed by BRIDGE	203	1	-	-	6,280	71	2,570	21	9,053	93
Third-party managed	658	5	806	3	1,169	8	657	4	3,290	20
Properties owned by BRIDGE¹	861	6	806	3	7,449	79	3,227	25	12,343	113
Turn Key/Sold Developments	-	-	-	-	1,481	13	-	-	1,481	13

Summary of Projects in Development Pipeline

As of June 30, 2020

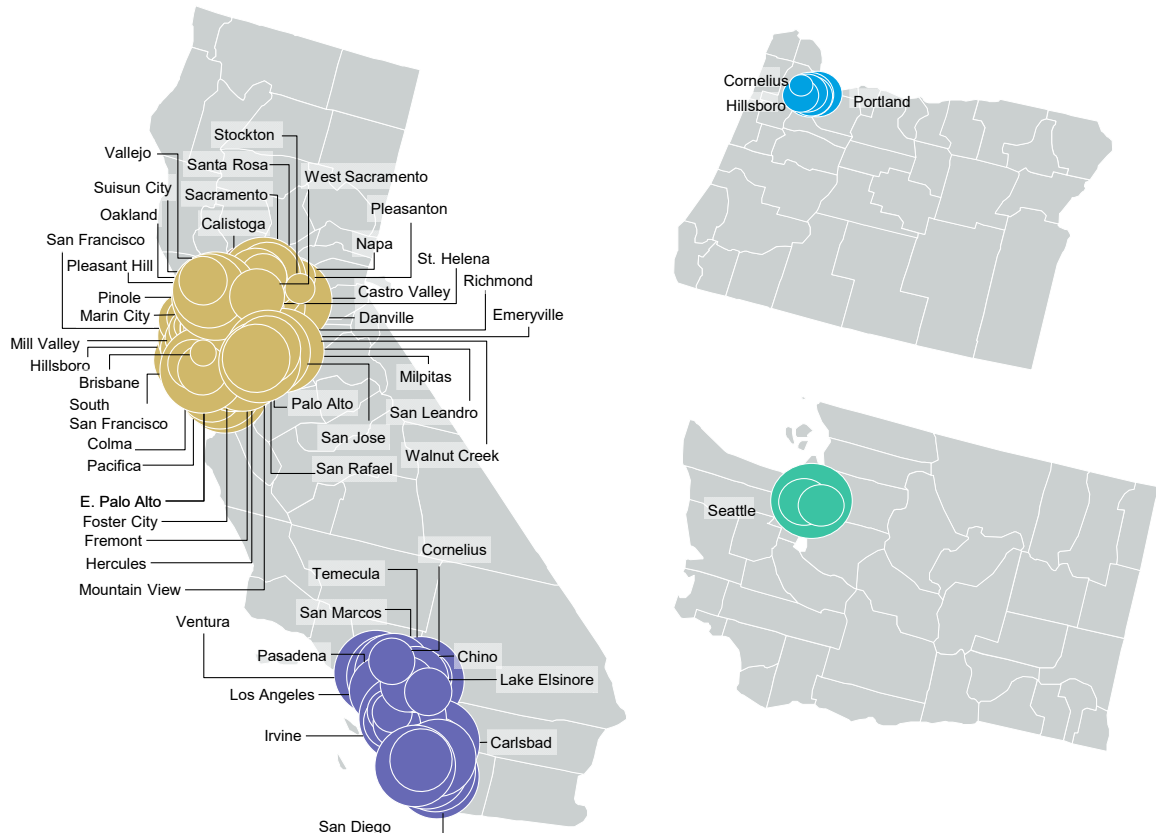
Masterplan	-	-	-	-	2,539	3	1,670	3	4,209	6
Projects in Construction New Construction	61	1	-	-	819	10	80	1	960	12
Projects in Construction Rehabilitation	-	-	148	1	306	1	-	-	454	2
Projects in Pre-Development New Construction	187	1	232	1	583	8	1,087	12	2,089	22
Projects in Pre-Development Rehabilitation	-	-	184	1	400	5	-	-	584	6
Total Projects in Development / Pipeline²	248	2	564	3	4,647	27	2,837	16	8,296	48

1. Includes co-owned properties

2. Includes projects that have entered the REPs stage of development, as further detailed in "PROJECT SELECTION, UNDERWRITING, AND MANAGEMENT". All projects listed in development are under site control

Geographic Distribution of BRIDGE's Owned Real Estate

As of June 30, 2020



GOVERNANCE

Board of Directors

The BRIDGE Board of Directors (the “Board”) is responsible for the direction and oversight of the organization. In accordance with BRIDGE’s by-laws, the Board may consist of not less than three directors and no greater than twenty-one directors. BRIDGE’s Board currently has fourteen independent directors, who are not paid.

The Board represents a variety of business sectors and geographic locations and applies the expertise of its members across BRIDGE’s operations, bringing extensive experience and skills from the financial services industry, real estate industry, community development field, and nonprofit management. Directors are senior executives with experience at leading financial institutions and community organizations such as National Equity Fund, BRE Properties, SKS Investments, and PolicyLink. The Board has over 150 (combined) years of experience in multifamily development. For brief biographies of the Directors on the Board, please refer to Exhibit A.

BRIDGE’s bylaws provide for directors to serve a term of three years. The Board meets approximately five times a year to assess and discuss progress toward strategic goals across business units, financial and operating performance, and new strategic initiatives. To allow the Board to carry out its oversight of BRIDGE, prior to each meeting, the management team provides the Board with comprehensive materials regarding BRIDGE activities and finances in each of the organization’s major business lines and any other matters for Board approval.

The Board is responsible for the governance of BRIDGE, including overseeing and managing risks, approving the annual budget, annual election of officers, approving any new programs or initiatives, providing general guidance and oversight to the Chief Executive Officer (“CEO”) and reviewing the financial condition of the organization.

The BRIDGE Board does much of its work through Board Committees. Current standing committees include Executive, Projects, Finance, Audit, Compensation, Governance, Community Services, and Investments. In addition to the standing committees listed, the Board from time to time establishes special purpose ad hoc committees.

The **Executive Committee** is empowered to act on behalf of the Board as needed during the intervening period between Board meetings on matters that require immediate attention and is authorized to exercise all powers of the Board except as limited by statute. Members are the Chairman of the Board, the Vice Chairman of the Board and the Chairs of the following committees: Projects, Finance, Audit, Governance and Compensation and Community Services.

The **Projects Committee** (i) reviews and approves new development opportunities presented by staff; (ii) reviews and approves project capital expenditures and financing over a dollar threshold established from time to time by the BRIDGE Board (the President and CEO reviews and approves project capital expenditures and financing in amounts under such threshold); (iii) reviews and approves all project related property acquisitions and project-related corporate guaranties; (iv) reviews and discusses strategies for major repairs, rehabilitation, refinancing, or other asset-management issues for existing property portfolio; and (v) provides continued feedback to staff on structuring new projects and advice on ongoing projects.

The **Finance Committee** assists the Board in its oversight responsibilities relating to fiscal management. In furtherance thereof, the Finance Committee: (1) reviews and recommends approval of an annual

operating budget; (2) reviews annually financial performance of major Lines of Business; (3) reviews Quarterly financial results; (4) develops management guidelines for corporate cash flow, liquidity, and cash management; (5) ensures the maintenance of an appropriate corporate capital structure; and (6) ensures Timely/Accurate Financial Information.

The **Audit Committee** is responsible for oversight of the financial and compliance reporting and disclosure process. The Audit Committee selects auditors and approves annual fees and reviews and determines whether to accept the annual consolidated audit of BRIDGE and annual audits of all Affiliates with annual gross revenue of \$2,000,000 or more. The Audit Committee assures that any non-audit services performed by the auditing firm conform to standards for auditor independence as required by statute, and approves performance of any non-audit services by the auditing firm. The Audit Committee reviews and approves Form 990. The Committee works with staff and the auditor to ensure that proper financial accounting controls are established and that accounting practices adhere to GAAP.

The **Compensation Committee** assists the Board in its oversight responsibilities relating to the management of the human capital of BRIDGE.

The **Governance Committee** reviews, evaluates, and makes recommendations to the Board concerning the policies, procedures and composition of the Board.

The **Community Services Committee** monitors and reports to the Board periodically concerning resident services and community building programs provided at or in connection with BRIDGE projects. The Community Services Committee reviews and monitors program funding, program cost and outcome metrics. The Community Services Committee provides advice and oversight in connection with the philanthropic fund-raising activities of BRIDGE for service programs.

The **Investments Committee** is a subcommittee of the Finance Committee. The Investment Committee assists the Finance Committee in providing guidance to the Board regarding investment policy and investment risk, as well as reviewing BRIDGE's investment portfolio to insure compliance with BRIDGE's investment policy statement and guidelines.

Board of Directors

Name	Business Title	Business Affiliation	Original Election Year	Term Expires ⁷
Ron Nahas, <i>Chairman</i>	Partner	Rafanelli & Nahas	2005	2022
Ray Carlisle, <i>Vice Chairman</i>	President	Carlisle Companies	1996	2020
Douglas D. Abbey	Chairman	Swift Real Estate Partners	2000	2021
Robert Freed	President & CEO	SummerHill Housing Group	2012	2021
Joe Hagan	Retired President and CEO	National Equity Fund	2015	2021
Nancy Hemmenway	Retired Chief Human Resources Officer	Prologis	2012	2021
Michael McAfee	President	PolicyLink	2017	2020
Ed McNamara	Owner	Turtle Island Development LLC	2017	2020
Connie Moore	Retired CEO	BRE Properties, Inc.	2014	2020
Kenneth M. Novack	Founding Partner	Schnitzer West	2014	2020
Adrienne E. Quinn	Distinguished Practitioner	University of Washington Evans School of Public Policy and Governance	2019	2021
Paul Stein	Managing Partner	SKS Investments LLC	2002	2020
Molly Turner	Lecturer	Haas School of Business University of California, Berkeley	2019	2022
Chuck Weinstock	Retired	Community Development Banking	2017	2020

⁷ Term expires December 31 of year indicated.

Board of Directors Emeritus

Emeritus directors are distinguished former members of the Board. Emeritus directors do not participate in governance; however many of them continue to make themselves available from time to time as a resource to management and the Board.

Name	Business Title	Business Affiliation
Richard Bender	Professor of Architecture & Dean Emeritus	College of Environmental Design University of California, Berkeley
Anthony Frank	Founding Chairman	Belvedere Capital Partners
Harry M. Haigood	Private Investor	
Richard Holliday	President	Holliday Development
Sunne Wright McPeak	President & CEO	California Emerging Technology Fund
Dennis O'Brien	President	The O'Brien Group
Peter Palmisano	Partner	Pacific Union Development Co.
Lynn Sedway, CRE	President	Sedway Consulting
Angelo Siracusa	Retired President & CEO	Bay Area Council
Clark Wallace	Principal	Clark Wallace Realtor & Associates

In Memoriam

Name	Business Title	Business Affiliation
Kent Colwell	Principal	Parthenon Associates
Alan L. Stein	Senior Managing Director	JMP Securities
Susanne B. Wilson	Principal	Solutions by Wilson

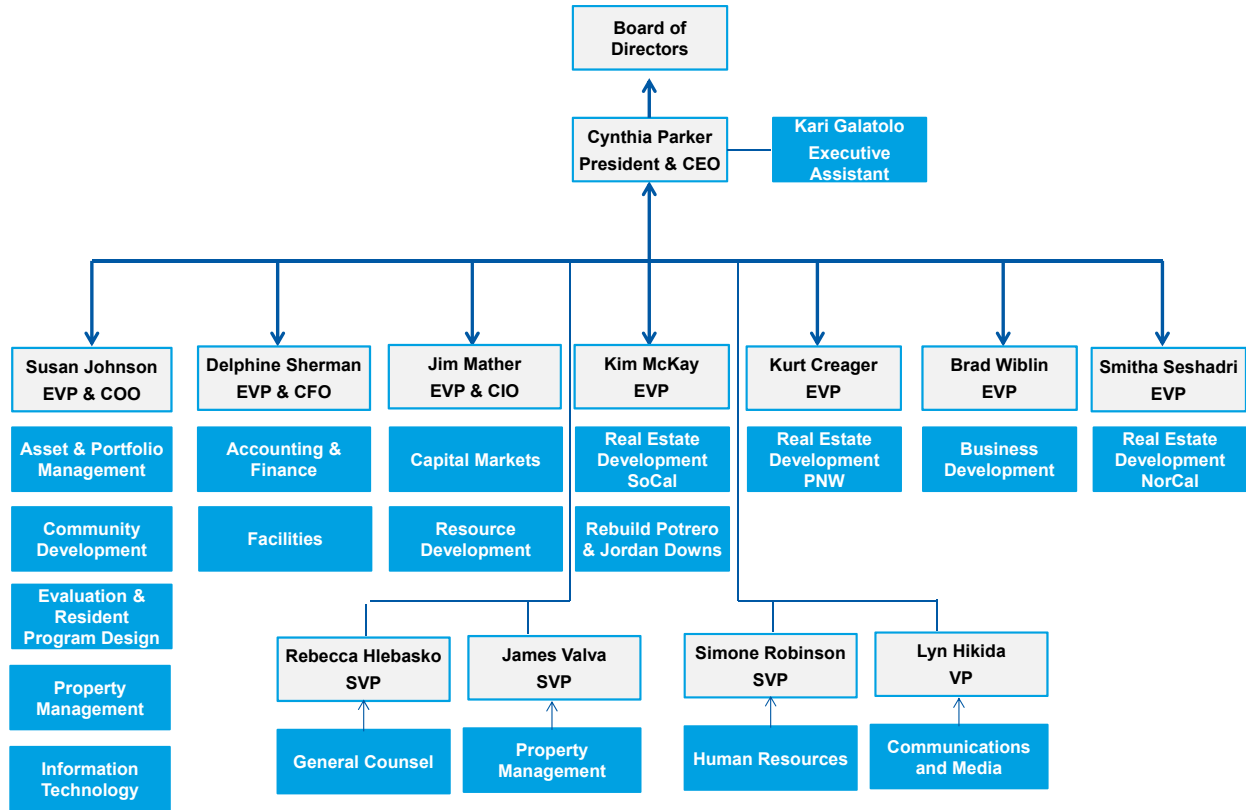
Management

BRIDGE's executive team and key staff have decades of experience in underwriting and deploying funds to BRIDGE projects, raising the required capital, managing the asset post investment, and compliance monitoring and reporting. They have a combined tenure of over 70 years of experience at BRIDGE and over 135 years in the affordable housing field. The President & CEO leads the senior management team for BRIDGE. All members of the senior management team are responsible to the CEO and, through the CEO, to the Board. The current senior management team has an average tenure of 11 years at BRIDGE. The following is an organizational chart that outlines all direct and supporting staff for BRIDGE and a brief statement of background for key management staff members that support BRIDGE.

For additional details and biographies for the management team, please refer to Exhibit A.

BRIDGE Management Organizational Chart

As of September 30, 2020



Employees

As of September 30, 2020, BRIDGE has 159 employees across four regions:

- 131 in Northern California (Headquarter offices are in San Francisco)
- 15 in Southern California
- 10 in Portland
- 3 in Seattle

Below is a breakdown of BRIDGE’s staff by tenure.

Tenure	# of Employees
0-2	74
3-5	44
6-10	17
11+	24
Total	159

Below is a breakdown of BRIDGE’s staff by department. BRIDGE has a robust Development, Accounting/Finance and Asset Management Team, consisting of:

BRIDGE Department	# of Employees
Accounting	39
Development	35
Asset Management/Compliance	34
Property Management	16
Community Development	9
IT	6
HR	6
Corporate Admin	5
Fundraising	4
Facilities	3
Communications	2
Total	159

BPMC employees are not included in the employee numbers above. There are approximately 227 employees in BPMC.

STRATEGIC PLAN

From 2014 to 2018, BRIDGE committed to and achieved an expansion plan doubling its affordable housing production along well-established dimensions:

- Broadening BRIDGE’s footprint to encompass the entire West Coast, including acquiring properties in Washington and Oregon, and opening BRIDGE’s third and fourth regional offices,
- Deepening BRIDGE’s capacity for capital aggregation, complex transactions and stewardship of its portfolio, and
- Strengthening BRIDGE’s commitment to holistic community development, product diversity and resident outcomes.

As a result of those initiatives, BRIDGE became a larger, stronger and more sophisticated organization within a complex environment characterized by (1) layered local and state funding and regulations, (2) diverse needs of new residents and communities, and (3) emerging capital and philanthropic resources.

2019-2023 Strategic Plan

The 2019-2023 Strategic Plan (the “Plan”) was developed by BRIDGE management in concert with the Board. The Plan is a five-year road map for BRIDGE as it continues to grow as a leading producer, operator and owner of affordable housing in the context of holistic communities. Plan goals are operationalized through BRIDGE’s two-year business plan and annual budget, which directly inform the day-to-day work of management and staff. BRIDGE utilizes several metrics to assess its pursuit of its strategic initiatives.

The Plan focuses on six interrelated strategic initiatives:

1. Real Estate Development
2. Capital and Fund Development

3. Community Development and Resident Services & Evaluation
4. Internal Strengthening
5. Information Technology
6. Innovation Lab

Real Estate Development

The Plan calls for BRIDGE to advance 9,000 units of housing over a five-year period, building out and balancing its current pipeline of over 8,000 units with at least 1,000 additional units. These encompass new construction, acquisition and portfolio rehabs, and a range of types, from standalone buildings to long term master-planned developments. While BRIDGE will continue to seek traditional LIHTC development opportunities, this initiative describes several emerging areas of intentional expansion:

- *Supportive housing*: deeply affordable, permanent housing paired with intensive health and social services to prevent and end homelessness
- *Large-scale public housing transformation*: physical and community revitalization that addresses decades of underinvestment
- *Large-scale master plans*: mixed-income, mixed use developments that create inclusive housing and economic development opportunities
- *Moderate-income housing*: serving people with moderate incomes who cannot afford market rents yet do not qualify for traditional subsidies

In addition to what BRIDGE builds, this initiative addresses aspects of where and how it develops, including:

- Portfolio asset allocation strategy and defined acquisitions approach to support mission, geographic/product diversity and manage risk and capital, and
- Cost-containment strategies to increase efficiencies in development, construction and operations.

Capital and Fund Development

The Capital and Fund Development initiative focuses on strengthening BRIDGE's access to capital to enable its real estate development practice, support its community/resident impact goals and ensure sustainable growth in its operations. BRIDGE has created a three-pronged capital strategy in order to accomplish these goals:

1. Ensure strong financial fundamentals to continue to secure and grow its existing debt/equity partners, working capital base and revenue streams.
2. Strengthen and expand access to new and innovative capital vehicles.
3. Build philanthropic relationships and create a long-term fundraising campaign.

Community Development and Resident Services & Evaluation

BRIDGE strengthens communities, starting with affordable housing. To leverage its core real estate expertise and to create effective, lasting impact on people and place, BRIDGE integrates two related practice areas into its work:

1. Community Development, and
2. Resident Services & Evaluation.

While these two areas are separate, the efforts sometimes overlap and are mutually reinforcing. Community Development supports the development of healthy, thriving communities of opportunity by strengthening social supports and supportive networks—even before construction begins—and by improving people's access to employment opportunities, health, high performing schools and quality retail.

BRIDGE recently added evaluation as a key component to the delivery of resident programs and services, community building and community development. This component reflects BRIDGE's commitment to understanding and measuring the combined impact of housing, programs and intentional community engagement strategies on individual and community health and well-being

Internal Strengthening

In order to grow and scale successfully, BRIDGE will build its organizational infrastructure to support its advancement for the next five years and beyond. As BRIDGE takes its solutions to scale and increases the complexity of its work, it recognizes that it must invest in these interconnected areas of internal strength:

- People, and
- Processes & Systems.

Information Technology

This initiative supports BRIDGE’s capacity to leverage the benefits of technology and data analytics in today’s fast moving real estate market. The current environment demands ever-increasing use of data and sophisticated analytical tools to make better and faster business decisions. To compete successfully, BRIDGE must invest in its data and technology infrastructure to scale production and operations, inform decision making and identify opportunities better and faster than its competitors.

Innovation Lab

Through its almost 40 years, BRIDGE has excelled by doing “whatever it takes,” leading the field with innovative, outside-the-box thinking that has helped BRIDGE become a leader in the affordable housing industry. The Innovation Lab institutionalizes innovation and will incubate, pilot and launch new initiatives that address opportunities such as:

- Cost-containment strategies to increase efficiencies in development, construction and operations.
- Missing-middle / moderate-income housing or employer-assisted housing partnerships.
- Proprietary pipeline funding sources.
- Tapping non-housing subsidy streams for resident and community services.
- Opportunity Zone development (including mixed use) and capital raising.

The metrics below highlight BRIDGE Housing’s ongoing commitment to its six strategic initiatives as outlined previously and progress made towards its five-year targets as of the end of 2019.

Metric	2023 Target	Progress as of 12/31/2019
Real estate production (ground-up development and acquisitions)	9,000 units	2,082 units (23%) completed/under way
Project capital raised for developments	\$3.8 billion as defined by project pipeline	\$771.4M (20%) raised
Real estate construction cost	5 methods of cost reduction tested	Moving forward with one new construction method on one to three projects. Also testing one new modular system.
Community-serving assets	25 developed or planned	26 developed or planned (104%)

Preschool enrollment at Jordan Downs and Potrero	25% growth in enrollment among residents <u>2016 Baseline Enrollment</u> Potrero: 48% Jordan Downs: 46%	Potrero: 30% (fewer preschool-aged kids) Jordan Downs: Will be surveyed in 2020
Fund development campaign	\$50 million (\$35 million originally) in funds raised or committed	\$12.4M (24.8%) raised in cash and pledges
Resident quality of life	75% experience improved quality of life after moving into a BRIDGE property	80% of residents experience improved quality of life (2019 household survey)

OVERVIEW OF OPERATIONS

BRIDGE engages in the following core activities to achieve its mission:

Development and preservation of affordable housing

BRIDGE currently owns 113 affordable housing properties of more than 12,000 homes in Northern California, Southern California, Portland Metro, and Seattle Metro areas. In addition, BRIDGE has over 8,000 more units currently under construction and in its pipeline. BRIDGE’s development expertise includes:

- Family and senior housing
- Supportive housing and assisted living
- Mixed-use, mixed-income
- Transit-oriented, infill and sustainable development
- Master planned communities
- Acquisition, rehab, and preservation
- Ownership

BRIDGE has built a track record of successful collaboration with all levels of government, market-rate developers, financial institutions, and other nonprofits. BRIDGE has the internal capacity to manage all aspects of the development process including design and entitlements, capital markets outreach, construction, leasing, and management.

Property management

Through its affiliate, BPMC, BRIDGE has led professional property management services for its apartments since 1988. Managing the properties that BRIDGE develops has both a positive financial and social impact: revenues in excess of costs generated by property management are reinvested to create new affordable housing opportunities and to support resident and community services.

Asset and portfolio management:

The goal of this business line is to ensure the long-term financial and physical health of BRIDGE-owned real estate. Activities include risk management, compliance oversight and reporting, proactive asset management using key indicators and regular financial reviews, and long-term planning to ensure adequate reserves.

Resident services and programs

BRIDGE coordinates more than 350 programs at BRIDGE properties. BRIDGE partners with local agencies and the best providers in the field to bring programs to residents for free. Programs directly tailor to resident needs. Examples include:

- Programs for children and teens, such as summer camps, homework clubs and after-school programs.
- Adult programs ranging from English as a Second Language to resume workshops and financial literacy.
- Senior programs, such as health programs, community building, and service coordination to support their independence and quality of life.
- Workforce development, including career training, job acquisition, and post-employment mentoring and supports.
- Supportive services for residents with disabilities, exiting homelessness, or experiencing mental health challenges.

Corporate Office Support Functions

BRIDGE's business lines described above are supported by an experienced team in the following functional areas: Finance and Accounting, Information Technology, Human Resources, Facilities, Communications, and Resource Development/Philanthropy. There are three distinct Accounting Teams – Development, Property Management, and Corporate – and each team supports a specific business line. As BRIDGE's revenues have grown over time, the percent of the budget spent on the corporate office teams has decreased.

PROJECT SELECTION, UNDERWRITING, AND MANAGEMENT

Overview

The project selection and underwriting process is very thorough. BRIDGE does not put significant capital to use until the majority of financing is available for the project. Once a project is selected, the management of the various phases of the project is closely monitored with key indicators being presented at every phase.

Underwriting and Financing

BRIDGE's Business Development Group is responsible for initial underwriting and due diligence for all projects. BRIDGE evaluates each project against a comprehensive list of underwriting criteria which include financial feasibility (examples include positive cash flow, soft cost contingencies, loan to value), affordable housing and transit-oriented metrics.

Project financing is led by BRIDGE's Chief Investment Officer ("CIO"), who leads a team of four within the Capital Markets Group. Capital Markets cultivates relationships with banks, equity investors, and LIHTC syndicators. The team is also responsible for issuing requests for proposals to large banks and syndicators to get the most competitive LIHTC pricing. The Capital Markets team helps Business Development and Real Estate Development find the most advantageous capital sources for Affordable Housing development.

Project

Once the Business Development team has carried out appropriate due diligence, BRIDGE will conduct an evaluation of social impact and financial feasibility, which considers factors such as affordability targets, community benefit guidelines and services provision. The assessment is presented to the Project Review Committee (the “Internal Projects Committee”) for approval, which is comprised of the BRIDGE Executive Team, which includes the President and CEO, Chief Financial Officer (“CFO”), Chief Operating Officer (“COO”), Chief Investment Officer (“CIO”), and Executive Vice Presidents for all development regions, Executive Vice President of Business Development, and General Counsel. BRIDGE staff members present comprehensive project reports that draw on various financial and social impact metrics. The Internal Projects Committee is responsible for reviewing these metrics against current company underwriting criteria in order to ensure a balanced portfolio.

Selection

Projects that have been approved by the Internal Projects Committee are submitted to the Projects Committee of the BRIDGE Board (the “Projects Committee”) for review. The Projects Committee meets monthly and often reviews a project multiple times throughout the stages of its development. As with Internal Projects Review, BRIDGE staff members present to the Projects Committee comprehensive project reports that draw on various financial and social impact metrics and review of these metrics against current company underwriting criteria. The Projects Committee reviews and approves project capital expenditures and financing over a dollar threshold established from time to time by the BRIDGE Board. (The President and CEO reviews and approves project capital expenditures and financing in amounts under such threshold). The Projects Committee also reviews and approves all project related property acquisitions and project-related corporate guaranties.

As part of the project selection process, the Projects Committee is also presented with the Property Management plan for the project. BRIDGE does not property manage every property that it develops. The determination whether or not to manage the property is determined by three criteria. The first criteria is location; BRIDGE does not manage single properties in new geographies. The second criteria is type; BRIDGE manages properties for which it has experience and expertise. The third criteria is the partnership structure; for deals that require a partner, the partner organization may request property management oversight.

Affordable Housing Development

Real estate development is led by three regional Executive Vice Presidents. All Executive Vice Presidents have at least 25 years of experience in affordable housing and real estate development. Construction management and day-to-day management of all affordable housing developments are executed by a team of 30 Directors, Project Managers and Project Administrators, all locally based, who oversee each project from financing to completion.

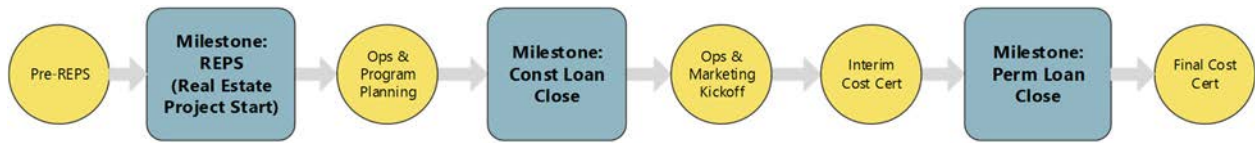
The real estate development team is also supported by a SVP/General Counsel. The General Counsel oversees the legal work for real estate development, project finance, and asset and property management. The General Counsel plays a key role in approving projects, negotiating construction contracts, and preparing and reviewing loan documents.

Monitoring and Oversight

Milestone Transition Meetings (“MTMs”) take place shortly after a development project hits specific milestone. These meetings allow Development Staff to communicate the progress of project’s development, and Stakeholders to provide review and input.

The three (3) milestones that require a MTM to take place are: Real Estate Project Start (REPS)¹, Construction Loan Closing, and Permanent Loan Closing. *Milestones are denoted by blue rectangles in*

the diagram below. At a MTM meeting, Stakeholders may also raise items that are specific to sub-groups’ needs. These items can be taken off-line and addressed at a separate Coordination Meeting. Milestones are denoted by yellow circles in the diagram below.



Participants:

Development Staff

Project Manager
 Project Administrator
 Supervisor

Stakeholders

Asset Management
 Property Management
 Finance
 Portfolio
 Programs

Additional staff invited by Stakeholders as appropriate

In addition, the Senior Development leaders meet once a month to review progress on all projects. Monthly reports include review and analysis of pre-development budgets by source of funds and review and analysis of actuals costs versus budgeted costs for projects in construction, measured against percent of project completion.

Finally, Project Managers must update Project Status Reports monthly for any project that is either in pre-development or in construction. This report has key dates, milestones, and developer fee projections, which allows Senior Leadership to track progress on projects across regions.

RISK MANAGEMENT & MITIGATION

Development Risk Management and Mitigation

BRIDGE’s business is dependent upon successful execution of affordable housing development projects, from which it derives substantial developer fees. For each development project, BRIDGE provides repayment and completion guaranties to private construction lenders, completion, environmental indemnities to private permanent lenders, and for LIHTC projects, guaranty to the tax credit investor of delivery of the tax credits and project operating deficit guaranties. BRIDGE’s primary tools for management of development risk are its rigorous vetting and review of development projects as described in “PROJECT SELECION, UNDERWRITING AND MANAGEMENT” and its experienced, highly-qualified team of development professionals who take each project from pre-development through project lease-up and repayment of construction financing. BRIDGE’s financial controls described in “FINANCIAL MANAGEMENT AND CONTROLS” also provide significant risk mitigation.

In addition, BRIDGE’s risk management and mitigation measures at each stage of the development process include the following:

Property and Project Due Diligence

BRIDGE's pre-development team engages in thorough due diligence prior to acquiring property for development, which includes the following:

- i. physical inspections conducted by carefully vetted third party consultants, including property surveys, Phase 1 environmental reports and environmental testing, geo-technical evaluation and for improved properties, physical needs analyses;
- ii. legal review, including title review, review of applicable land-use regulation, and review of leases and other agreements affecting the property;
- iii. economic review, including sales comps, real property tax bills, and for operating properties, past operating statements and rental market analysis;
- iv. development feasibility analysis, including estimated cost of development and likely available development financing sources, and market rental and demand, operating expense review and development of project pro forma financials; and
- v. neighborhood study: investigation and assessment of the surrounding community for availability of transportation, stores, medical centers, parks, schools and any other relevant amenities an assessment of the needs of the community and how they can be met by the project; and assessment of attitudes toward new development and affordable housing, including what community and local government support exists and/or what work must be done to get neighborhood support.

Construction Period Risk

BRIDGE manages construction period risk through measures taken both before and during project construction as follows:

Before Construction Start:

- i. Selection of highly qualified project team, including well-established architects, engineers and general contractors with strong experience in affordable housing in the local markets;
- ii. BRIDGE's internal staffing for each project includes a Project Manager who is assisted by a Project Administrator, and supervised by a Director of Development. The Executive Vice President of Development for each region also monitors and oversees all development projects in his or her geographic region;
- iii. Each project is also staffed by a third-party construction manager, who assists with construction budget review and management of the general contractor. BRIDGE has long-standing relationship with third-party construction manager, CM2 LLC, staffed by experienced construction professionals and work only on BRIDGE projects;
- iv. All legal documents, including construction agreements, architect's agreement, consulting contracts, loan documents and guaranties are reviewed by BRIDGE's real estate counsel, with oversight by BRIDGE's in-house general counsel;
- v. BRIDGE has standard insurance requirements for its contractors, architects and consultants, tailored to each project. These insurance requirements are developed and vetted for each project with BRIDGE's outside insurance risk manager;
- vi. BRIDGE uses only Guaranteed Maximum Price construction contracts. The construction budget is thoroughly vetted prior to executing the contract;
- vii. Construction financing for 100% of the construction costs with at least industry standard contingency is in place prior to construction start. Binding commitments for all long-term financing necessary to repay the construction loan are also in place prior to construction start. Typically, these lenders are large commercial banks such as, but not limited to: US Bank, Wells Fargo, and Bank of America.

- viii. Construction Schedules, as well as deadlines for completion of lease-up and repayment of construction loans, are reviewed and approved by the Development team and the property management team to ensure that the schedules are realistic and achievable; and
- ix. A financial consultant and tax attorney who specialize in LIHTC are retained for all LIHTC projects, to ensure that the guaranteed tax credits will be generated by the project in compliance with Internal Revenue Service (“IRS”) laws and regulations, and the project complies in all respects with IRS rules and the rules and regulations of the applicable state tax credit allocation agency.

During Construction:

- i. BRIDGE’s project managers and the construction manager regularly and frequently visit and inspect the construction site and hold regular, frequent meetings with the architect and general contractor;
- ii. Monthly construction draws are reviewed at meetings among the project manager, construction manager, general contractor and construction lender. BRIDGE also have a development accounting team that specializes in and is solely focused on reviewing and funding construction draws;
- iii. All material change orders must be approved by BRIDGE management, rather than at the project manager level; and
- iv. Project progress against the completion milestone schedule is carefully monitored by the entire BRIDGE project team to insure that any potential delays are identified and minimized.

BRIDGE relies on project financing from a wide variety of lenders and investors. BRIDGE maintains relationships with more than 40 lenders and investors who regularly bid on lending and investment opportunities for development projects. From 2015 to present, BRIDGE has raised more than \$2 billion in private capital for project finance. BRIDGE currently has more than \$1.5 billion of projects in closing, under construction, or in conversion.

Portfolio Risk Management and Risk Mitigation

BRIDGE has a strong Asset Management staff with experience and deep expertise in affordable housing asset and portfolio management. Asset management staff reports up to the BRIDGE senior executive leadership team and regularly reports on its activities and the state of the property portfolio to the Board. The work of the Asset Management Team includes management of compliance risk, and property operational risk, as described below.

Compliance Risk.

BRIDGE provides guaranties to LIHTC investors that their tax credits will remain available throughout the 10-year tax credit delivery period after the project is completed. This requires compliance with LIHTC program income and rent restrictions and related regulations. BRIDGE portfolio properties are also often subject to other income and rent restrictions imposed through regulatory agreements in connection with soft debt provided by governmental entities. To mitigate the risk of inadvertent non-compliance with these rules and regulations, BRIDGE has two compliance departments within its Asset Management division. Compliance staff is expert in LIHTC rules and regulations and the rules and regulations connected to soft debt. All project regulatory agreements are reviewed by this group prior to adoption. One compliance group is responsible for compliance related to the initial lease-up of new projects or projects that have undergone substantial rehabilitation and refinancing, reviewing all tenant files prior to lease signing to ensure that they meet tenant eligibility requirements with the LIHTC program, as well as all other regulatory agreements and programs. The other compliance group is responsible for ongoing leasing compliance at operating properties (after initial lease-up) to ensure that all ongoing eligibility requirements are met for the various regulating programs for each property. This

group oversees required periodic review and reporting of current tenant income, and review of tenant files for units that are re-leased. In addition, waitlists for each property are centralized and handled in the BRIDGE San Francisco headquarters office, to ensure compliance with fair housing and program requirements. All reporting to lenders, investors, and regulating agencies is also centralized and handled in the BRIDGE San Francisco headquarters office.

Property Operational Risk

BRIDGE properties are held in legally separate, single purpose entities. However, the financial health of BRIDGE's overall property portfolio is important to BRIDGE as an enterprise. In addition, the loss of a property through mortgage loan foreclosure would trigger liability under BRIDGE's tax credit guaranty, and BRIDGE also provides property operating deficit guaranties to tax credit investors (typically capped in time and amount).

As with Development Risk, Property Operational Risk is mitigated upfront by appropriate project selection, as described in "PROJECT SELECTION, UNDERWRITING AND MANAGEMENT". BRIDGE's sound financial controls described in "FINANCIAL MANAGEMENT AND CONTROLS" also provide significant risk mitigation. The following practices and procedures manage and mitigate BRIDGE's property operational risk:

- (i) Each Project establishes repair and replacement reserves and operating reserves consistent with industry standard and regulations of the Federal U.S. Department of Housing and Urban Development ("HUD").
- (ii) Performance of each individual project is closely monitored through monthly review of Key Indicator Reports showing vacancy statistics, operating income and expense. These Key Indicator Reports are also provided monthly to BRIDGE's entire senior management team. This close monitoring facilitates the identification and remediation of any problems at individual properties.
- (iii) Physical Needs Assessments are periodically conducted on all properties.
- (iv) Projects are property managed primarily by BRIDGE's affiliate, BPMC, which manages only BRIDGE projects. A few projects are managed by third party property management companies, who are carefully vetted for particular expertise in the type of project, population and locality served. Property managers regularly report to Asset Management staff to assist in monitoring of property budgeting, physical needs and performance.
- (v) BRIDGE's comprehensive insurance program, described in "INSURANCE", includes coverage for all BRIDGE projects and mitigates property liability and casualty risk.

FINANCIAL MANAGEMENT AND CONTROLS

Statement of Activities

The table on the following page sets forth BRIDGE's Consolidated Statements of Activities for the fiscal years ended December 31, 2015 through 2019, as derived from BRIDGE's audited financial statements for the fiscal years ended December 31, 2015 through 2019 and notes thereto, in addition to BRIDGE's unaudited Statement of Activities for the seven-month period ending July 31, 2020. For a full presentation of all activities, please see BRIDGE's financial statements in Appendices B-I and B-II to this Offering Memorandum, The financial statements of BRIDGE are prepared on an accrual basis. The figures

provided in this Offering Memorandum are inclusive of both donor-restricted and unrestricted support and revenues, expenses, and net assets.

BRIDGE Housing Corporation and Affiliates

Consolidated Statements of Activities	Audited Financials as of Fiscal Year Ended December 31					7 Months Unaudited Financials
	2015	2016	2017	2018	2019	July 2020
	Total	Total	Total	Total	Total	Total
Support and revenue						
Developer fees	11,083,000	12,750,000	11,381,000	13,839,000	15,741,000	15,295,000
Rental income - net of vacancies and concessions	112,571,000	126,657,000	135,494,000	148,251,000	159,174,000	98,586,000
Management revenue	3,206,000	2,806,000	2,727,000	1,898,000	1,295,000	567,000
Contributions	23,760,000	22,277,000	23,212,000	12,645,000	29,125,000	2,000,000
Investment income	1,462,000	1,642,000	2,759,000	1,875,000	1,319,000	614,000
Other property related	5,226,000	3,712,000	5,382,000	12,186,000	10,952,000	4,219,000
Other	1,480,000	441,000	1,966,000	1,422,000	2,665,000	1,704,000
Net assets released from restrictions	-	-	-	-	-	-
Total Support and Revenue	158,788,000	170,285,000	182,921,000	192,116,000	220,271,000	122,985,000
Expenses						
Program services	177,344,000	207,620,000	208,961,000	237,406,000	257,731,000	145,105,000
Supporting services	7,930,000	7,285,000	7,395,000	8,114,000	7,859,000	4,814,000
Fundraising	408,000	625,000	674,000	916,000	1,166,000	450,000
Total Expenses	185,682,000	215,530,000	217,030,000	246,436,000	266,756,000	150,369,000
Change in net assets	(26,894,000)	(45,245,000)	(34,109,000)	(54,320,000)	(46,485,000)	(27,384,000)
Net assets, beginning of year	422,119,000	489,740,000	538,646,000	561,882,000	603,648,000	670,272,000
	-	-	-	-	-	-
Net capital contribution - non-controlling interest	94,515,000	94,151,000	57,345,000	96,086,000	113,109,000	62,830,000
Net assets, end of year	489,740,000	538,646,000	561,882,000	603,648,000	670,272,000	705,718,000
Reconciliation of net assets						
Controlling interest						
Beginning of year	156,853,000	171,084,000	171,339,000	170,528,000	165,815,000	N/A
Change in net assets	14,231,000	255,000	(811,000)	(4,713,000)	7,032,000	N/A
Total reconciliation of net assets	171,084,000	171,339,000	170,528,000	165,815,000	172,847,000	N/A
Non-controlling interest						
Beginning of year	265,266,000	318,656,000	367,307,000	391,354,000	437,833,000	N/A
Net capital contributions	94,515,000	94,151,000	57,345,000	96,086,000	113,109,000	N/A
Non-controlling interests in limited partnership earn	(41,125,000)	(45,500,000)	(33,298,000)	(49,607,000)	(53,517,000)	N/A
Total non-controlling interest	318,656,000	367,307,000	391,354,000	437,833,000	497,425,000	N/A
Net assets, end of year	489,740,000	538,646,000	561,882,000	603,648,000	670,272,000	N/A

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of all resources of BRIDGE and Affiliates that have not been specifically restricted by a donor.

Net Assets With Donor Restrictions

Donor restrictions are stipulated by either a time restriction or a purpose restriction. Upon expiration of a time restriction or completion of a purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions.

BRIDGE's total revenue grew from \$158.788 million at December 31, 2015 to \$220.271 million in at December 31, 2019, representing a compound growth rate of 8.53%.

- Over this period, rental income, net of vacancies and concessions, has increased from \$112.571 million to \$159.174 million, representing a compound growth rate of 9.0% as the value of properties and equipment has grown from \$1.636 billion at December 31, 2015 to \$2.369 billion at December 31, 2019.
- Year-end net assets have increased from \$489.740 million at December 31, 2015 to \$670.272 million at December 31, 2019, representing a compound annual growth rate of 8.2%.

Sources of Revenue

Source of Revenue	Fiscal Year Ended 12/31					7 Months Unaudited Financials
	2015	2016	2017	2018	2019	July 2020
Developer fees	11,083,000	12,750,000	11,381,000	13,839,000	15,741,000	15,295,000
Rental income - net of vacancies and concessions	112,571,000	126,657,000	135,494,000	148,251,000	159,174,000	98,586,000
Management revenue	3,206,000	2,806,000	2,727,000	1,898,000	1,295,000	567,000
Contributions	23,760,000	22,277,000	23,212,000	12,645,000	29,125,000	2,000,000
Investment income	1,462,000	1,642,000	2,759,000	1,875,000	1,319,000	614,000
Other property related	5,226,000	3,712,000	5,382,000	12,186,000	10,952,000	4,219,000
Other	1,480,000	441,000	1,966,000	1,422,000	2,665,000	1,704,000
Total	158,788,000	170,285,000	182,921,000	192,116,000	220,271,000	122,985,000

Developer Fees

BRIDGE earns fees for development of properties and generally recognizes the fees as earned over the development period as follows:

- 30% of each anticipated total developer fee is recorded when the predevelopment phase ends and the construction period begins; however, if BRIDGE receives payment of fees during the predevelopment phase, revenue will be recognized as fees are received but shall not exceed 30% of total anticipated developer fee; and
- 70% is recorded throughout the construction period based on the percentage of completion as gauged by the general contractor's progress billing.
- An allowance of 5% of the fee is reserved until the Internal Revenue Service Form 8609 is obtained, or its equivalent, to signify completion of the development process.
- Developer fees paid from cash flow are eliminated in consolidation and recognized when received

Rental Income

Revenue from resident fees, rents and services is recognized in the period rendered. Rental income is shown at its maximum gross potential. Vacancy loss and concessions are shown as a reduction of rental

income. Rental units occupied by employees are included in rental income and as an expense of operations. Most of the rental income is received under short-term residential leases.

Revenue from long-term leases on land is recorded in the period earned, according to lease contract terms. In many situations, rental revenue is payable only from excess cash and is recorded when cash is received. Such intercompany revenue has been eliminated in the consolidated financial statements.

As of September 2020, thirty-three percent of rental income is covered by government subsidies, including tenant subsidies and project based vouchers, which are awarded prior to the start of construction. As of December 31, 2019, the average economic occupancy for BRIDGE's Affordable Housing Real Estate Portfolio (weighted by # of units) was approximately 96.8% after excluding four properties that were in the lease up phase during the year.

Management Revenue

BRIDGE and Affiliates provide property management, bookkeeping, and asset management services. BRIDGE also provides investment management, marketing, and other services. Income is earned in accordance with the terms of the agreements and recorded as intercompany revenue and eliminated in the consolidated financial statements as provided in Appendices B-I and B-II to this Offering Memorandum.

Contributions

Philanthropy is a growing source of revenue in the BRIDGE budget. BRIDGE launched a capital campaign in 2019 which has a goal of \$50 million (originally \$35 million) by 2023, including the establishment of a quasi-Endowment. As of December 31, 2019, \$12.4 million (24.8%) had been raised. Contributions are recognized as revenue when they are unconditionally promised. Non-cash contributions are recorded at their estimated fair value when received. Contributions to be received after one year are discounted at an appropriate discount rate when material. Grants represent contributions if resource providers receive no value in exchange for the assets transferred

Asset Sales and Portfolio Refinancing

Asset and Property Management will review and analyze each asset (owned and occupied) in the portfolio to develop a staff recommendation that results in improving the livability, affordability and/or the sustainability of BRIDGE and its residents on a rolling basis such that the entire portfolio is reviewed every three years. This review and analysis shall include: a) options for restructuring the financing of a property; b) capital expenditure planning for the property; c) location and other extenuating impediments (type of project, fit in portfolio, land use restrictions, etc.) of the property that suggest that BRIDGE is unable to fully support continued ownership; d) resident survey information, as available, including livability; and e) current conditions and options in the marketplace to strengthen the property's return on investment ("ROI") through repositioning.

Once the evaluation is completed, and the lead staff has determined that the evaluation supports the recommendation of the transfer or sale of a property, the lead staff would then make a recommendation to the Internal Projects Committee. A decision would be made to present the proposed action to the Finance Committee, Projects Committee or the full Board, as required.

As of September 2020, BRIDGE has 100% ownership in 44 properties, which could be candidates for asset sales, if they met the criteria set forth by the Disposition of Assets process described above.

BRIDGE also has the opportunity to refinance the debt outstanding on certain properties, depending on market conditions and property financing structure. BRIDGE completed a portfolio refinance in 2019 which provided BRIDGE with additional cash flow. Over the next ten years, as BRIDGE pays off the debt on its properties, BRIDGE will have portfolio refinancing opportunities.

Functional Expenses

BRIDGE's functional expenses consist of natural expense classifications, including: salary and related expenses, other administrative expenses, rent and utilities expenses, operating and maintenance expenses, taxes and insurance, financing expenses, depreciation and amortization, and other partnership expenses. As of December 31, 2019, total functional expenses totaled at \$266.756 million across Program, Support, and Fundraising.

Functional Expenses	Fiscal Year Ended 12/31					7 Months Unaudited Financials
	2015	2016	2017	2018	2019	July 2020
Salary and Related	26,892,000	30,407,000	30,493,000	32,241,000	34,400,000	21,184,000
Other Administrative	25,527,000	27,766,000	27,211,000	38,968,000	37,013,000	16,306,000
Rent and Utilities	12,973,000	14,836,000	16,129,000	16,924,000	18,650,000	11,350,000
Operating and Maintenance	26,033,000	29,382,000	28,269,000	30,944,000	34,053,000	20,199,000
Taxes and Insurance	6,696,000	7,421,000	8,311,000	8,613,000	7,318,000	4,263,000
Financing (Interest)	32,322,000	38,795,000	43,226,000	45,978,000	48,558,000	27,243,000
Depreciation and Amortization	46,564,000	50,254,000	54,748,000	66,803,000	68,387,000	41,224,000
Other Partnership	8,675,000	16,669,000	8,643,000	5,965,000	18,377,000	8,600,000
Total	185,682,000	215,530,000	217,030,000	246,436,000	266,756,000	150,369,000

Statement of Financial Position

The following is a summary of BRIDGE's Consolidated Statements of Financial Position for fiscal years ended December 31, 2015 through December 31, 2019, as derived from BRIDGE's audited financial statements for the fiscal years ended December 31, 2015 through 2019 and notes thereto. For a full presentation of all activities, see BRIDGE's financial statements in Appendices B-I and B-II to this Offering Memorandum.

BRIDGE Housing Corporation and Affiliates

Consolidated Statements of Financial Position	Audited Financials as of Fiscal Year Ended December 31					7 Months Unaudited Financials
	2015	2016	2017	2018	2019	July 2020
Assets						
Current Assets						
Cash and cash equivalents	61,847,000	85,826,000	65,032,000	75,852,000	83,748,000	91,974,000
Accounts receivable - net	7,099,000	5,999,000	10,027,000	8,917,000	10,098,000	7,356,000
Contributions receivable	60,000	1,369,000	1,376,000	695,000	1,028,000	1,682,000
Notes receivable	579,000	577,000	542,000	318,000	231,000	22,813,000
Prepaid expenses and deposits	4,116,000	10,233,000	5,491,000	4,818,000	4,197,000	13,520,000
Investments	-	-	13,627,000	10,426,000	12,314,000	12,945,000
Impounds	1,314,000	1,656,000	2,132,000	2,426,000	2,289,000	2,124,000
Total Current Assets	75,015,000	105,660,000	98,227,000	103,452,000	113,905,000	152,414,000
Non-Current Assets						
Restricted cash and deposits	64,204,000	66,100,000	74,964,000	94,881,000	115,381,000	120,110,000
Investments	11,673,000	11,599,000	-	-	504,000	-
Contributions receivable - net of current portion	911,000	-	206,000	1,278,000	1,289,000	-
Notes receivable - net of current portion	23,650,000	23,480,000	23,075,000	22,861,000	22,633,000	-
Prepaid expenses and deposits - net of current portion	20,190,000	6,346,000	6,351,000	6,137,000	6,967,000	-
Property and equipment - net	1,636,150,000	1,851,459,000	2,022,937,000	2,190,277,000	2,368,792,000	2,552,161,000
Deferred costs - net	5,853,000	5,195,000	5,079,000	5,375,000	5,634,000	5,202,000
Land under lease and held for development	4,219,000	4,219,000	4,219,000	4,219,000	4,219,000	4,219,000
Assets held for sale	2,476,000	2,830,000	3,517,000	2,944,000	3,129,000	3,160,000
Other investments	1,120,000	2,820,000	2,450,000	3,639,000	3,288,000	2,655,000
Total Non-Current Assets	1,770,446,000	1,974,048,000	2,142,798,000	2,331,611,000	2,531,836,000	2,687,507,000
Total Assets	1,845,461,000	2,079,708,000	2,241,025,000	2,435,063,000	2,645,741,000	2,839,921,000
Liabilities and Net Assets						
Current Liabilities						
Accounts payable and accrued expenses	47,155,000	58,128,000	44,291,000	76,079,000	82,034,000	-
Notes payable	10,457,000	11,264,000	48,739,000	23,664,000	17,026,000	-
Interest payable	5,266,000	5,572,000	5,091,000	5,487,000	5,554,000	-
Deferred revenues	30,873,000	19,322,000	19,867,000	14,397,000	10,536,000	-
Security and other deposits	194,000	249,000	348,000	99,000	190,000	-
Total Current Liabilities	93,945,000	94,535,000	118,336,000	119,726,000	115,340,000	-
Non-Current Liabilities						
Accounts payable and accrued expenses - net of current portion	311,000	-	1,041,000	1,116,000	1,100,000	81,805,000
Notes payable - net of current portion	1,155,257,000	1,329,858,000	1,427,373,000	1,568,591,000	1,705,221,000	1,870,857,000
Interest payable - net of current portion	87,968,000	100,287,000	115,676,000	125,594,000	136,793,000	151,933,000
Deferred revenues - net of current portion	2,177,000	2,078,000	1,521,000	2,591,000	2,501,000	12,187,000
Derivative financial instrument	9,850,000	7,883,000	8,765,000	7,197,000	7,769,000	-
Security and other deposits - net of current portion	6,213,000	6,421,000	6,431,000	6,600,000	6,745,000	17,421,000
Total Non-Current Liabilities	1,261,776,000	1,446,527,000	1,560,807,000	1,711,689,000	1,860,129,000	2,134,203,000
Total Liabilities	1,355,721,000	1,541,062,000	1,679,143,000	1,831,415,000	1,975,469,000	2,134,203,000
Net Assets						
Without donor restrictions						
Controlling interests	165,888,000	166,686,000	166,027,000	161,211,000	163,925,000	176,342,000
Non-controlling interests	318,656,000	367,307,000	391,354,000	437,833,000	497,425,000	522,120,000
Total without donor restrictions	484,544,000	533,993,000	557,381,000	599,044,000	661,350,000	698,462,000
With donor restrictions						
Temporarily restricted	3,536,000	2,993,000	-	-	-	7,256,000
Permanently restricted	1,660,000	1,660,000	-	-	-	-
Total net assets	489,740,000	538,646,000	561,882,000	603,648,000	670,272,000	705,718,000
Total Liabilities and Net Assets	1,845,461,000	2,079,708,000	2,241,025,000	2,435,063,000	2,645,741,000	2,839,921,000

Balance Sheet Growth

BRIDGE has continually grown its portfolio of properties, as reflected in the property and equipment as shown below. From December 31, 2015 to December 31, 2019, property and equipment grew at a compound annual growth rate of 9.7%. In addition to growth in property and equipment, BRIDGE has achieved a steady growth in net assets since 2015. As of December 31, 2019, BRIDGE's total assets were \$2.646 billion, assets without donor restrictions were \$661.350 million, and total net assets were \$670.272 million. From December 31, 2015 to December 31, 2019, net assets averaged 25.5% of total assets. Over the same time period, the total assets grew at a compound annual growth rate of 9.4%, while, net assets without donor restrictions grew at was 8.1%, and total net assets grew at 8.2%, demonstrating disciplined growth.

Balance Sheet Growth	Fiscal Year Ended 12/31					7 Months Unaudited Financials July 2020
	2015	2016	2017	2018	2019	
Property and equipment - net	1,636,150,000	1,851,459,000	2,022,937,000	2,190,277,000	2,368,792,000	2,552,161,000
Total Assets	1,845,461,000	2,079,708,000	2,241,025,000	2,435,063,000	2,645,741,000	2,839,921,000
Net Assets without Donor Restrictions	484,544,000	533,993,000	557,381,000	599,044,000	661,350,000	698,462,000
Net Assets	489,740,000	538,646,000	561,882,000	603,648,000	670,272,000	705,718,000
Net Assets / Assets	26.5%	25.9%	25.1%	24.8%	25.3%	24.8%

Soft Debt

Given the use of LIHTC throughout its portfolio, BRIDGE's financing activities often consist of various sources of funds. For any given development, the capital stack will consist of some combination of tax credit equity, hard debt, and soft debt.

LIHTC financing is sometimes layered with government funding in order to reach the lowest-income households, typically tenants earning 30% of the Area Median Income ("AMI") and therefore achieve greater social and public policy outcomes. These funds need to be structured as debt as opposed to a grant in order to maximize LIHTC eligible basis of a project and therefore the amount of LIHTC capital subsidy that a development receives. These government sources include, among others, the federal HOME block grant, state housing funds, city and county community development and housing agencies and housing authorities, and the National Housing Trust fund.

Project income generated by rents restricted at levels affordable to very low income households does not support the amount of hard debt necessary to cover project costs, even when combined with LIHTC equity investment. Soft debt fills this funding gap, enabling BRIDGE to maximize the housing it produces to serve very low-income households in high-demand areas.

While hard debt must be repaid as any traditional loan, soft debt refers to subordinated loans that require current payments only to the extent that the property has sufficient cash flow and in some cases, do not require any payments until the maturity of such loans even if there is surplus cash flow. Ultimately, this means that the repayment of any soft debt associated with BRIDGE properties will be made from excess cash flows and provides a significant amount of repayment flexibility. Historically, BRIDGE has paid its debt obligations in a timely manner; however, in the event of nonpayment, interest will accrue to the loan and will not trigger an event of default.

As shown in the below table, when considering the presence of soft debt, BRIDGE's leverage is significantly lower. For example BRIDGE's Debt-to-EBITDA ratio is, on average, 41.9% lower from fiscal years 2015-2019 when adjusting for soft debt. As of December 31, 2019, the weighted (by number of units) average debt coverage ratio of BRIDGE's Affordable Housing Real Estate Portfolio was approximately 1.86x, above the national median of 1.4x in 2018 and 1.38x between 2014 and 2018⁸.

Notes Payable	2015	2016	2017	2018	2019
	Principal	Principal	Principal	Principal	Principal
Type of Note					
w/ Regular Payments	697,641,000	755,439,000	869,494,000	840,646,000	912,288,000
w/ Repayments Due at Maturity	17,034,000	23,321,000	21,586,000	25,209,000	25,208,000
Total Hard	714,675,000	778,760,000	891,080,000	865,855,000	937,496,000
w/ Annual Payments from Available Excess Cash (Soft)	460,693,000	571,337,000	594,566,000	737,885,000	799,592,000
Total, Gross	1,175,368,000	1,350,097,000	1,485,646,000	1,603,740,000	1,737,088,000
Debt Issuance Costs, net	9,654,000	8,975,000	9,534,000	11,485,000	14,841,000
Total, Net	1,165,714,000	1,341,122,000	1,476,112,000	1,592,255,000	1,722,247,000
Earnings					
Total Operating Revenue ⁽¹⁾	157,326,000	168,643,000	180,162,000	190,241,000	218,952,000
Total Operating Expenses ⁽²⁾	144,685,000	160,066,000	165,161,000	194,493,000	199,821,000
Net Operating Income	12,641,000	8,577,000	15,001,000	(4,252,000)	19,131,000
Depreciation & Amortization Expense	46,564,000	50,254,000	54,748,000	66,803,000	68,387,000
EBITDA	59,205,000	58,831,000	69,749,000	62,551,000	87,518,000
Hard Debt-to-EBITDA	12.1x	13.2x	12.8x	13.8x	10.7x
Aggregate Total Debt-to-EBITDA ⁽³⁾	19.7x	22.8x	21.2x	25.5x	19.7x
EBITDA / Operating Revenue	37.63%	34.88%	38.71%	32.88%	39.97%
EBITDA / Cash Paid for Interest	2.67x	2.17x	2.62x	2.26x	2.36x

1) Revenue less Investment Income

2) Expenses less Interest & Partnership Expenses

3) Net of Debt Issuance Costs

Cash, Cash Equivalents and Investments

Cash is defined as cash in demand deposit accounts as well as cash on hand. BRIDGE and Affiliates consider all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. BRIDGE has designated certain cash and cash equivalents for the development of affordable homes and for operating and replacement reserves at one of the properties. Donor restricted cash represents amounts received with donor stipulations that limit the use of the donated assets. Not included as cash and cash equivalents are funds restricted as to their use, regardless of liquidity, such as reserves for replacements, operations, debt services, mortgage assistance programs and tenant security deposits. BRIDGE and Affiliates maintain cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit.

Cash and Cash Equivalents	Fiscal Year Ended 12/31				
	2015	2016	2017	2018	2019
Unrestricted	32,711,000	45,075,000	31,605,000	28,900,000	37,710,000
Designated	28,481,000	38,322,000	31,252,000	45,615,000	44,050,000
Donor Designated	655,000	2,429,000	2,175,000	1,337,000	1,988,000
Total Unrestricted	61,847,000	85,826,000	65,032,000	75,852,000	83,748,000
Restricted	64,204,000	66,100,000	74,964,000	94,881,000	115,381,000
Total Cash and Cash Equivalents	126,051,000	151,926,000	139,996,000	170,733,000	199,129,000

⁸ Housing Tax Credit Investments, November 28, 2019

APPENDIX A

Restricted cash and investments in securities consist of the following: operating reserves, replacement reserves, Mortgage Assistance Program, tenant security deposits, debt service accounts, and residual receipts.

Restricted Cash	<i>Fiscal Year Ended 12/31</i>				
	2015	2016	2017	2018	2019
Operating Reserves	26,312,000	30,698,000	34,833,000	40,070,000	46,347,000
Replacement Reserves	21,036,000	24,831,000	27,736,000	30,841,000	46,900,000
Mortgage Assistance Program	31,000	28,000	23,000	0	0
Tenant Security Deposits	5,498,000	5,866,000	6,285,000	6,380,000	6,636,000
Debt Service Accounts	10,917,000	3,252,000	2,129,000	11,958,000	1,352,000
Residual Receipts and Other	410,000	1,425,000	3,958,000	5,632,000	14,146,000
Total	<u>64,204,000</u>	<u>66,100,000</u>	<u>74,964,000</u>	<u>94,881,000</u>	<u>115,381,000</u>
Total Reserves + Debt Service Accounts	58,265,000	58,781,000	64,698,000	82,869,000	94,599,000
Property and equipment - net	1,636,150,000	1,851,459,000	2,022,937,000	2,190,277,000	2,368,792,000
Reserves / Portfolio	3.56%	3.17%	3.20%	3.78%	3.99%

As of December 31, 2019, BRIDGE's properties have over \$93.2 million of operating reserves and replacement reserves. Operating reserves are sized at the beginning of a project and typically cover between 3-6 months of annual expenditures. Replacement reserves are held for the long-term maintenance of the asset and are typically sized at \$1,000 per unit. Properties are required to make regularly monthly deposits into these accounts and these accounts are also regulated by investors and/or lenders.

Reserves are funded with development budget and project operations, not corporate funds. Using project reserves for project operations protects corporate assets and liquidity levels. When BRIDGE has full ownership of property, operating and replacement reserves are directed by BRIDGE; otherwise, using operating or replacement reserves may require investor and/or lender approval.

In addition, BRIDGE maintains at least 365 days of cash on hand at the corporate level. This target is calculated based on the annual corporate budgeted expenditures. For 2020, the corporate cash on hand target is \$14M and as of July 31, 2020, BRIDGE exceeded that target. Corporate cash balances are measured against this metric and presented to Senior Management and Projects Committee prior to any pre-development loans being made or large expenditures approved.

Liquidity	<i>Fiscal Year Ended 12/31</i>					<i>7 Months Unaudited Financials</i>
	2015	2016	2017	2018	2019	July 2020
Unrestricted Cash and Cash Equivalents	61,847,000	85,826,000	65,032,000	75,852,000	83,748,000	91,974,000
Accounts Receivable	7,099,000	5,999,000	10,027,000	8,917,000	10,098,000	7,356,000
Notes Receivable	579,000	577,000	542,000	318,000	231,000	22,813,000
Contributions Receivable	60,000	1,369,000	1,376,000	695,000	1,028,000	1,682,000
Short-Term Investments	11,673,000	11,599,000	13,627,000	10,426,000	12,314,000	12,945,000
Financial assets available within one year to meet cash needs for general expenditures (Liquidity)	<u>81,258,000</u>	<u>105,370,000</u>	<u>90,604,000</u>	<u>96,208,000</u>	<u>107,419,000</u>	<u>136,770,000</u>
Cash Paid for Interest	22,153,000	27,130,000	26,593,000	27,694,000	37,062,000	N/A
Liquidity / Cash Paid for Interest	3.67x	3.88x	3.41x	3.47x	2.90x	N/A
EBITDA / Cash Paid for Interest	2.67x	2.17x	2.62x	2.26x	2.36x	N/A

Investment Policy and Portfolio Overview

The Investment Policy governs the investment of the operating funds managed internally or externally, the Board Designated Stein Scholarship Endowment, and any other endowment-like funds formed in the future.

The goals of the Investment Policy are preservation of principal, safety of funds and provision of liquidity adequate to meet BRIDGE's projected cash requirements. Accordingly, the Investment Policy is designed to permit an attractive rate of return while limiting its exposure to risk and avoiding inappropriate concentration of investments. For the Board Designated Stein Scholarship Endowment, maintaining purchasing power and capital appreciation are goals in addition to the goals stated above.

Operating Fund investments must have a liquid secondary market with the maximum maturity of any security not exceeding 24 months and the average maturity of the portfolio not exceeding 12 months. Operating Fund eligible investments include cash, U.S. Treasury obligations, obligations issued or guaranteed by U.S. government agencies, Bank (A3, A1/P1 or higher rated) obligations, and Corporate obligations (A3, A1/P1 or higher rated), money market and mutual funds which invest in the securities otherwise approved. No more than 5% of the portfolio may be invested in securities of any single non-governmental issuer.

Eligible investments for the Board Designated Stein Scholarship Endowments include approved investments of the Operating Fund, alternative investments, and Common Stock, American Depository Receipts, preferred stocks and convertible stocks publicly traded on a major or national exchange.

The CFO is responsible for overseeing the management of the investment portfolio, including: (1) monitoring the investment portfolio for suitability and compliance with the Investment Policy; (2) proposing alterations to the Investment Policy; and (3) carrying out, and designating individuals who may carry out, the Investment Policy.

The CFO reports on portfolio performance and compliance with the Investment Policy to the Investment Committee of the Board on a at least a semi-annual basis. Decisions to retain or terminate outside investment managers or trust custodians must have the approval of the Investment and Finance Committee. Changes to asset allocation targets or strategic changes to the model portfolio must be approved by the Investment and Finance Committee.

Insurance

BRIDGE maintains insurance covering all of its properties, development projects, and operations subject to varying deductibles and limitations. This insurance includes property, commercial general liability, business automobile liability, umbrella, crime, errors and omissions, directors and officers liability, fiduciary liability, employment practices liability, workers compensation, builder's risk and cyber coverage. In addition, BRIDGE maintains umbrella/excess liability coverage, which sits over its liability policies.

On an annual basis, BRIDGE undertakes a comprehensive insurance review with its insurance broker to determine the appropriate types and levels of insurance coverage based on BRIDGE's activities and operations and the risks related thereto. Every year, BRIDGE reviews its coverage policies with the Finance Committee as an additional layer of oversight. Based on such comprehensive review, BRIDGE management believes that the types and levels of insurance coverage described above are sufficient for its current activities and operations, including BRIDGE's activities to be carried out in connection with the Bonds.

Litigation

BRIDGE is not aware of any pending or threatened litigation that would affect the ability of BRIDGE to enter into the Bond Indenture, dated as of October 1, 2020, by and between BRIDGE and Wilmington Trust, National Association, as bond trustee, or carry out its obligations thereunder.

Impact of COVID-19 on BRIDGE

Impact of COVID-19 on BRIDGE's Rent Collections and other Revenues

BRIDGE is taking many proactive measures to financially support its ongoing operations in light of COVID-19 risks. At the property level, the Asset Management team is stress testing the impact of different assumptions about 2020 rent collection on surplus cash to BRIDGE (which would impact BRIDGE in 2021). BRIDGE is also monitoring rent collection, implementing payment plans for residents who cannot pay, and monitoring residents that are paying, but later in the month than usual. Property management staff is connecting residents proactively with state and local rental subsidy assistance programs. BRIDGE's resource development team is raising emergency funds (philanthropy) for its residents.

BRIDGE has not had any delinquencies on its loans and has not needed to request forbearance. As of September 2020, tenant rent collections for August on occupied units were approximately 5% below rent collections as of a year ago.

Additionally, BRIDGE applied for and received a Paycheck Protection Program (PPP) Loan from the Small Business Administration (SBA) of \$5.7M in April 2020. Management believes the conditions of forgiveness have been met, intends to apply for forgiveness, and expects that the PPP loan will be forgiven.

BRIDGE is closely monitoring the collection of developer fee revenues by reviewing those monthly as a team and analyzing any changes. Since the outbreak of COVID-19, BRIDGE has not experienced material slow-down in any of its projects since shelter-in-place, which went into effect in March 2020, as affordable housing construction were deemed "essential" and allowed to continue in CA and WA, although some of the administrative sign offs from state and local agencies have been delayed.

BRIDGE's Ability to Generate Liquidity

As of December 31, 2019, BRIDGE maintained \$93.2 million in operating reserves and replacement reserves. As noted previously, these reserves are funded with development budget and project operations, not corporate funds. Using project reserves for project operations protects corporate assets and liquidity levels. In addition to reserves, BRIDGE maintains several mechanisms to maintain and generate additional cash:

Asset sales and portfolio refinancing

BRIDGE's Asset Management examines its assets for property improvements, refinancing, and restructuring needs and opportunities on a rolling basis so that the entire portfolio has been reviewed every three years. As of September 2020, BRIDGE maintained 100% ownership in 44 properties, which could be asset sale or refinance candidates.

Availability of government subsidies

As of September 2020, 33% percent of rental income is covered by government subsidies, including tenant subsidies and project based vouchers, which are awarded prior to the start of construction.

365-day cash guidelines

BRIDGE maintains at least 365 days of cash on hand at the corporate level. This target is calculated based on the annual corporate budgeted expenditures. For 2020, the corporate cash on hand target is \$14 million and as of July 31, 2020, BRIDGE exceeded that target.

Corporate refinancing to extract savings

BRIDGE's access to capital markets transactions allowing for long-term, fixed-rate capital to refinance outstanding debt obligations.

BRIDGE's Sustained Corporate Operations

Finally, BRIDGE is tracking all COVID 19 expenditure increases (for construction and operations) in its financial system as well as any COVID-19 related construction delays in order to closely monitor COVID-19 financial impacts. To the extent possible, BRIDGE is proactively reducing corporate expenditures to maintain the strength of its financial position through these uncertain times.

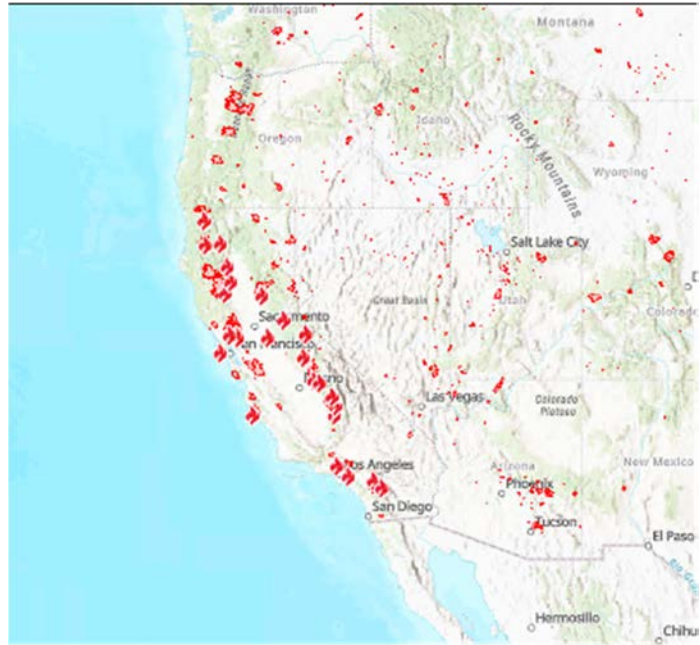
At BRIDGE's properties, the Property Management team is implementing all state and local COVID-19 safety policies and procedures and monitoring changes to those policies, which are frequently changing. BRIDGE has had a strong focus on safety of its residents and staff; in addition to social distancing and mask-wearing protocols, examples include thorough cleaning of shared spaces, daily logging of COVID-19 questionnaires, and contact tracing mechanisms (if/when needed).

At BRIDGE's corporate offices, the majority of staff are working from home with the same or greater level of efficiency. Progress towards strategic plan goals continues to be made, and use of technology has enabled even greater efficiencies (such as electronic check payments) and collaboration across teams.

Impact of West Coast Wildfires on BRIDGE

In recent years, wildfires have caused extensive damage throughout the State of California. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes.

Since the beginning of the year, there have been over 8,100 wildfires that have burned well over 3.9 million acres in California. As of September 2020, the number of acres burned was 26 times higher than acres burned in 2019 for the same time period. Currently, over 96,000 residents are evacuated across the State⁹. In the figure to the right⁹, we illustrate recent incidents of wildfires to occur in the State. As greenhouse gas emissions continue to accumulate, climate change will intensify and increase the frequency of extreme weather events, including wildfires.



Several BRIDGE properties are located in cities where the wildfires incidents have occurred. At any California property with over 16 units, BRIDGE is required to have an on-site presence at all times, often referred to as the “Resident Manager” of the property. In the event of a wildfire in their city or locality, the Resident Manager receives updates and is often in close contact with local and regional emergency workers to get real time information on the level of potential danger. In the case of a mandatory evacuation, the Resident Manager will contact and check in on each resident and stay connected with them over the course of the next several days until it is safe to re-enter the property. If there was to be physical damage at the property due to the spread of the wildfire, BRIDGE has adequate insurance as described above.

⁹ California Daily Wildfire Update, <https://www.fire.ca.gov/daily-wildfire-report/>

EXHIBIT A

Officers Biographies**Ron Nahas, Chairman*****Partner, Rafanelli & Nahas***

Ron Nahas was elected Chairman of the Board of BRIDGE effective Jan. 1, 2016. Mr. Nahas first joined the BRIDGE Board in 2005 and has served as Finance Committee Chair and Vice Chairman. Mr. Nahas is a partner of the real estate firm Rafanelli & Nahas, which specializes in the development, ownership and management of market-rate multifamily housing in the East Bay. The partnership also owns and manages office, retail, industrial and apartment buildings in Boise, Idaho. Mr. Nahas is a past trustee of the Urban Land Institute and a past Chairman of the ULI Residential Gold Council. He earned a Bachelor of Science degree in Civil Engineering from Stanford University.

Ray Carlisle, Vice Chairman***President, Carlisle Companies***

Ray C. Carlisle is President of Carlisle Companies, located in Oakland, CA, which was founded in 1972 and specializes in Urban Real Estate Development Consulting. Mr. Carlisle is also the President of the National Association of Real Estate Brokers, Investment Division, an IRS 501(c)(3) public benefit corporation providing community social and economic development services for federal, state and local government agencies, residential and commercial mortgage lenders and for and non-profit property developers. An Oakland native, Ray Carlisle attended Oakland City College and UC Berkeley, majoring in electrical engineering. He entered the family real estate business in 1966.

Board of Directors Biographies**Douglas D. Abbey*****Chairman, Swift Real Estate Partners***

Douglas D. Abbey is Chairman of Swift Real Estate Partners where he chairs the Investment Committee and is responsible for the firm's portfolio management activities. Previously, he co-founded AMB Property Corporation (merged with Prologis in 2011) and IHP Capital Partners in. He has over 35 years of experience in all phases of real estate investment. Since 2005 he has taught the real estate class at the Stanford Graduate School of Business. Mr. Abbey has a Bachelor of Arts from Amherst College and an Master of City Planning from UC Berkeley. He is on the Board of BRIDGE, and is a past trustee and Vice Chairman of the Urban Land Institute.

Robert Freed***President & CEO, SummerHill Housing Group***

President and CEO of SummerHill Housing Group, Robert Freed draws from a dynamic background in real estate, corporate finance, and accounting to oversee SummerHill's critical areas of development, including land acquisition, architecture, purchasing, construction, sales and marketing, and customer service. In this capacity, he is charged with maximizing company profitability while ensuring the highest quality of community development. From 1993 to 2007, Mr. Freed held a variety of executive positions for KB Home. Most recently, he was the senior vice president of investment strategy. In this capacity, Mr. Freed was responsible for land acquisitions, joint ventures and off balance sheet financing for all of KB Home's U.S. operations. In addition, Mr. Freed was president and regional general manager of KB Home's four Northern California homebuilding divisions. Prior to joining KB Home, he was the CFO for Davidon Homes, a division president of Bedford Properties, and CFO of Blackhawk Corporation. Mr. Freed earned a Bachelor of Science degree in economics from the University of California, Los Angeles, where he graduated summa cum laude. He is a member of the Phi Beta Kappa Honor Society. Mr. Freed

is a former certified public accountant, and was a commissioner for the Santa Clara County Housing Authority. Active in nonprofit giving, he served on the board of directors of the Bay Area Council and St. Mary's College, and the regional board of the Home Builders Association. He is also a member of the Policy Advisory Board for the Fisher Center for Real Estate and Urban Economics.

Joe Hagan

Retired President and CEO, National Equity Fund

Joe Hagan is the retired President and CEO of National Equity Fund, Inc. ("NEF"). At NEF from 2000-2019, Mr. Hagan raised more than \$10.2 billion in equity investments, resulting in 131,500 new residences across the country. In an industry that has over 23 LIHTC syndicators, NEF has consistently ranked as one of the top three. Mr. Hagan has been in the housing credit business since the program began in 1986. He was the director of multi-family housing at the Ohio Housing Finance Agency, which served as the housing credit allocation agency. In 1989 he founded the Ohio Capital Corporation for Housing ("OCCH") where he was president for three years. OCCH went on to be the largest state equity fund in the country investing more than \$1.3 billion. He left OCCH to become the president of the newly formed Banc One Community Development Corporation making strategic housing credit investments throughout Banc One Community Development Corporation's market. In addition to his role of CEO for NEF, Mr. Hagan served as president of The Affordable Housing Tax Credit Coalition for two years in 2010-11 and he remains on the board and serves as president emeritus. Mr. Hagan has received numerous awards. In November 2013, he was inducted into the Affordable Housing Hall of Fame sponsored by the Affordable Housing Finance Magazine. In 2009, he was presented with the Lifetime Achievement Award from the Affordable Housing Investors Council and in 2004, he was honored by Fannie Mae with the Syndicator CEO of the Year award.

Nancy Hemmenway

Retired Chief Human Resources Officer, Prologis

Nancy Hemmenway was the former Chief Human Resources Officer for Prologis, where she was responsible for establishing the company's global human resources policy and strategies related to staffing, compensation, benefits, training and development. Prior to joining AMB Property Corporation (now Prologis) in 2000, Ms. Hemmenway was executive vice president of human resources and administration at NorthPoint Communications, where she oversaw human resources, organizational development, facilities and administration. Prior to joining NorthPoint, Ms. Hemmenway was vice president of human resources at PrimeCo Personal Communications, a wireless subsidiary of Verizon Communications. Previously, she held management positions with Verizon Communications in external affairs, regulatory, marketing and engineering. She began her career working with various law firms specializing in cable television and broadcast law. Ms. Hemmenway received a Bachelor of Arts in public and international affairs from George Washington University.

Michael McAfee

President, PolicyLink

Michael McAfee, President, leads PolicyLink executive and program teams in strategic planning, policy development, policy campaign strategy, capacity building, and programmatic design and implementation at the local, state, and national levels. He came to PolicyLink in 2011 as the inaugural director of the Promise Neighborhoods Institute at PolicyLink. Under his leadership, PolicyLink has emerged as a national leader in building cradle-to-career systems to ensure that children and youth in the nation's most distressed communities have a pathway into the middle class. His partnership with local leaders in more than 60 communities contributed to significant improvements in the educational and developmental outcomes for children and helped attract public and private investments that exceed \$1 billion. Through the 2015 authorization of the Every Student Succeeds Act, the Promise Neighborhoods program is now a permanent federal program. Before joining PolicyLink, Michael served as senior community planning and development representative in the Chicago Regional Office of HUD. While at HUD, he managed a \$450

million housing, community, and economic development portfolio where he partnered with local leaders to create more than 3,000 units of affordable housing and 5,000 jobs and ensure access to social services for more than 200,000 families. He also served as the lead instructor with HUD's Leadership Development Program.

Michael is most proud of personally ensuring the successful matriculation of more than 168 senior executives through the Leadership Development Program and providing fundraising, leadership, management, and organizational development technical assistance to more than 1,000 persons and 800 grassroots faith- and community-based organizations. His partnership with the White House and HUD's Center for Faith-Based and Neighborhood Partnerships has resulted in nonprofit organizations accessing more than \$1 billion in federal resources. Michael believes that every American deserves access to opportunities that give them a fair shot at succeeding in life. He is an Annie E. Casey Foundation Children and Family Fellow, Aspen Institute Ideas Scholar, and Leap of Reason Ambassador. He served in the United States army, completed Harvard University's Executive Program in Public Management, and earned his doctor of education in human and organizational learning from The George Washington University. He is an avid off-road hiker and practitioner of Bikram yoga.

Ed McNamara

Owner, Turtle Island Development LLC

Ed McNamara is a real estate developer in Portland, Oregon. Ed has over 45 years of experience in construction and in private sector and non-profit development. Ed worked as a building contractor for more than a decade before going to work for a fledgling community-based nonprofit, REACH Community Development Inc. ("REACH"), in 1983. After 2 years, he became REACH's Executive Director. In 1990, he was recruited by the Oregon Community Foundation to run a new initiative – funded by the Ford Foundation - to help start, train, and support community-based development corporations in other Portland neighborhoods. In 1994, Ed was awarded a Loeb Fellowship at Harvard's Graduate School of Design. Upon returning to Portland in 1995, Ed decided to shift to for-profit development with the goal of putting community-based values into practice while working in the private sector. He went to work for Prendergast and Associates, the developer who had purchased 40 acres of rail yards that became the heart of Portland's Pearl District. In 2002, Ed started his own company, Turtle Island Development LLC, to focus on mid-rise, affordable rental housing that is energy-efficient and transit-oriented. In 2013, Ed put development on hold temporarily when Portland's incoming Mayor recruited Ed to join his staff for two years to restructure the city's urban renewal agency and urban renewal areas. In 2017, Ed sold his interests in his larger properties. Ed has been and continues to be active in civic, environmental, and land use activities in Portland. Some of Ed's past service includes chairing Portland's Housing Advisory Committee, chairing the Oregon Environmental Council, and serving on the Executive Committee of 1,000 Friends of Oregon.

Connie Moore

Retired CEO, BRE Properties, Inc.

Ms. Moore has more than 40 years of experience in the real estate industry. She served as President and CEO of BRE Properties, Inc. (NYSE:BRE), from 2005 until the completion of the merger with Essex Property Trust in 2014. Ms. Moore also served as a member of BRE's board of directors since 2002. Prior to joining BRE, she was the managing director of Security Capital Group & Affiliates where she held several executive positions including Co-Chairman and Chief Operating Officer of Archstone Communities Trust. She held the same position at Security Capital Atlantic, Inc., a predecessor of Archstone, playing an instrumental role in its initial public offering. Ms. Moore holds an M.B.A. from the University of California, Berkeley, Haas School of Business, and a bachelor's degree from San Jose State University. She was the 2009 Chair of the National Association of Real Estate Investment Trusts. She is the Chair of the Policy Advisory Board for the Fisher Center for Real Estate & Urban Economics at UC Berkeley, a member of the Urban Land Institute, the Board of Trustees of the City of Hope, the San Jose

State University Tower Foundation and its Executive Committee, the Board of Directors for Civeo Corporation (NYSE: CVEO) and its Audit and Compensation Committees, and the Board of Directors of Tri Pointe Homes (NYSE:TPH) and its Compensation Committee.

Kenneth M. Novack

Founding Partner, Schnitzer West

Kenneth Novack serves as the CEO of investment firm MMGL Corp. From 2004 to 2009, Mr. Novack served as Chairman of Schnitzer Steel Industries and was Chairman and CEO of Schnitzer Investment Corp. and Chairman of Liberty Shipping Group from 1991 to 2006. Earlier, Mr. Novack was Chairman and CEO of Lasco Shipping Co., and a partner in the law firm of Ball, Janik & Novack. Among his past and present professional associations are memberships in the Urban Land Institute, the Real Estate Roundtable and the Policy Advisory Board, Fisher Center for Real Estate & Urban Economics at UC Berkeley. He is a Trustee of Claremont McKenna College and a Life Trustee of Lewis & Clark College and Marylhurst University. He is a director of Eisenhower Medical Center in Rancho Mirage, California. Mr. Novack has served on a number of community boards including Oregon Health & Science University and the Portland Art Association, and he was Chairman of the Oregon Youth Services Commission and the Portland Business Alliance. Mr. Novack received a B.A. from Claremont Men's College in 1967 and a J.D. from the University of Southern California in 1970.

Adrienne E. Quinn

Distinguished Practitioner, University of Washington Evans School of Public Policy and Governance

Ms. Quinn is a Distinguished Practitioner at the University of Washington Evans School of Public Policy and Governance, where she teaches Executive Leadership, Managing People in Nonprofit and Public Agencies, and Homelessness and Social Justice. Most recently, she was Director of King County Department of Community and Human Services where she managed a staff of nearly 500 and a biennial budget of \$1.5 billion across six divisions: Behavioral Health and Recovery, Developmental Disabilities, Adult Services, Children and Youth Services, Housing and Community Development, the Director's Division and All Home, the regional homelessness response. Under Ms. Quinn's leadership, King County adopted and implemented the voter-approved Best Starts for Kids, the most comprehensive prevention strategy in the nation for prenatal to 24 years, implemented performance-based contracting and visual management systems, and integrated the Medicaid mental health system with the substance use disorder system. Previously, she worked as the Executive Director of the Medina Foundation, Vice President of Public Policy and Government Relations for Enterprise Community Partners, Director of Seattle's Office of Housing and law partner at Buck & Gordon LLP. Her professional affiliations and community service have included Locals Executive Committee for the American Public Human Service Association, Planning Commissioner for the Seattle Planning Commission, Housing Development Consortium Board, and Board President for Plymouth Housing Group. Ms. Quinn holds a Juris Doctor degree from Seattle University, a Master of Divinity from Harvard University and a Bachelor of Arts from the College of the Holy Cross.

Paul Stein

Managing Partner, SKS Investments LLC

Mr. Stein, a Managing Partner and founder of SKS Investments, has over 25 years of real estate experience in leasing, acquisition, asset management and disposition of commercial properties. From 1989 until founding SKS, Mr. Stein was Vice President and Director of Marketing for the Shorestein Co., one of the nation's largest privately held real estate development and asset management firms specializing in Class A office buildings. From 1980 until 1989, Mr. Stein was a Limited Partner and Director of Office Leasing for Damon Raike and Co., a full service commercial real estate brokerage firm whose activities were primarily on the west coast. Mr. Stein's past civic duties include having served on the Board of Directors of the San Francisco Art Institute and as a member of the San Francisco Mayor's

Real Estate Task Force. He is currently a member of the BRIDGE Board and is an active member of Lambda Alpha.

Molly Turner

Lecturer, Haas School of Business, University of California, Berkeley

Ms. Turner, an expert on technology startups and cities, is a lecturer at the Haas School of Business at the University of California, Berkeley. Through her teaching at Haas School of Business and her work in the field, she has shaped the contemporary conversation about technology's impacts on urban life and governance. At Haas School of Business, Ms. Turner teaches the popular class "Tech and the City: How to Get Urban Innovation Right" to graduate MBAs. She is also the co-host and co-producer of the "Technopolis" podcast from Atlantic Media and CityLab. She was an early employee of Airbnb, where she established the company's public policy team in 2011 and directed its groundbreaking regulatory collaboration with cities. As the Global Head of Civic Partnerships, Ms. Turner directed Airbnb's partnerships with governments around the world, including its international disaster response program, neighborhood tourism development program, and 2015 launch in Cuba. Before Airbnb, she worked for the San Francisco Mayor's Office of Economic Development, the UNESCO World Heritage Cities Program, and an urban planning consulting firm. Ms. Turner holds a Master in Urban Planning from Harvard University and a BA from Dartmouth College. She is deeply engaged in contemporary tech and urban policy issues through her advisory role with urban tech startups, and board membership of urban policy think tank SPUR.

Chuck Weinstock

Retired, Community Development Banking

Chuck Weinstock recently retired from JPMorgan Chase Bank, where he had served as Vice President/Senior Banker-Community Development Banking since 2007. Prior to JPMorgan Chase Bank, he spent nearly two decades as the Executive Director of Capitol Hill Housing, a Community Development Corporation that creates equitable and sustainable communities in central Seattle. Earlier, Mr. Weinstock held positions at Common Ground, the Neighborhood Reinvestment Corporation (now Neighborworks), the Fremont Public Association, and as Director of Community Sponsored Projects for the Office of the Mayor of Philadelphia. Among his previous board affiliations, he served as a Governor-appointed member of the Affordable Housing Advisory Board of Washington State; Board Chair of the Housing Development Consortium; Loan Committee Member for Impact Capital and the Network for Oregon Affordable Housing; the Seattle Housing Levy Steering Committee; and as Chair of the Seattle Planning Commission. Mr. Weinstock earned a Bachelor of Arts in Urban Planning from the University of Washington and is a graduate of the Kennedy School of Government Executive Program.

Management Biographies

Cynthia Parker

President & Chief Executive Officer

Cynthia A. Parker, President & CEO, is responsible for the overall direction of BRIDGE. She joined BRIDGE as President and CEO in 2010, bringing over 30 years of diverse and relevant experience to the organization. Under Ms. Parker's direction, BRIDGE Housing doubled its production, expanded from California to Oregon and Washington, and added significant depth and capacity in its provision of resident services and equitable community development.

Earlier, Ms. Parker held positions as Regional President for Mercy Housing Northwest and Senior Vice President of Seattle-Northwest Securities, a public finance firm. She established the Housing Office of the City of Seattle and served as the City's Director of Housing under two separate mayors, with

responsibility for the City's housing investment strategies, \$100 million annual capital budget and \$824 million loan portfolio.

A former director of the Federal Reserve Bank of San Francisco, Ms. Parker has chaired the Sound Families Initiative for the Bill & Melinda Gates Foundation and currently serves as a director of the National Affordable Housing Trust, the Federal Home Loan Bank of Des Moines, Housing Partnership Network, Housing Partnership Equity Trust, Stewards of Affordable Housing for the Future, Up for Growth Action (Chair), the Beneficial State Foundation, and is on the Board of Governors of the California Housing Consortium. Ms. Parker is a graduate of Portland State University.

Susan Johnson

Executive Vice President & Chief Operating Officer

Ms. Johnson oversees the asset management, property management, resident programs and evaluation, and community development activities of BRIDGE. She joined BRIDGE in 1983, when both the organization and the field of affordable housing were in their formative stages. Over the years, she has served BRIDGE in multiple capacities with increasing responsibility, including Corporate Secretary, VP of Administration, and Executive Vice President, with functional roles as diverse as human resources, fundraising, accounting, compliance, leasing and insurance risk management. In 2017, she was also named the company's first COO. As COO, Ms. Johnson connects strategy and operations across the organization, with a focus on measuring progress toward and achieving the goals of BRIDGE's five-year Strategic Plan. Ms. Johnson is an expert in marketing and lease-up strategies for affordable, mixed-income and mixed-population communities, and a sought-after expert in compliance and fair housing. She holds a Bachelor of Science in Sociology from U.C. Santa Cruz.

Delphine Sherman

Executive Vice President & Chief Financial Officer

Delphine Sherman joined BRIDGE as Executive Vice President and CFO in April 2020. Ms. Sherman previously was the CFO for the Haas School of Business, University of California at Berkeley, a top public business school with \$160 million in annual revenues and a \$350 million endowment. Prior to Haas School of Business, she served as the CFO of Aspire Public Schools, a nonprofit charter management organization serving 16,000 students in low-income communities. There she managed a budget of \$240 million and led a team of 35 staff across multiple functions. During her nine-year tenure at Aspire, Ms. Sherman also worked as the organization's Vice President of Finance and Director of Finance.

Earlier, she was Vice President of Client Management for EDTECH, a finance and professional consulting firm; an Investment Credit Analyst at the University of California, Office of the President; and a Senior Consulting Associate for Cambridge Associates, serving foundations, public universities and independent schools. Ms. Sherman holds a BA in Economics from Dartmouth College (Phi Beta Kappa) and an Master of Business Administration from the Haas School of Business at UC Berkeley.

Jim Mather

Executive Vice President & Chief Investment Officer

Jim Mather joined BRIDGE as EVP and CIO in June 2019. He is responsible for developing and pursuing the overall capital strategy for the company, including several enterprise-level capital raising initiatives as well as securing project-level debt and equity for BRIDGE developments.

Mr. Mather came to BRIDGE from Housing Trust Silicon Valley, where he served as Chief Lending Officer since 2013. During his tenure there, he oversaw the growth of lending from \$2.6 million annually

to \$64.7 million in 2019. Under Mather's leadership, Housing Trust financed over 5,000 affordable homes and expanded its footprint from one county to the 13-county greater Bay Area. Previously, he was the Interim Director of Finance for East Bay Asian Local Development Corporation, where he created a new capital fund for housing investments.

Earlier, Mr. Mather held various senior roles in community development banking at Union Bank, Bank of America and US Bank, where he originated more than \$2 billion in loans and investments for affordable housing, and oversaw the asset management of large national affordable housing portfolios. He also worked for the County of Alameda Housing and Community Development Department and has been an advisor on affordable housing, smart growth and transit-oriented development to the California Department of Transportation, the Bay Area Council and BART. Mr. Mather served on the boards of Merritt Community Capital, Community Housing Works and the San Jose Environmental Innovation Center. He holds a Master of Arts in Architecture and Urban Planning from UCLA and a Bachelor of Arts from Yale University.

Kim McKay

Executive Vice President

Ms. McKay joined BRIDGE as Executive Vice President in 2010. Ms. McKay came on board to lead the Southern California development team and has since expanded her oversight to opening a new region for BRIDGE in the Pacific Northwest. Previously, she was Senior Vice President for The Related Companies of California, where she managed all aspects of developing multifamily affordable housing projects on the West Coast with a focus on large public housing revitalization projects. Prior to that, she was Vice President for Related Capital Company, where her accomplishments included investing tax credit equity in 10 states and developing a market presence for the company in a new region. Ms. McKay previously served as a Senior Project Manager for Mid-Peninsula Housing Coalition. She is a licensed architect and a member of the American Institute of Architects and the Urban Land Institute. She holds a Bachelor of Arts in Architecture from UC Berkeley and a Master of Science in Real Estate Development from Massachusetts Institute of Technology.

Kurt Creager

Executive Vice President

Mr. Creager joined BRIDGE as Executive Vice President in October 2018, to oversee BRIDGE's growing real estate development activity in Washington State; he reports to President and CEO Cynthia Parker. Mr. Creager has more than 30 years of leadership experience in community development and finance in both the public and private sectors. As Director of the Portland Housing Bureau, he managed an annual budget of \$215 million, a pipeline of 3,000 affordable dwellings and a portfolio of 14,000 rent-regulated apartments citywide. Previously, he served as Director of Housing & Community Development for Otak, a Portland-based architecture and engineering firm with offices in Redmond, WA. His engagements there included Seattle Workforce Housing Best Practices for the Seattle City Council and the East Corridor Equitable Housing Development Strategy for the Puget Sound Regional Council.

Earlier, during Mr. Creager's 16-year tenure as CEO, the Vancouver Housing Authority developed 3,500 units of housing, completing one project on average every eight months, including 2,000 units of workforce housing. The agency also reduced its reliance on federal funding from 85% of the operating budget to 45%. And as Chief of Housing and Economic Development for Metro King County, Mr. Creager developed the Affordable Housing Policy Plan (1986) and Regional Economic Development Plan (1989), both of which were enacted by the King County Council, and implemented the Housing Opportunity Fund (1989-1990) which has funded more than 10,000 housing units in communities across King County, including Seattle.

Mr. Creager serves on the board of the Housing & Development Law Institute in Washington, DC, and has received numerous regional and national awards, including the M. Justin Herman Award for achievement in creating affordable housing and transforming communities from the National Association of Housing & Redevelopment Officials; the Hammer Award from Vice President Al Gore for Reinventing Government for Central Park Place, 124 units of permanent supportive housing; and the Friend of Housing Award from the Washington State Housing Finance Commission.

He earned a Bachelor of Science in Environmental Planning and Architectural Graphics from Western Washington University and has received executive certifications from Harvard University and the University of Washington.

Brad Wiblin

Executive Vice President

Since joining BRIDGE in 1994, Mr. Wiblin has completed the development of over 2,000 units of affordable and market-rate housing in San Jose, Irvine, Carlsbad, San Marcos and San Diego. In 1998 he opened BRIDGE's San Diego office, establishing a solid foundation for BRIDGE's expanded presence in Southern California. Currently based in San Francisco, he leads the company's Business Development Group, which sources and acts on development and acquisition opportunities and positions BRIDGE to enter new markets. Prior to BRIDGE, Mr. Wiblin was a land planner and urban designer primarily responsible for the design elements of residential and mixed-use communities. He is an associate member of the Urban Land Institute and a member of the Residential Real Estate Committee of the University of San Diego. He has a Bachelor of Science in Design from Arizona State University and a Master's in City and Regional Planning from UC Berkeley.

Smitha Seshadri

Executive Vice President

Ms. Seshadri leads BRIDGE's real estate development activity in Northern California; she is also responsible for construction and design quality control standards, policies and procedures across the company's development footprint from San Diego to Seattle. She rejoined BRIDGE in January 2017 from Habitat for Humanity Greater San Francisco, where she served as Vice President of Real Estate. As part of the executive management team at Habitat for Humanity Greater San Francisco, she was responsible for building the organization's infrastructure, leading the real estate development and construction teams, and working with the board on planning for strategic growth.

She first joined BRIDGE in 2006 and was promoted from Senior Project Manager to Director of Development. Prior to BRIDGE, Ms. Seshadri was Director of Development for the Santa Clara Housing Authority. She has experience directing all aspects of real estate development and has managed a variety of complex new construction, rehab, supportive housing and adaptive reuse projects including the St. Joseph's Campus in Oakland, which won a 2015 ULI Global Award for Excellence and the Congress for New Urbanism Charter Award in 2017.

Ms. Seshadri holds a Bachelor of Arts in Architecture from Mangalore University, a Master of Arts. in Architecture from Kansas State University and a Master of Business Administration from the University of Chicago, Booth School of Business. She serves on the Board of Directors of the Non-Profit Housing Association of Northern California and Satellite Affordable Housing Associates.

Rebecca Hlebasko***Senior Vice President and General Counsel***

Ms. Hlebasko oversees the legal work for real estate development, project finance, asset management and property management matters for BRIDGE and BUILD. She joined BRIDGE in 2007. Ms. Hlebasko has been a practicing real estate attorney for over 25 years, representing a broad range of developers and institutional investors, with an emphasis on affordable housing and urban infill development. Before coming to BRIDGE, Ms. Hlebasko was a member of the law firm of Sheppard Mullin Richter & Hampton and, prior to that, a partner in the law firm of Pettit & Martin. She holds a B.A. from Fordham University and a Juris Doctor from Yale Law School.

Aruna Doddapaneni***Senior Vice President***

Aruna Doddapaneni was promoted to Senior Vice President in September 2018. She originally joined BRIDGE as a Project Manager in 2010 and earned successive promotions to Senior Project Manager, Director of Development for Southern California, and Vice President. She brought extensive experience to BRIDGE, where her accomplishments have included the completion of Pottery Court as well as Celadon at 9th & Broadway, BRIDGE's first high-rise property. Notably, Celadon is a complicated development of vertically subdivided 4% and 9% tax credit buildings—the first of its kind in California.

Prior to joining BRIDGE, Ms. Doddapaneni was with Mercy Housing in Denver, where she worked on a variety of tax credit, HUD and service-enriched projects. In 2014, she was named to the Urban Land Institute's "40 Under 40," representing the best young land use professionals from around the globe. She has served on the board of the San Diego Housing Federation, a nonprofit advocacy organization and on the management committee for ULI San Diego-Tijuana's chapter. She also created and co-chaired the ULI San Diego-Tijuana's Next 10 initiative. Ms. Doddapaneni received a Bachelor of Business Administration in Finance from University of New Mexico and a Master of Business Administration in Finance Real Estate from University of Denver; she has an Executive Graduate Certificate in Real Estate Construction Management from the University of Denver.

Alison Lorig***Senior Vice President***

Ms. Lorig joined BRIDGE as Senior Vice President of Development, Pacific Northwest, in April 2016. She previously was President and co-owner of Lorig Associates, a Seattle-based real estate development company, and Lorig Management Services, a property and asset management company specializing in urban infill and mixed-use projects. She was responsible for corporate oversight of all development and management projects totaling over \$500 million in project costs from predevelopment to stabilization. Ms. Lorig delivered more than 650 units of affordable housing for local nonprofits, and she headed a HOPE VI entitlement, design and construction team for a 188-acre, 1200+ unit development. Ms. Lorig holds a Bachelor of Science and a Master of Engineering degree in Civil Engineering from Rensselaer Polytechnic Institute and a Certificate of Real Estate from the University of Washington. She is a licensed Washington State broker and a member of the Urban Land Institute.

Simone Robinson***Senior Vice President of Human Resources***

Simone Robinson was promoted to Senior Vice President of Human Resources in May 2019. She originally joined BRIDGE as Vice President in September 2016. She has expertise in planning, designing, implementing and evaluating all aspects of the human resources function, including strategic planning, systems and training to support organizational goals.

Previously, Ms. Robinson was Director of HR for Bracket Global, a leading clinical trial technology and specialty services provider with more than 500 employees worldwide. Earlier, she was head of human resources for S.F. Express Corporation, based in San Bruno, CA. Her experience also includes human resources positions with Designing Benefits, Girls Incorporated of Alameda County and United Commercial Bank.

Ms. Robinson holds a Bachelor of Science in Business Administration from UC Berkeley, a Master of Business Administration with a concentration in HR and a Master of Science in Human Resource Management from Golden Gate University.

James Valva

Senior Vice President

Mr. Valva, who has been with BRIDGE since 1995, has more than 30 years of experience in commercial and residential property management. Mr. Valva is the Senior Vice President for BPMC, which provides property management services for some 8,000 family and senior rental apartments within the BRIDGE portfolio. He currently holds certifications including the Building Performance Institute's Multifamily Building Operator Professional, High-Rise Fire Safety Director, and Section 504 Coordinator, and he holds an Oregon Property Management License.

Mr. Valva currently serves on the Board of Directors of the HPN Select procurement organization and previously served on the Board of Directors of the Affordable Housing Management Association of Northern California, Nevada and Hawaii. Prior to joining BRIDGE, he was a Real Estate License/Property Manager for Western Management Properties, Inc. in Oakland, California. Mr. Valva holds a Bachelor of Science from St. Mary's College, Moraga, California.

Marie Debor

Vice President / Director of Potrero

Marie Debor, who joined BRIDGE in 2015, has significant experience with long-term and multi-phase developments. Over the past 17 years, Marie has developed and repositioned more than 1,600 multifamily units and secured nearly half a billion dollars of public and private financing. Her recent experience includes the \$20 million sale of two entitled market-rate housing sites at MacArthur Station in Oakland, and closing financing for a complex and controversial \$140 million affordable housing development in San Francisco, which will be the first in the city to include middle-income units under the 2015 Prop. A housing bond. Earlier, she worked as a Commercial Real Estate Appraiser for FMV-Opinions and a Market Research Analyst for Cushman & Wakefield in Irvine.

Ms. Debor holds a Bachelor of Business Administration with an emphasis on finance from the University of San Diego. She also earned an Associate Degree in Hotel & Restaurant Management from the Institute Hotelier Cesar Ritz, Le Bouveret, Switzerland.

Katherine Fleming

Vice President of Portfolio

Vice President of Portfolio Katherine Fleming joined BRIDGE in 2014. Her team is responsible for maintaining BRIDGE's portfolio of high quality assets and leading BRIDGE's short- and long-term portfolio strategies, with particular concern for the financial, operational and physical health of the properties.

Ms. Fleming previously worked at RBC Capital Markets for seven years, most recently as Development Risk Manager, Vice President. There, she was responsible for a portfolio of approximately 25 properties

under construction and lease-up, totaling over \$280 million in equity investment and over 3,300 units. Earlier, she was Director of Asset Management for Resources for Community Development, and a Project Manager for The Community Builders, Inc. Ms. Fleming is a Certified Housing Asset Manager and Non-Project Housing Management Specialist who has studied Construction Management and City Planning; she holds an Associate in Arts from Simon's Rock College and a Bachelor of Arts from Mount Holyoke College.

Damon Harris

Vice President of Community Development

Damon Harris joined BRIDGE Housing as Vice President of Community Development in April 2018. Mr. Harris is responsible for deepening and expanding BRIDGE's role in providing transformative community building and neighborhood improvements, particularly at the large-scale redevelopments of Jordan Downs in Los Angeles and Potrero in San Francisco. In this role, he will engage residents and partners to advance a shared vision of community revitalization that achieves improved social and economic outcomes.

Mr. Harris previously spent a decade at HUD, where he developed expertise in intergovernmental relationship management, community building and engagement strategies, and implementing neighborhood-based anti-poverty initiatives. Earlier, he was the Director of Resident Services for Mission Housing Development Corp., where he developed the Community Services and Economic Development Plan for Valencia Gardens, a HOPE VI project.

Thomas Hesse

Vice President of Information Technology

Thomas Hesse was promoted to Vice President of Information Technology in August 2019. He has been instrumental in building out and enhancing the organization's IT infrastructure, including robust data warehouse and intranet platforms. Among other accomplishments, he has overseen major software and hardware upgrades, established disaster recovery protocols to protect against cyber threats, and scaled the IT and helpdesk functions to support the company's growth.

Mr. Hesse joined BRIDGE in 2012 as Director of Business Software Solutions and was promoted to Director of Information Technology in 2014. Prior to BRIDGE, he worked as a Senior Technical/Business Analyst for Charles Schwab and a Senior Business Information Developer for AMB Property Corp. He holds Bachelor of Science degrees in Mathematics and Computer Science from the University of Regina.

Lyn Hikida

Vice President of Communications

Lyn Hikida oversees BRIDGE's external and internal communications activities, including media relations, marketing collateral and special events. Prior to joining BRIDGE in 2007, Ms. Hikida was the Director of Communications and Fund Development for the Corporation for Supportive Housing, a national nonprofit intermediary that helps communities create housing with services to prevent and end homelessness. Previously, she worked for a nonprofit trade organization, the Pacific Asia Travel Association, in a variety of capacities including Chief Communications Officer and Vice President-Operations, based in Bangkok, Thailand. She also spent four years as a travel industry editor and reporter. Ms. Hikida holds a Bachelor of Arts in Asian Studies and English from Tufts University and is a graduate of the Radcliffe Publishing Course. She serves on the advisory council of REDF, an organization that creates job opportunities through support of social enterprises.

Mary Kelley***Vice President of Resource Development***

In 2020, Ms. Kelley joined BRIDGE as Vice President of Resource Development, to lead the organization's fundraising to expand resident programs, transform communities and accelerate production of affordable homes. Ms. Kelley is a seasoned fundraising professional with more than 20 years of experience raising over \$65 million for transformational housing, human service, social justice, education and human rights programs. Prior to BRIDGE, she was Regional Director of Major Gifts for Mercy Housing California. Among her previous positions, Ms. Kelley served as Director of Leadership Philanthropy for GLIDE, Leadership Development Officer for Habitat for Humanity International, and Director of Development for Live Oak School, where she planned and launched a successful capital campaign. She graduated cum laude from Yale University with a Bachelor of Arts in History.

Susan Neufeld***Vice President of Evaluation and Resident Program Design***

Ms. Neufeld is responsible for leading BRIDGE's evaluation activities to measure impact across the portfolio, of specific initiatives such as Potrero and Jordan Downs, and of resident programs; designing appropriate resident programming for future BRIDGE developments; and overseeing more than 350 resident programs and services that are currently offered at BRIDGE properties. Prior to joining BRIDGE in 2012, she served as Assistant Executive Director for the Hope Through Housing Foundation, the resident services company created by affordable developer National CORE. At Hope Through Housing, Ms. Neufeld oversaw 44 programs and more than 75 part- and full-time program staff in California, Texas, and Arkansas. She expanded the department's budget from \$450,000 to \$1.7 million in three years, and led the design and development of a robust after-school portfolio, quadrupling the programs offered and serving 4,000+ youth per year.

Previously, Ms. Neufeld served as the founding Executive Director for a startup nonprofit seeded by the Flintridge Foundation, where she managed a large collaboration of more than 25 public and private entities to strengthen programs for Pasadena youth. Ms. Neufeld has over a dozen years of research and evaluation experience, including positions with CORAL Pasadena, SRI International, First 5 Los Angeles, Black Women for Wellness, and the UCLA Early Childhood Interventions Project; she has taught courses such as research methodology, statistics and child development at CSU Fullerton, San Bernardino and Los Angeles. She holds a Bachelor of Arts in Psychology from Bethel College and a Master of Arts in Applied Developmental Psychology from The Claremont Graduate University, where she was also a Community Fellow.

Joanna Yong***Vice President of Compliance***

Ms. Yong oversees an Asset Management team that is responsible for ongoing compliance for the company's entire portfolio of some 11,000 units with respect to occupancy, marketing/lease up, waitlist management, agency, lender and investor reporting, property tax exemptions, business/operating management and data systems administration. She joined BRIDGE in 1986 and her scope and focus of responsibilities have expanded and shifted throughout the years as the organization has grown. Her BRIDGE experience has included oversight of various departments including office management, accounting, human resources, information technology and compliance. She holds a Bachelor of Science in Business Management from San Francisco State University, and brings a well-rounded depth of experience and knowledge to the organization.

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**CONSOLIDATED FINANCIAL STATEMENTS OF BRIDGE HOUSING CORPORATION
AND AFFILIATES FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2018,
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017, FOR THE FISCAL
YEARS ENDED DECEMBER 31, 2017 AND 2016 AND FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2016 AND 2015**

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BRIDGE Housing Corporation and Affiliates

**Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

December 31, 2019 and 2018



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BRIDGE Housing Corporation and Affiliates

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Independent Auditor's Report

To the Board of Directors
BRIDGE Housing Corporation and Affiliates

Report on Financial Statements

We have audited the accompanying consolidated financial statements of BRIDGE Housing Corporation and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BRIDGE Housing Corporation and Affiliates as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 47 to 57 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2020, on our consideration of BRIDGE Housing Corporation and Affiliates' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BRIDGE Housing Corporation and Affiliates' internal control over financial reporting and compliance.



Los Angeles, California
April 28, 2020

BRIDGE Housing Corporation and Affiliates
Consolidated Statements of Financial Position
December 31, 2019 and 2018

	<u>Assets</u>	
	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 83,748,000	\$ 75,852,000
Accounts receivable - net	10,098,000	8,917,000
Contributions receivable	1,028,000	695,000
Notes receivable	231,000	318,000
Prepaid expenses and deposits	4,197,000	4,818,000
Investments	12,314,000	10,426,000
Impounds	2,289,000	2,426,000
	<hr/>	<hr/>
Total current assets	113,905,000	103,452,000
	<hr/>	<hr/>
Non-current assets		
Restricted cash and deposits	115,381,000	94,881,000
Accounts receivable - net of current portion	504,000	-
Contributions receivable - net of current portion	1,289,000	1,278,000
Notes receivable - net of current portion	22,633,000	22,861,000
Prepaid expenses and deposits - net of current portion	6,967,000	6,137,000
Property and equipment - net	2,368,792,000	2,190,277,000
Deferred costs - net	5,634,000	5,375,000
Land under lease and held for development	4,219,000	4,219,000
Assets held for sale	3,129,000	2,944,000
Other investments	3,288,000	3,639,000
	<hr/>	<hr/>
Total non-current assets	2,531,836,000	2,331,611,000
	<hr/>	<hr/>
Total assets	<u>\$ 2,645,741,000</u>	<u>\$ 2,435,063,000</u>

BRIDGE Housing Corporation and Affiliates
Consolidated Statements of Financial Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 82,034,000	\$ 76,079,000
Notes payable	17,026,000	23,664,000
Interest payable	5,554,000	5,487,000
Deferred revenues	10,536,000	14,397,000
Security and other deposits	190,000	99,000
	<u>115,340,000</u>	<u>119,726,000</u>
Non-current liabilities		
Accounts payable and accrued expenses - net of current portion	1,100,000	1,116,000
Notes payable - net of current portion	1,705,221,000	1,568,591,000
Interest payable - net of current portion	136,793,000	125,594,000
Deferred revenues - net of current portion	2,501,000	2,591,000
Derivative financial instruments	7,769,000	7,197,000
Security and other deposits - net of current portion	6,745,000	6,600,000
	<u>1,860,129,000</u>	<u>1,711,689,000</u>
Total non-current liabilities	<u>1,860,129,000</u>	<u>1,711,689,000</u>
Total liabilities	<u>1,975,469,000</u>	<u>1,831,415,000</u>
Net assets		
Without donor restrictions		
Controlling interests	163,925,000	161,211,000
Non-controlling interests	497,425,000	437,833,000
	<u>661,350,000</u>	<u>599,044,000</u>
Total without donor restrictions	<u>661,350,000</u>	<u>599,044,000</u>
With donor restrictions	<u>8,922,000</u>	<u>4,604,000</u>
Total net assets	<u>670,272,000</u>	<u>603,648,000</u>
Total liabilities and net assets	<u><u>\$ 2,645,741,000</u></u>	<u><u>\$ 2,435,063,000</u></u>

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Activities
Year Ended December 31, 2019**

	2019		
	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Developer fees	\$ 15,741,000	\$ -	\$ 15,741,000
Rental income - net of vacancies and concessions	159,174,000	-	159,174,000
Management revenue	1,295,000	-	1,295,000
Contributions	1,037,000	28,088,000	29,125,000
Investment income	1,014,000	305,000	1,319,000
Other property related	10,952,000	-	10,952,000
Other	2,665,000	-	2,665,000
Net assets released from restrictions	24,075,000	(24,075,000)	-
Total support and revenue	215,953,000	4,318,000	220,271,000
Expenses			
Program services	257,731,000	-	257,731,000
Supporting services	7,859,000	-	7,859,000
Fundraising	1,166,000	-	1,166,000
Total expenses	266,756,000	-	266,756,000
Change in net assets	(50,803,000)	4,318,000	(46,485,000)
Net assets, beginning of year	599,044,000	4,604,000	603,648,000
Net capital contribution - non-controlling interest	113,109,000	-	113,109,000
Net assets, end of year	<u>\$ 661,350,000</u>	<u>\$ 8,922,000</u>	<u>\$ 670,272,000</u>
Reconciliation of net assets			
Controlling interest			
Beginning of year			\$ 165,815,000
Change in net assets			<u>7,032,000</u>
Total reconciliation of net assets			<u>172,847,000</u>
Non-controlling interest			
Beginning of year			437,833,000
Net capital contributions			113,109,000
Non-controlling interests in limited partnership earnings (losses)			<u>(53,517,000)</u>
Total non-controlling interest			<u>497,425,000</u>
Net assets, end of year			<u>\$ 670,272,000</u>

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Activities
Year Ended December 31, 2018**

	2018		
	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Developer fees	\$ 13,839,000	\$ -	\$ 13,839,000
Rental income - net of vacancies and concessions	148,251,000	-	148,251,000
Management revenue	1,898,000	-	1,898,000
Contributions	1,180,000	11,465,000	12,645,000
Investment income	2,028,000	(153,000)	1,875,000
Other property related	12,186,000	-	12,186,000
Other	1,422,000	-	1,422,000
Net assets released from restrictions	11,209,000	(11,209,000)	-
Total support and revenue	<u>192,013,000</u>	<u>103,000</u>	<u>192,116,000</u>
Expenses			
Program services	237,406,000	-	237,406,000
Supporting services	8,114,000	-	8,114,000
Fundraising	916,000	-	916,000
Total expenses	<u>246,436,000</u>	<u>-</u>	<u>246,436,000</u>
Change in net assets	(54,423,000)	103,000	(54,320,000)
Net assets, beginning	557,381,000	4,501,000	561,882,000
Net capital contribution - non-controlling interest	96,086,000	-	96,086,000
Net assets, end	<u>\$ 599,044,000</u>	<u>\$ 4,604,000</u>	<u>\$ 603,648,000</u>
Reconciliation of net assets			
Controlling interest			
Beginning			\$ 170,528,000
Change in net assets			<u>(4,713,000)</u>
Total reconciliation of net assets			<u>165,815,000</u>
Non-controlling interest			
Beginning			391,354,000
Net capital contributions			96,086,000
Non-controlling interests in limited partnership earnings (losses)			<u>(49,607,000)</u>
Total non-controlling interest			<u>437,833,000</u>
Net assets, end			<u>\$ 603,648,000</u>

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Cash Flows
Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ (46,485,000)	\$ (54,320,000)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	68,387,000	66,803,000
Amortization of permanent loan costs	2,794,000	1,372,000
(Gain) loss on disposal of property and equipment	1,040,000	(4,531,000)
Unrealized gain from other investments	(1,162,000)	(1,785,000)
Bad debt	279,000	679,000
Discount for long term contributions receivable	22,000	52,000
(Increase) decrease in assets		
Accounts receivable	(1,963,000)	431,000
Contributions receivable	(366,000)	(411,000)
Prepaid expenses and deposits	(57,000)	810,000
Impounds	137,000	(294,000)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(2,072,000)	767,000
Deferred revenues	(6,253,000)	(6,109,000)
Interest payable	11,747,000	10,316,000
	<u>26,048,000</u>	<u>13,780,000</u>
Cash flows from investing activities		
(Decrease) increase of notes receivable	(5,905,000)	404,000
Net change in other investments	595,000	2,381,000
Purchases of marketable securities and investments	(600,000)	(6,000)
Purchase of property and equipment	(239,324,000)	(201,663,000)
Sale and retirement of property and equipment	-	4,476,000
Payment of deferred costs	(969,000)	(1,050,000)
	<u>(246,203,000)</u>	<u>(195,458,000)</u>
Cash flows from financing activities		
Proceeds from notes payable	419,431,000	305,187,000
Payment of notes payable	(286,492,000)	(189,709,000)
Proceeds from deferred revenue earmarked for development	2,302,000	1,709,000
Payment of syndication costs	(625,000)	(562,000)
Proceeds from capital contributions	113,935,000	95,790,000
	<u>248,551,000</u>	<u>212,415,000</u>
Net increase in cash, cash equivalents and restricted cash	28,396,000	30,737,000
Cash, cash equivalents and restricted cash, beginning	<u>170,733,000</u>	<u>139,996,000</u>
Cash, cash equivalents and restricted cash, end	<u>\$ 199,129,000</u>	<u>\$ 170,733,000</u>
Supplementary information		
Cash paid for interest (net of capitalized portion)	<u>\$ 37,062,000</u>	<u>\$ 27,694,000</u>
Noncash investing and financing activities		
Property and equipment acquired and recorded in accounts payable and accrued expenses	<u>\$ 8,152,000</u>	<u>\$ 31,096,000</u>

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Note 1 - Organization and nature of activities

BRIDGE Housing Corporation ("BRIDGE") creates high-quality, affordable homes for working families and seniors. Having participated in the development of over 18,000 homes and with over 8,000 units currently in progress, BRIDGE is among the largest affordable housing developers. BRIDGE builds a range of housing types that not only fit comfortably into their surroundings but also act as a catalyst for revitalizing and strengthening neighborhoods.

BRIDGE is also affiliated with and under common board control with other not-for-profit corporations ("Affiliates") that have been formed either as supporting entities to BRIDGE, or as instruments to further BRIDGE's organizational objectives. These entities, which are included in the consolidated financial statements of BRIDGE and Affiliates in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), are:

BRIDGE Community Impact ("BCI") was formed to fund and provide services to support programs that assist the low- and moderate-income, elderly and disabled households who reside in BRIDGE-related housing developments, and to lessen the burden of local government, combat community deterioration and lessen neighborhood tensions in communities associated with BRIDGE-related housing developments through programs that provide service to the communities.

BRIDGE Property Management Company ("BPMC") is the provider of property and marketing services to rental properties developed or acquired by BRIDGE and Affiliates.

BRIDGE Impact Capital, Inc. ("BRIC") is a Community Development Financial Institution ("CDFI") as designated by the U.S. Department of Treasury. BRIC provides lending for affordable housing development, mortgage assistance programs for low-income families, arranges New Markets Tax Credit funding and is the sole member of HomeBricks NSP LLC and operator of Pacific Home Connection ("PHC"), a taxable not-for-profit entity.

BRIDGE Support Corporation ("BSC") is a not-for-profit established as a support corporation to BRIDGE.

In addition to the entities detailed in the tables below, housing properties and other entities include:

BRIDGE Community Development, Inc. ("BCDI") is a not-for-profit established as a support corporation to BRIDGE. BCDI is the sole managing member of BCDI Subsidiary CDE III, LLC and BCDI Subsidiary CDE IV, LLC, which are providers of community lending for affordable housing. BCDI is the co-managing member of BCDI Subsidiary CDE I, LLC and BCDI Subsidiary II, LLC.

BRIDGE Infill Development, Inc. ("BID"), a taxable not-for-profit entity, is a managing member and 2% owner of BRIDGE Urban Infill Land Development, LLC ("BUILD"). BUILD was formed as a partnership with the State of California Public Employees' Retirement System ("CalPERS"). In 2014, a BRIDGE affiliate purchased CalPERS's interest in BUILD, and BUILD is in the process of winding down.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Single-purpose not-for-profit corporations holding a controlling general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partnerships	Marketing Name
BRIDGE Tower, LLC	14th Street Associates	Ironhorse at Central Station
4840 Mission Housing Associates, LLC	4840 Mission Housing Associates, L.P.	4840 Mission
735 Davis Senior BRIDGE, LLC	735 Davis Senior, L.P.	735 Davis
88 Broadway Family BRIDGE, LLC	88 Broadway Family, L.P.	88 Broadway
2065 SW River Parkway, LLC	River Place Phase 2, L.P.	River Place Phase 2
Abigail Manager, LLC	Abigail Housing Associates, L.P.	The Abigail
Alameda Housing, LLC	Alameda Housing Associates, L.P.	Marea Alta
Anaheim & Walnut GP LLC	Anaheim & Walnut Housing LP	Anaheim & Walnut
BRIDGE SC, LLC	Area F1 Housing Associates, L.P.	Sage Canyon
Site K, Inc.	Armstrong Place Associates	Armstrong Place Senior Housing
AveVista Associates, LLC	AveVista Associates, L.P.	AveVista
Bay Meadows Affordable Associates, LLC	Bay Meadows Affordable Associates, L.P.	Bay Meadows
BHC College Park II, LLC	BHC College Park II, L.P.	Ivy at College Park Phase 2
BRIDGE SC, LLC	BHC Sage Park, L.P.	Sage Park
Praxis Partners, LLC	Block 14, L.P.	Sitka Apartments
BRIDGE Berkeley Way, LLC	BRIDGE Berkeley Way, L.P.	Berkeley Way
BASC General Partner, LLC	BRIDGE Aggregate Solar Company, L.P.	BASC
Church Street Housing, Inc.	BRIDGE Grayson Creek Associates	Grayson Creek
BRIDGE Housing Corporation	BRIDGE Paloma Associates LLC	Paloma
BRIDGE Regional Partners, Inc.	BRIDGE Potrero Community Associates, LLC	Potrero Hill Affordable
BRIDGE NorCal Development, Inc.	BRIDGE Triangle Associates, L.P.	The Rivermark
Broadway Tower, Inc.	Broadway Tower Associates, L.P.	Celadon at 9th & Broadway 9%
Broadway Upper Tower, LLC	Broadway Upper Tower Associates, L.P.	Celadon at 9th & Broadway 4%
Northpoint Housing, Inc.	Canal Housing Associates	Belvedere Place
BRIDGE Housing Corp - Southern California	Carmel Valley Housing Associates	Torrey del Mar
BRIDGE Tower, LLC	Carquinez Associates, L.P.	The Carquinez
Alto Station, Inc.	Casa Vista Housing, LLC	Casa Vista
Northpoint Housing, Inc.	Chelsea Gardens Associates	Chelsea Gardens
Church Street Housing, Inc.	Church Street Housing Associates	One Church Street

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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General Partner	Limited Partnerships	Marketing Name
Coggins Square Apartments LLC	Coggins Square Apartments, L.P.	Coggins Apartments
Coggins Square, Inc.	Coggins Square Associates	Coggins Square
COMM22 Housing GP, LLC	COMM22 Family Housing, L.P.	Paseo at COMM22
COMM22 Senior GP, LLC	COMM22 Senior Housing, L.P.	Victoria at COMM22
BRIDGE Housing Corp - Southern California	Copper Creek 4% Housing Associates, L.P.	Copper Creek 4%
BRIDGE Housing Corp - Southern California	Copper Creek 9% Housing Associates, L.P.	Copper Creek 9%
Cornelius Place Manager, LLC	Cornelius Place Housing Associates, L.P.	Cornelius Place
Coronado Springs Cottages GP, LLC	Coronado Springs Cottages, LLP	Coronado Springs Cottages
BRIDGE Housing Corporation	Drake Marin Associates	Doretha Mitchell
Northpoint Housing, Inc.	Fabian Way Associates	Alta Torre
Foothill Farms Senior, LLC	Foothill Farms Associates, L.P.	Foothill Farms
Northpoint Housing, Inc.	Geary Housing Partners, L.P.	The Coronet
Gough Street Housing, LLC	Gough Street Housing Associates, L.P.	Fell Street Apartments
BRIDGE Tower, LLC	Grand Oak Associates	Grand Oak
Hercules Senior, Inc.	Hercules Senior Housing Associates	The Arbors
Heritage Square Housing, LLC	Heritage Square Housing Partners, L.P.	Heritage Square
Hermann Street Associates LLC	Hermann Street Associates, L.P.	Church Street
BRIDGE Tower, LLC	Irvington Development Group, L.P.	Irvington Terrace
Fell Street Housing, Inc.	Ivy at College Park, L.P.	Ivy at College Park
BRIDGE Tower, LLC	Jennings Avenue Associates	Arroyo Point
John Street Housing, LLC	John Street Housing Associates, L.P.	Pinole Grove Senior Housing
JD Housing 1A, LLC	Jordan Downs 1A, L.P.	Jordan Downs Phase I
Jordan Downs 2B, LLC	Jordan Downs 2B, L.P.	Jordan Downs Phase II
BRIDGE Tower, LLC	Kentfield Associates	Kentfield
BRIDGE Housing Corp - Southern California	Laguna Canyon Housing Associates	Laguna Canyon
Tressa CM, LLC	Linden 143, LLC	Tressa Apartments
BRIDGE NORCAL, LLC	MacArthur Telegraph Associates, L.P.	Mural Apartments
BRIDGE Tower, LLC	Marina Tower Associates	Marina Tower Apartments
Milpitas Housing, Inc.	Milpitas Housing Associates	Montevista Apartments
Nairobi Housing, Inc.	Nairobi Housing Associates	Peninsula Park
474 Natoma, LLC	Natoma Family Housing, L.P.	Natoma
Armstrong Place, Inc.	None as of December 31, 2019 and 2018	None as of December 31, 2019 and 2018

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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General Partner	Limited Partnerships	Marketing Name
BRIDGE Bissell, Inc.	None as of December 31, 2019 and 2018	None as of December 31, 2019 and 2018
BRIDGE Terraza, Inc.	None as of December 31, 2019 and 2018	None as of December 31, 2019 and 2018
BRIDGE Third Street, Inc.	None as of December 31, 2019 and 2018	None as of December 31, 2019 and 2018
Chestnut Linden, Inc.	None as of December 31, 2019 and 2018	None as of December 31, 2019 and 2018
Westpark Housing Corporation	None as of December 31, 2019 and 2018	None as of December 31, 2019 and 2018
BRIDGE Northwest Development, Inc.	None as of December 31, 2019 and 2018	None as of December 31, 2019 and 2018
North Beach Housing, Inc.	None as of December 31, 2019 and 2018	None as of December 31, 2019 and 2018
BRIDGE Housing Corporation	North Beach Retail Associates, LLC	North Beach Retail Associates, Inc. (NBRA)
Northpoint Housing, Inc.	Northpoint Housing Associates	Northpoint Village Apartments I
Northpoint Housing, Inc.	Northpoint II Housing Associates	Northpoint Village Apartments II
Northside Senior Housing, Inc.	Northside Housing Associates	Mabuhay Court
North Williams Manager, LLC	North Williams Housing Associates, L.P.	North Williams
BRIDGE Housing Corp - Southern California	Northwood Housing Associates, L.P.	Windrow
BRIDGE Northwest Development, Inc.	Nurture 247, L.P.	Ramona Apartments
Crespi Drive, LLC	Oceanview Housing Associates, L.P.	Oceanview
Ohlone Housing, Inc.	Ohlone Housing Associates	Ohlone Court
BRIDGE Housing Corp - Southern California	Poinsettia Housing Associates	Poinsettia Station
Potrero Housing I, LLC	Potrero Housing Associates I, L.P.	Potrero Phase I
Potrero Housing II, LLC	Potrero Housing II Associates, L.P.	Potrero II
Pottery Court, LLC	Pottery Court Housing Associates, L.P.	Pottery Court
Harbour Way, LLC	Richmond Housing Associates, L.P.	Richmond City Center Apartments
RiverPlace 3, LLC	RiverPlace 3 Housing, L.P.	RiverPlace
Roberts Avenue, Inc.	Roberts Avenue Senior Housing L.P.	Oak Circle
Alameda Senior, LLC	San Leandro Senior, L.P.	San Leandro Senior
Danville Senior Housing, Inc.	Sanraf Associates	San Rafael Commons
BRIDGE Housing Corp - Southern California	Santa Alicia Family Housing Associates	Santa Alicia
MCB Family Housing, Inc.	St. Joseph's Family Associates, L.P.	Terraza Palmera at St. Joseph's
BRIDGE Tower, LLC	St. Joseph's Senior, L.P.	St. Joseph's Senior Apartments

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**Notes to Consolidated Financial Statements
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General Partner	Limited Partnerships	Marketing Name
Strobridge Housing, Inc.	Strobridge Housing Associates	Strobridge Court
BRIDGE SC, LLC	Summerhouse Housing 3, L.P.	Madera Vista Phase 3
Summerhouse Housing, LLC	Summerhouse Housing Associates, L.P.	Madera Vista
San Marcos Family Housing, Inc.	Terra Cotta Housing Associates	Terra Cotta
MCB Family Housing, Inc.	Trestle Glen Associates	Trestle Glen
VM Family LLC	VM Family LP	Vermont Manchester Family
VM Senior LLC	VM Senior LP	Vermont Manchester Senior
BRIDGE Housing Corp - Southern California	White Dove Canyon Housing Associates, L.P.	Dove Canyon
BRIDGE SC, LLC	Woodbury Partners, L.P.	Woodbury Walk
Woodland Park Associates Manager, LLC	Woodland Park Associates, L.P.	Woodland Park

Single-purpose not-for-profit corporations holding a co-general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing (BRIDGE's officers and/or board have a majority control over these entities):

General Partner	Limited Partnerships	Marketing Name
1950 Mission Housing Associates, LLC	1950 Mission Housing Associates, L.P.	1950 Mission
25 Sanchez, LLC	25 Sanchez Housing Associates, L.P.	25 Sanchez
255 Woodside, LLC	255 Woodside Housing Associates, L.P.	255 Woodside
462 Duboce, LLC	462 Duboce Housing Associates, L.P.	462 Duboce
490 SVN Housing Associates, LLC	490 SVN Housing Associates, L.P.	490 SVN
BRIDGE 500 Folsom, LLC	500 Folsom, L.P.	Transbay Block 9
3850 18 th Street, LLC	3850 18 th Street Housing Associates, L.P.	3850 18 th Street
Alemanly Housing, LLC	Alemanly Housing Associates, L.P.	Alemanly Bernal
Hope Center Housing, LLC	BFHP Hope Center, L.P.	BFHP Berkeley Way
BRIDGE Housing Ventures, Inc.	Chestnut Linden Associates	Chestnut Linden Court
Coronado Springs Tower GP LLC	Coronado Springs Tower LLLP	Coronado Tower
Holly Courts Housing, LLC	Holly Courts Housing Associates, L.P.	Holly Courts
BRIDGE Housing Corporation	Jordan Downs Community Partners, LLC	Jordan Downs
Tressa Manager, LLC	Linden 143, LLC	Tressa Apartments
BRIDGE Housing Ventures, Inc.	Mandela Gateway Associates	Mandela Gateway Apartments

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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General Partner	Limited Partnerships	Marketing Name
BRIDGE Housing Ventures, Inc.	Marina Annex Associates	Marina Tower Annex
Mission Bay 9, LLC	Mission Bay 9, L.P.	Mission Bay
Mission Dolores GP, LLC	Mission Dolores Housing Associates, L.P.	Mission Dolores
BRIDGE Housing Ventures, Inc.	North Beach Housing Associates	North Beach Place
Silverado Creek Housing, Inc.	Silverado Creek Partners	Silverado Creek
Villages at Westview I, LLC	Villages at Westview I, L.P.	Villages at Westview I

Single-purpose not-for-profit corporations holding a general partner interest (ranging from .01% to 1%) and limited partner interest (ranging from 99% to 99.99%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partnerships	Marketing Name
Danville Senior, Inc.	Danville Senior Housing Associates	Sycamore Place
Rotary Valley, Inc.	Rotary Valley Associates	Rotary Valley
Site K, Inc.	South Beach Family Associates	Steamboat Point Apartments
Winfield Hill, LLC	Winfield Hill Associates	Almaden Lake Apartments

Single-purpose not-for-profit corporations holding a co-general partner interest (ranging from .01% to 1%) and co-limited partner interest (ranging from 99% to 99.99%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partner	Limited Partnerships	Marketing Name
Calistoga Brannan Housing, Inc.	Hunt Avenue, Inc.	Calistoga Brannan Housing Associates	La Pradera
Centertown, Inc.	BRIDGE Housing Ventures, Inc.	Centertown Associates	Centertown
Hunt Avenue, Inc.	Calistoga Brannan Housing, Inc.	Hunt Avenue Associates	Hunt's Grove
BRIDGE Housing Ventures, Inc.	BRIDGE Housing Ventures, Inc.	Pacific Oaks Associates	Pacific Oaks
Silverado Creek Housing, Inc.	Calistoga Brannan Housing, Inc.	Silverado Creek Partners	Silverado Creek Apartments
BRIDGE Housing Ventures, Inc.	BRIDGE Housing Ventures, Inc.	South San Francisco Magnolia Plaza Associates	Magnolia Plaza
BRIDGE Housing Acquisitions, Inc.	BRIDGE Housing Acquisitions, Inc.	SR Fountains, L.P.	SanRaf

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Owners and operators of affordable housing properties:

Not-for-Profit Corporation	Marketing Name
Alto Station, Inc.	Alto Station
Alto Station, Inc.	Pickleweed
Bayview Senior Housing, Inc.	Geraldine Johnson
BLP Partnership, Inc.	The Parkview
BOMH, Inc.	Acorn III
BRIDGE West Oakland Housing, Inc.	Acorn I and II
Brisbane Senior Housing, Inc.	Visitacion Gardens
Chestnut Creek, Inc.	Chestnut Creek
Emeryville Senior Housing, Inc.	Emery Villa
Metro Senior Homes, Inc.	Metro Center
Redwood Shores Senior Housing, Inc.	Redwood Shores

Sole member of limited liability companies that predominantly hold general partner interests in limited partnerships providing affordable housing:

Not-for-Profit Corporation	Limited Liability Company
BRIDGE Economic Development Corporation	16th Street Station, LLC
BRIDGE Northwest Development, Inc.	2065 SW River Parkway, LLC
BRIDGE Homes, Inc.	474 Natoma, LLC
MCB Family Housing, Inc.	735 Davis Senior BRIDGE, LLC
MCB Family Housing, Inc.	88 Broadway Family BRIDGE, LLC
Winfield Hill, Inc.	Abigail Manager, LLC
MCB Family Housing, Inc.	Alameda Housing, LLC
BRIDGE Economic Development Corporation	Alameda Parking, LLC
MCB Family Housing, Inc.	Alameda Senior, LLC
BRIDGE Housing Corporation	Anaheim & Walnut Housing LP
BRIDGE Homes, Inc.	Armstrong Townhomes, LLC
MCB Family Housing, Inc.	AveVista Associates, LLC
BRIDGE Economic Development Corporation	AveVista Commercial, LLC
BRIDGE Housing Corporation	BASC General Partner, LLC
BRIDGE Homes, Inc.	Berry Street, LLC
BRIDGE Housing Corporation	BHC Balboa Builders, LLC
BRIDGE Housing Corp - Southern California	BHC College Park II, LLC
MCB Family Housing, Inc.	BRIDGE 500 Folsom, LLC
BRIDGE Housing Corporation	BRIDGE Berkeley Way, LLC
MCB Family Housing, Inc.	BRIDGE NORCAL, LLC
BRIDGE Housing Corporation	BRIDGE Paloma Associates LLC
Not-for-Profit Corporation	Limited Liability Company

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**Notes to Consolidated Financial Statements
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BRIDGE Housing Corp - Southern California		BRIDGE SC, LLC
Northpoint Housing, Inc.		BRIDGE Tower, LLC
BRIDGE NorCal Development, Inc.		BRIDGE Triangle, LLC
BRIDGE Housing Corp - Southern California		Broadway Upper Tower, LLC
Alto Station, Inc		Casa Vista Housing, LLC
BRIDGE Housing Corporation		Coggins Square Apartments LLC
BRIDGE Housing Corporation		Coronado Springs Cottages GP, LLC
Winfield Hill, Inc.		Crespi Drive, LLC
MCB Family Housing, Inc.		Foothill Farms Senior, LLC
Winfield Hill, Inc.		Harbour Way, LLC
BRIDGE Housing Corp - Southern California		Heritage Square Housing, LLC
BRIDGE Housing Corporation		JD Housing 2B, LLC
MCB Family Housing, Inc.		JD Housing I, LLC
BRIDGE Economic Development Corporation		MacArthur Transit Community Partners, LLC
BRIDGE Economic Development Corporation		Mandela Gateway Commercial, LLC
BRIDGE Homes, Inc.		Mandela Gateway Townhomes, LLC
BRIDGE Housing Corporation		Mayfair Affordable, LLC
BRIDGE Northwest Development, Inc.		North Williams Manager, LLC
BRIDGE Northwest Development, Inc		Port City, LLC
MCB Family Housing, Inc.		Potrero Housing I, LLC
BRIDGE Housing Corp - Southern California		Pottery Court, LLC
BRIDGE Housing Corp - Southern California		Summerhouse Housing, LLC
BRIDGE Housing Corp - Southern California		Tobria Terrace, LLC
MCB Family Housing, Inc.		Tressa CM, LLC
BRIDGE Housing Corporation		VM Family LLC

Co-member of limited liability companies that predominantly hold general partner interests in limited partnerships providing affordable housing:

Not-for-Profit Corporation	Limited Liability Company
MCB Family Housing Inc.	1950 Mission Housing Associates, LLC
Winfield Hill, Inc.	25 Sanchez, LLC
Winfield Hill, Inc.	255 Woodside, LLC
Winfield Hill, Inc.	3850 18th Street, LLC
Winfield Hill, Inc.	462 Duboce, LLC
MCB Family Housing Inc.	490 SVN Housing Associates, LLC
Winfield Hill, Inc.	Alemany Housing, LLC
BRIDGE Housing Corporation	COMM22 Housing GP, LLC
BRIDGE Housing Corporation	COMM22 Senior GP, LLC
Not-for-Profit Corporation	Limited Liability Company

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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BRIDGE Economic Development Corporation	Comm22, LLC
BRIDGE Northwest Development, Inc.	Coronado Housing Associates, LLC
Winfield Hill, Inc.	Doretha Mitchell Housing, LLC
BRIDGE Housing Corporation	Fruitvale Phase IIB LLC
Fell Street Housing, Inc.	Gough Street Housing, LLC
Winfield Hill, Inc.	Holly Courts Housing, LLC
BRIDGE Housing Corporation	Hope Center LLC
Hercules Senior Housing, Inc.	John Street Housing, LLC
BRIDGE Housing Corporation	Mission Bay 9 LLC
BRIDGE Housing Corporation	North Beach Development Associates, LLC
MCB Family Housing Inc.	Tressa Investment, LLC
MCB Family Housing Inc.	Tressa Manager, LLC
MCB Family Housing Inc.	Villages at Westview 1, LLC

The consolidated financial statements do not include single-purpose not-for-profit corporations and other entities holding a general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing for which BRIDGE's officers and/or board are deemed not to have a majority control, namely:

General Partner	Limited Partnerships	Marketing Name
Bernal Senior Housing Corp.	Bernal Senior Housing Partners	Coleridge Park
SR Senior Housing, Inc.	SR Senior Housing, Inc.	The Fountains

Note 2 - Significant accounting policies

Principles of consolidation

Not-for-profit corporations

The consolidated financial statements include the accounts of BRIDGE and other not-for-profit entities that are commonly controlled by BRIDGE's officers or board of directors, including those not-for-profit entities that are majority controlled by BRIDGE. Other not-for-profit entities, over which BRIDGE does not exercise majority control, are not included in the consolidated financial statements. All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

Limited partnerships/limited liability companies ("LLCs")

Partnerships or LLCs that are controlled by BRIDGE or its affiliated not-for-profit entities are included in the consolidated financial statements.

BRIDGE and Affiliates' partnership interests generally range from .01% to 1.0% and are shown as controlling interests in net assets without donor restrictions. Partners' or members' capital interests generally range from 99% to 99.9% and are presented as non-controlling interests in net assets without donor restrictions. All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Partnerships or LLCs over which BRIDGE or its Affiliates exercise significant influence are included in the consolidated financial statements using the equity method of accounting. Intercompany balances and transactions are not eliminated under the equity method.

Accounting method

BRIDGE and Affiliates use the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation

The consolidated financial statements are presented in accordance with generally accepted accounting principles, which require that financial statements are presented on the basis of net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions

Net assets without donor restrictions consist of all resources of BRIDGE and Affiliates that have not been specifically restricted by a donor.

Net assets with donor restrictions

Net assets with donor restrictions consists of cash received or other assets with donor stipulations that limit their use. Donor restrictions are stipulated by either a time restriction or a purpose restriction. Upon expiration of a time restriction or completion of a purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Reclassifications

Prior period financial statement amounts have been reclassified to conform to the current period presentation.

Revenue recognition

Developer fees

BRIDGE earns fees for development of properties and generally recognizes the fees as earned over the development period as follows:

30% of each anticipated total developer fee is recorded when the predevelopment phase ends and the construction period begins; however, if BRIDGE receives payment of fees during the predevelopment phase, revenue will be recognized as fees are received but shall not exceed 30% of total anticipated developer fee; and

70% is recorded throughout the construction period based on the percentage of completion as gauged by the general contractor's progress billing.

An allowance of 5% of the fee is reserved until the Internal Revenue Service Form 8609 is obtained, or its equivalent, to signify completion of the development process.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Developer fees paid from cash flow are eliminated in consolidation and recognized when received.

Rental income

Revenue from resident fees, rents and services is recognized in the period rendered. Rental income is shown at its maximum gross potential. Vacancy loss and concessions are shown as a reduction of rental income. Rental units occupied by employees are included in rental income and as an expense of operations. Most of the rental income is received under short-term residential leases.

Revenue from long-term leases on land is recorded in the period earned, according to lease contract terms. In many situations, rental revenue is payable only from excess cash and is recorded when cash is received. Such intercompany revenue has been eliminated in the consolidated financial statements.

Contributions

Contributions are recognized as revenue when they are unconditionally promised. Noncash contributions are recorded at their estimated fair value when received. Contributions to be received after one year are discounted at an appropriate discount rate when material. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as assets with donor restrictions and assets without donor restrictions, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions restricted for the purpose of long-lived assets are reported as support without donor restrictions when expended for that purpose in the individual financial statements of each affiliated entity, but may be reported as net assets with donor restrictions in the consolidated financial statements.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at December 31, 2019, conditional contributions of \$1,672,111 for which no amounts had been received in advance, have not been recognized in the accompanying consolidated financial statements.

Management revenue and related accounts

BRIDGE and Affiliates provide property management, bookkeeping and asset management services. BRIDGE also provides investment management, marketing and other services. Income is earned in accordance with the terms of the agreements and recorded as revenue. Such intercompany revenue has been eliminated in the consolidated financial statements.

Cash and cash equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. BRIDGE and Affiliates consider all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. BRIDGE has designated certain cash and cash equivalents for the development of affordable homes and for operating and replacement reserves at one of the properties. Donor restricted cash represents amounts received with donor stipulations that limit the use of the donated assets. Not included as cash and cash equivalents are funds restricted as to

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

their use, regardless of liquidity, such as reserves for replacements, operations, debt services, mortgage assistance programs and tenant security deposits. BRIDGE and Affiliates maintain cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted accounts, was approximately \$106,921,000 as of December 31, 2019. BRIDGE and Affiliates have not experienced any losses in such accounts.

Cash and cash equivalents composition amounts are as follows at December 31:

	2019	2018
Undesignated	\$ 37,710,000	\$ 28,900,000
Designated	44,050,000	45,615,000
Donor designated	1,988,000	1,337,000
Total unrestricted cash and cash equivalents	83,748,000	75,852,000
Restricted (Note 8)	115,381,000	94,881,000
Total cash and cash equivalents	<u>\$ 199,129,000</u>	<u>\$ 170,733,000</u>

Fair value of financial assets and liabilities

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments. It is not practicable for management to estimate the fair value of accounts and notes receivable, notes payable, equity investments and financial guarantees because of the nature of such instruments and lack of readily available market information for financial instruments with similar terms.

Investments

Investments are stated at fair value in the statement of financial position. Investment sales and purchases are recorded on a trade-date basis. The realized gains and losses are included in the BRIDGE and Affiliates' statement of activities. Dividend income is recorded based upon the ex-dividend date and interest income is recorded as earned on an accrual basis.

BRIDGE and Affiliates shall be invested in a diversified portfolio, consisting primarily of marketable securities and alternative investments, which may reflect varying rates of return. The asset allocation for the investment portfolio is determined by the trustees with the advice of their investment consultant.

Fair value measurements

Under generally accepted accounting principles, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

Generally accepted accounting principles establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of BRIDGE and Affiliates. Unobservable inputs, if any, reflect BRIDGE and Affiliates' assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at measurement date. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 - Valuations based on significant inputs that are observable, either directly or indirectly, or quoted prices in markets that are not active, that is, markets in which there are few transactions, the prices are not current or price quotations vary substantially either over time or among market makers.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Fair value measurements at December 31, 2019					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measures at NAV	Total
Marketable securities	\$ 700,000	\$ -	\$ -	\$ -	\$ 700,000
BRIDGE's investment in Housing Partnership Insurance Exchange (Note 12)	-	4,062,000	-	-	4,062,000
Multi asset funds	-	-	-	11,614,000	11,614,000
Derivative financial instrument (liability) (Note 16)	-	(7,769,000)	-	-	(7,769,000)
Total	\$ 700,000	\$ (3,707,000)	\$ -	\$ 11,614,000	\$ 8,607,000
Fair value measurements at December 31, 2018					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measures at NAV	Total
Marketable securities	\$ 616,000	\$ -	\$ -	\$ -	\$ 616,000
BRIDGE's investment in Housing Partnership Insurance Exchange (Note 12)	-	3,863,000	-	-	3,863,000
Multi asset funds	-	-	-	9,810,000	9,810,000
Derivative financial instrument (liability) (Note 16)	-	(7,197,000)	-	-	(7,197,000)
Total	\$ 616,000	\$ (3,334,000)	\$ -	\$ 9,810,000	\$ 7,092,000

The fair value of the multi-asset funds is determined using the net asset value ("NAV") of shares held. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. Valuations provided by fund administrators consider variables such as the financial performance of the underlying investments, recent sales prices of underlying investments, and other pertinent information. In addition, actual market exchange at year-end provides additional observable market inputs of the exit price. BRIDGE reviews valuations and assumptions provided by fund administrators or reasonableness and believes that the carrying amount of these financial instruments are reasonable estimates of fair value.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

The preceding methods may produce a fair value that may not be indicative of realizable fair value or reflective of future fair values. Furthermore, although BRIDGE believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the valuation techniques during the current year. The multi-asset funds are measured at NAV per share at December 31, 2019 and 2018:

Investment strategy	2019 Fair value	2018 Fair value	Redemption terms	Redemption restrictions	Redemption restriction in place at year-end
Multi-strategy	\$ 11,614,000	\$ 9,810,000	Daily with 2 days notice	None	None

Notes receivable

Notes receivable represent financial assistance provided to qualified home buyers. Loans are stated at unpaid principal balances, less an allowance for loan losses. The loans are collateralized by the properties.

Allowances for uncollectible accounts receivable

The allowances for uncollectible accounts are determined on specific identification basis, based upon management's assessment. Based on an assessment of the customer's current credit worthiness, an estimate of the balance that may not be collected is made. In addition, an amount of estimated credit losses on the aggregate remaining accounts receivable is made based on past collection experience. Once all efforts to collect have been undertaken, the unpaid balance is written off as a charge to the allowance for doubtful accounts or loan losses. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful collections was \$726,000 and \$532,000 as of December 31, 2019 and 2018, respectively.

Land

Purchased land is carried at cost. Donated land is carried at estimated fair market value at the date of donation. BRIDGE leases most of its land to affiliated affordable housing developments under long-term leases.

Property and equipment, leasehold improvements, ground lease and deferred costs

Property and equipment are stated at cost of acquisition, construction or rehabilitation, or fair value if donated. Acquisitions among entities under common control are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance, repair, and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred.

BRIDGE and Affiliates incur costs during the development phase of the affordable housing project undertaken. Such costs include governmental fees, legal and consulting fees, as well as construction costs. BRIDGE and Affiliates record these costs as assets (development in progress) until the housing project is placed in service. Any funds expended on a project that does not pass beyond the development stage are recorded as expenses when activity on the project ceases. Management believes that no material portion of the development in progress is unrealizable at December 31, 2019 and 2018. Development in progress is not depreciated until the completion of the development.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Deferred costs are incurred in order to obtain permanent financing and tax credits for the affordable housing projects. Organization costs are expensed as incurred.

The useful lives of the assets are estimated as follows:

Buildings and improvements	15 to 55 years
Furniture, fixtures and equipment	3 to 12 years
Tax credit costs	10 years

BRIDGE and Affiliates review their investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no material impairment losses recorded in 2019 or 2018.

Capitalized interest

BRIDGE and Affiliates capitalize interest incurred during construction as a component of development in progress and building and improvements costs. BRIDGE and Affiliates capitalized interest of approximately \$3,165,000 and \$4,587,000 in 2019 and 2018, respectively.

Real estate held for sale

Real estate held for sale is presented in the consolidated statement of financial position at the lower of cost or fair market value. No allowance was considered necessary based on management's evaluation of the current market rate for the years ended December 31, 2019 and 2018.

Other investments

Other investments in for-profit entities, taxable not-for-profit entities, and other not-for-profit organizations are recorded using the fair value, cost or equity method of accounting, depending on the level of ownership and control. Investments in affiliated entities that are 100% or majority controlled by BRIDGE are eliminated in the consolidated financial statements.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Accounting for leases

Leasehold interests of several consolidated entities are not subject to capitalization and thus are accounted for as operating leases. Prepaid ground leases are an allocation of the total cost of the property, which is amortized over the respective lease terms.

Income taxes

BRIDGE is a not-for-profit corporation pursuant to the Internal Revenue Code Section 501(c)(3) and related California code sections and, accordingly, is exempt from federal and state income taxes on related business income. BRIDGE Properties, Inc. ("BPI"), BID, PHC, BCDI Subsidiary CDE III, LLC and BCDI Subsidiary CDE IV, LLC are the only Affiliates that are not tax-exempt. Deferred income

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taxes do not arise from the operations of these entities in a material amount. The income or loss from the partnerships is reported by the partners on their income tax returns.

No income tax provision has been included in the consolidated financial statements for the single member LLCs, which are generally considered disregarded entities. The income and loss of the LLCs are included in the tax returns of their respective sole members. Only the annual California limited liability company minimum tax and the annual fee appear as expense in the consolidated financial statements.

BRIDGE and Affiliates believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements. BRIDGE and Affiliates' federal and state income tax returns for the years 2015 through 2018 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively. While no income tax returns are currently being examined by the Internal Revenue Service, tax years after 2015 remain open. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Guarantees

Generally accepted accounting principles require a liability to be recorded for the fair value of the stand-ready obligation associated with a guarantee issued after December 31, 2002. Guarantees issued between entities under common control or on behalf of an entity under common control are excluded. Consequently, no liabilities have been recorded as all guarantees are considered to be issued to entities under common control (see Note 22).

Allocation of partnership income/loss and tax credits

The affiliated partnerships are generally expected to generate low-income housing tax credits, which will be allocated in the same manner as the income or loss of each affiliated partnership. Because the limited partners' losses are limited to their investments, except when BRIDGE and Affiliates are also the co-general partner and co-limited partner, the limited partners' equity will not be reduced below zero unless future capital contributions will be made in amounts sufficient to absorb the losses. All remaining losses are allocated to the general partners. Any subsequent income allocable to the limited partners is allocated to the general partners first until the general partners' share of that income offsets the losses not previously recognized by the limited partners.

Functional expense allocation

The costs of providing program services and supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

Program services include all expenses relating to development, management of properties, and resident services. Supporting services consist of management and general expenses.

Related party transactions

Material related party transactions and balances between controlled entities have been eliminated in the consolidated financial statements.

BRIDGE Housing Corporation and Affiliates

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Adoption of new accounting pronouncements

In November 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-18 *Statement of Cash Flows (Topic 230) – Restricted Cash* to address diversity in practice with respect to the cash flows presentation of changes in amounts described as restricted cash and cash equivalents. ASU 2016-18 requires a reporting entity to include amounts described as either restricted cash or restricted cash and cash equivalents (collectively referred to as "restricted cash" herein) when reconciling beginning and ending balances in its statement of cash flows. The update also amends Topic 230 to require disclosures about the nature of restricted cash and provide a reconciliation of cash, cash equivalents and restricted cash between the balance sheet and the statement of cash flows. ASU 2016-18 was adopted retrospectively during the year ended December 31, 2019 and 2018. Consequently, ending cash and restricted cash as of December 31, 2018 and 2017 was increased from \$75,852,000 to \$170,733,000 and \$65,032,000 to \$139,996,000 respectively.

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, as amended by subsequent Accounting Standards Updates (collectively Codification Topic 606 "ASC 606"). BRIDGE adopted ASC 606 as amended as management believes the standard improves the usefulness and understandability of BRIDGE's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way BRIDGE recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In June 2018, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. BRIDGE has implemented the provisions of ASU 2018-08 applicable to contributions received in the accompanying consolidated financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

Note 3 - Accounts receivable

Accounts receivable consist of the following at December 31:

	2019	2018
Reimbursable costs	\$ 6,739,000	\$ 4,094,000
Rent	3,379,000	3,378,000
Developer fees	300,000	300,000
Management and consulting fees	910,000	1,677,000
	11,328,000	9,449,000
Less allowance for uncollectible accounts	(726,000)	(532,000)
	10,602,000	8,917,000
Less current portion	(10,098,000)	(8,917,000)
Non-current portion	\$ 504,000	\$ -

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Note 4 - Contributions receivable

Contributions receivable consist of future amounts to be received. Contributions receivable due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 3%. Contributions receivable are comprised of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Project-related	\$ 1,708,000	\$ 1,948,000
Resident programs and services	83,000	77,000
Educational assistance programs	100,000	-
Predevelopment funding	<u>500,000</u>	<u>-</u>
	2,391,000	2,025,000
Less: discount for present value	<u>(74,000)</u>	<u>(52,000)</u>
	2,317,000	1,973,000
Less current portion	<u>(1,028,000)</u>	<u>(695,000)</u>
Non-current portion	<u>\$ 1,289,000</u>	<u>\$ 1,278,000</u>

At December 31, 2019 and 2018, gross undiscounted contributions receivable in less than one year are \$1,028,000 and \$695,000, respectively, and gross undiscounted contributions receivable in one to five years is \$1,363,000 and \$1,330,000. At December 31, 2019 and 2018, BRIDGE has not provided for an allowance for uncollectible contributions as all amounts are considered fully collectible.

Note 5 - Notes receivable

Notes receivable, including accrued interest, consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Mortgage assistance program	\$ 2,246,000	\$ 2,585,000
QLICI loan	17,300,000	17,301,000
NMTC leveraged loan	6,445,000	6,445,000
Other	<u>398,000</u>	<u>373,000</u>
	26,389,000	26,704,000
Less allowance for uncollectible accounts	<u>(3,525,000)</u>	<u>(3,525,000)</u>
	22,864,000	23,179,000
Less current portion	<u>(231,000)</u>	<u>(318,000)</u>
Non-current portion	<u>\$ 22,633,000</u>	<u>\$ 22,861,000</u>

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Mortgage assistance program

BRIDGE and Affiliates established a mortgage assistance program for revolving loan funds to provide financial assistance in the form of subordinated mortgages to qualified homebuyers in low- and moderate-income households in California. The loans bear interest at 4% and mature through 2032.

BRIDGE and Affiliates hold various second mortgage loans associated with a development project in Pinole, California. The loans bear no interest but share in the appreciation of the property. BRIDGE and Affiliates may receive proceeds from the mortgage loans when the property is sold.

Qualified Low-Income Community Investment ("QLICI") Loans

During 2014, a related party of BRIDGE, Chestnut Campus, Inc., a QLICI, entered into a loan with BCDI Subsidiary CDE II, LLC for \$9,120,000 that is to be paid in equal monthly installments of \$20,710 at an interest rate of 2.725% and is due in full by November 20, 2049 with a principal installment of \$1,800,000 due November 20, 2021. Chestnut Campus, Inc. is an owner of land in West Oakland, California on which a charter school was built and is currently operating. During 2015, another non-affiliate of BRIDGE, Loma Linda University, entered into a loan with BCDI Subsidiary CDE I, LLC for \$8,160,000 that is paid in equal monthly installments of \$6,800 at an interest rate of 1% and is due in full by June 1, 2049, with a principal installment of \$1,800,000 due November 20, 2021.

NMTC leveraged loan

During 2014, BRIDGE Housing Ventures, Inc. ("BHVI"), acting as the leveraged lender, loaned \$6,424,850 as part of a New Markets Tax Credit ("NMTC") transaction to the non-affiliate investment fund of the NMTC transaction. BRIDGE Community Development, Inc. and the non-affiliate investment fund, are the members of BCDI Subsidiary CDE II, LLC. BHVI funded the leveraged loan by a fundraising campaign of \$2,139,850, land of \$1,335,000 that BHVI held since 2000, an NCCLF grant of \$50,000, and by borrowing funds from Low Income Investment Fund ("LIIF") of \$2,900,000. The leveraged loan is due in equal monthly installment of \$20,613 at an interest rate of 3.85% and is due in full by November 20, 2049, with a principal installment of \$1,800,000 due on November 20, 2021.

BRIDGE and Affiliates evaluate notes receivable based on the following credit quality indicators: collateral and related versus non-related borrowers. These credit quality indicators are updated at least annually. Details about the notes receivable follow:

	2019				
	Collateralized	Uncollateralized	Past Due	Allowance	Net
Related party	\$ 6,445,000	\$ -	\$ -	\$ (3,525,000)	\$ 2,920,000
Non-related party	19,944,000	-	-		19,944,000
Total	\$ 26,389,000	\$ -	\$ -	\$ (3,525,000)	\$ 22,864,000
	2018				
	Collateralized	Uncollateralized	Past Due	Allowance	Net
Related party	\$ 6,445,000	\$ -	\$ -	\$ (3,525,000)	\$ 2,920,000
Non-related party	20,259,000	-	-	-	20,259,000
Total	\$ 26,704,000	\$ -	\$ -	\$ (3,525,000)	\$ 23,179,000

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Estimated principal payments under these notes to be received for each of the next five years and thereafter subsequent to December 31, 2019 are as follows:

2020	\$	231,000
2021		3,782,000
2022		247,000
2023		182,000
2024		182,000
Thereafter		<u>18,240,000</u>
Total	\$	<u><u>22,864,000</u></u>

Note 6 - Prepaid expenses and deposits

Prepaid expenses and deposits consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Deposits	\$ 2,003,000	\$ 1,510,000
Ground leases	6,149,000	5,931,000
Insurance	1,093,000	1,931,000
Predevelopment costs	971,000	641,000
Property taxes	198,000	186,000
Other	<u>750,000</u>	<u>756,000</u>
	11,164,000	10,955,000
Less current portion	<u>(4,197,000)</u>	<u>(4,818,000)</u>
Non-current portion	<u><u>\$ 6,967,000</u></u>	<u><u>\$ 6,137,000</u></u>

Note 7 - Impounds

Certain properties are required to make deposits to impound accounts to cover property tax and insurance premiums in accordance with the lenders' regulatory agreements. Impound balances as of December 31, 2019 and 2018 were \$2,289,000 and \$2,426,000, respectively.

Note 8 - Restricted cash and deposits

Restricted cash and deposits consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Operating reserves	\$ 46,347,000	\$ 40,070,000
Replacement reserves	46,900,000	30,841,000
Tenant security deposits	6,636,000	6,380,000
Debt service accounts	1,352,000	11,958,000
Residual receipts and other	<u>14,146,000</u>	<u>5,632,000</u>
Total	<u><u>\$ 115,381,000</u></u>	<u><u>\$ 94,881,000</u></u>

BRIDGE Housing Corporation and Affiliates

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Operating and replacement reserves

BRIDGE and Affiliates are required to maintain operating reserves as well as replacement and repair reserves for property and equipment in accordance with partnership and other lenders' regulatory agreements.

Tenant security deposits

BRIDGE and Affiliates are required to hold security deposits in separate bank accounts in the name of the properties.

Debt service accounts

Certain properties are required to make deposits to debt service accounts to cover mortgage payments.

Residual receipts

BRIDGE and Affiliates are required to deposit excess cash, as generally defined by HUD, into separate bank accounts in accordance with the HUD regulatory agreements.

Note 9 - Property and equipment

Property and equipment consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 179,450,000	\$ 180,193,000
Buildings and improvements	2,353,248,000	2,000,033,000
On-site and off-site improvements	165,994,000	130,773,000
Furniture, fixtures and equipment	45,253,000	40,887,000
Rehabilitation in progress	38,209,000	83,684,000
Development in progress	<u>209,988,000</u>	<u>310,321,000</u>
	2,992,142,000	2,745,891,000
Less accumulated depreciation and amortization	<u>(623,350,000)</u>	<u>(555,614,000)</u>
Total	<u><u>\$2,368,792,000</u></u>	<u><u>\$2,190,277,000</u></u>

Depreciation and amortization of property and equipment totaled \$67,736,000 and \$66,129,000 for the years ended December 31, 2019 and 2018, respectively.

BRIDGE Housing Corporation and Affiliates

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Development in progress is summarized as follows as of December 31:

Property name	2019	2018
1950 Mission	\$ 47,138,000	\$ 7,676,000
Avanza 490	32,903,000	7,004,000
Bay Meadows Affordable	25,535,000	5,034,000
735 Davis Senior	14,960,000	1,936,000
Songbird	13,344,000	1,041,000
MacArthur BART Master Plan	840,000	4,000,000
1101 Connecticut Street (Potrero Block X)	-	60,343,000
Villages at Westview I	-	51,048,000
Jordan Downs Phase I	-	46,203,000
RiverPlace Parcel 3	-	42,831,000
La Vereda (San Leandro Senior)	-	37,817,000
Cornelius Place	-	12,495,000
Other	78,000	1,876,000
Construction expected to be completed in one year following year end	134,798,000	279,304,000
88 Broadway	26,481,000	3,508,000
Potrero Hill Affordable	9,955,000	9,306,000
Mission Bay	3,740,000	1,073,000
Parcel 3 LLC	3,708,000	3,521,000
4840 Mission	3,663,000	2,182,000
Berkeley Way - BHC affordable Housing	3,210,000	1,818,000
Jordan Downs	3,074,000	2,932,000
Balboa Reservoir	2,693,000	1,483,000
Jordan Downs Phase II (Area H)	2,293,000	539,000
Fruitvale	1,922,000	373,000
Westview Village - Phase III	1,439,000	-
Potrero Phase II Infrastructure	1,362,000	405,000
Berkeley Way - BFHP Perm. Housing	1,218,000	-
16th Street Station	1,159,000	-
Alameda Senior LLC	1,130,000	-
Los Lirios	1,074,000	262,000
Westview Village - Phase II	1,036,000	-
Vermont Manchester	987,000	-
Anaheim & Walnut	771,000	526,000
RiverPlace Phase 2	632,000	501,000
Berkeley Way - BFHP Temp. Housing	440,000	-
Cedar & Kettner	435,000	162,000
Other	2,768,000	2,426,000
Construction expected to be completed in two or more years following year end	75,190,000	31,017,000
Total	\$ 209,988,000	\$ 310,321,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Note 10 - Deferred costs

Deferred costs are summarized as follows as of December 31:

	<u>2019</u>	<u>2018</u>
Tax credit fees	\$ 5,152,000	\$ 4,070,000
City fees	3,638,000	3,639,000
Other	<u>2,569,000</u>	<u>2,740,000</u>
	11,359,000	10,449,000
Less accumulated amortization	<u>(5,725,000)</u>	<u>(5,074,000)</u>
Total	<u>\$ 5,634,000</u>	<u>\$ 5,375,000</u>

Amortization of deferred cost totaled \$651,000 and \$674,000 for the years ended December 31, 2019 and 2018, respectively.

Note 11 - Land under lease, held for development and assets held for sale

BRIDGE leases all of the below land under various long-term leases to affiliates. Terms of the leases range from 55 to 90 years. The land is pledged as security under deeds of trust for the related notes payable or is pledged as security for certain liabilities of the lessees.

Land under lease is summarized as follows as of December 31:

	<u>2019</u>	<u>2018</u>
Livermore, California, donated (1986)	\$ 1,660,000	\$ 1,660,000
San Diego, California, donated (2000)	1,428,000	1,428,000
Foster City, California (1995)	804,000	804,000
Richmond, California (1992)	<u>327,000</u>	<u>327,000</u>
Total	<u>\$ 4,219,000</u>	<u>\$ 4,219,000</u>

BRIDGE and Affiliates own 100% of BUILD's assets. BRIDGE expects the final remaining land parcel to be sold by December 31, 2020. Land held for sale is summarized as follows as of December 31:

	<u>2019</u>	<u>2018</u>
Oakland, California, held for sale	<u>\$ 3,129,000</u>	<u>\$ 2,944,000</u>

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Note 12 - Other investments

Other investments consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Housing Partnership Insurance Exchange ⁽¹⁾	\$ 4,062,000	\$ 3,863,000
Preservation Investment Fund - Coronado Springs, LLC ⁽²⁾	-	910,000
Other ⁽³⁾	<u>436,000</u>	<u>171,000</u>
	4,498,000	4,944,000
General and limited partner capital (deficit) interests and membership interests accounted for under the equity method ⁽⁴⁾	<u>(1,210,000)</u>	<u>(1,305,000)</u>
Total	<u>\$ 3,288,000</u>	<u>\$ 3,639,000</u>

⁽¹⁾ BRIDGE invested in Housing Partnership Insurance Exchange ("HPIEx") for the purpose of gaining access to property and liability insurance for its various development properties from a captive insurance company. BRIDGE invested funds into HPIEx for the purpose of gaining access to worker's compensation insurance from a captive insurance company. The investment is stated at estimated fair value using quoted purchase prices determined by HPIEx (Level 2 input) and represents 14% and 14% of the capital of HPIEx as of December 31, 2019 and 2018, respectively.

⁽²⁾ In 2016, BRIDGE Regional Partners, Inc. invested in Preservation Investment Fund - Coronado Springs, LLC, in connection with the acquisition of Coronado Springs Apartments located in unincorporated King County, Washington.

⁽³⁾ In 2013, BRIDGE invested in Housing Partnership Equity Trust, LLC and Subsidiaries ("HPET") for the purpose of gaining access to social equity for its various development properties. HPET is a real estate investment trust ("REIT") that is specifically authorized to own membership interests in the subsidiaries that acquire ownership interests in various development projects. As of 2019 and 2018, none of BRIDGE's development properties utilized the REIT funding. The investment is stated at cost as of December 31, 2019 and 2018. BRIDGE's share of equity represents 1.2% of the capital in HPET.

In 2015 and 2016, BRIDGE invested in Housing Partnership Select ("Select") for the purpose of gaining access to an industry procurement platform. BRIDGE invested funds into Select for the purpose of combining its purchasing power with other not-for-profit affordable housing developers and owners. BRIDGE elected to write down the value of the investment to zero as of December 31, 2018. BRIDGE invested additional funds in 2019 which reflects the current value as of December 31, 2019. BRIDGE's share of equity represents 2.8% of the capital in Select.

⁽⁴⁾ BRIDGE's share of the equity as of December 31, 2019 and 2018 was \$(1,210,000) and \$(1,305,000), respectively. Summarized financial information for unconsolidated entities accounted for under the equity method consist of the following as of December 31:

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	Unaudited	
	2019	2018
Total assets	\$ 38,930,000	\$ 31,968,000
Total liabilities	97,898,000	90,117,000
Partners' deficit	(58,968,000)	(58,149,000)
Income	31,678,000	14,440,000
Expenses	14,044,000	13,048,000
Results of operations	17,634,000	1,392,000

In addition, the following financial position and activity summarize the entities that are not included in the consolidated financial statements based on BRIDGE's board participation as of December 31:

	Unaudited	
	2019	2018
Total assets	\$ 14,446,000	\$ 14,901,000
Total liabilities	21,406,000	20,927,000
Net assets (deficit)	(6,960,000)	(6,026,000)
Support and revenue	1,927,000	1,847,000
Expenses	2,861,000	2,651,000
Change in net assets	(934,000)	(804,000)

Note 13 - Notes payable

Notes payable are generally secured by the respective properties and consist of the following at December 31:

	2019		2018	
	Interest payable	Principal	Interest payable	Principal
<u>Notes Payable with Regular Payments</u>				
Permanent loans, bearing interest from 0% to 9%, generally with principal and interest due monthly, to be repaid in full through 2057. Interest expense was \$18,815,000 and \$17,991,000 for 2019 and 2018, respectively.	\$ 1,370,000	\$ 418,757,000	\$ 1,357,000	\$ 387,262,000

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	2019		2018	
	Interest payable	Principal	Interest payable	Principal
Construction loans, bearing variable interest, generally with interest only payments due monthly, to be repaid in full or partially converted to permanent loans maturing through 2077. Interest expense net of capitalized amount was \$7,487,000 and \$6,757,000 for 2019 and 2018, respectively.	5,125,000	455,363,000	6,798,000	395,776,000
Bonds, bearing interest from 2% to 14%, generally with principal and interest paid monthly, to be repaid in full through 2045. Principal payments are generally accumulated in a principal fund held by a trustee. Interest expense was \$2,051,000 and \$2,468,000 for 2019 and 2018, respectively.	1,669,000	33,562,000	1,629,000	44,842,000
Other loans, bearing interest from 0% to 8%, generally with principal and interest due monthly, to be repaid in full through 2059. Interest expense was \$416,000 and \$927,000 for 2019 and 2018, respectively.	892,000	4,606,000	934,000	12,766,000
	<u>9,056,000</u>	<u>912,288,000</u>	<u>10,718,000</u>	<u>840,646,000</u>

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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	2019		2018	
	Interest payable	Principal	Interest payable	Principal
<u>Notes Payable with Annual Payments from Available Excess Cash</u>				
Local loans, bearing interest from 0% to 6%, generally payable out of excess cash annually in arrears, to be repaid in full through 2072. Interest expense was \$10,879,000 and \$9,864,000 for 2019 and 2018, respectively.	81,397,000	569,756,000	71,571,000	506,338,000
County loans, bearing interest from 0% to 6.5%, generally with principal and interest due annually out of excess cash in arrears, to be repaid in full through 2075. Interest expense was \$1,738,000 and \$2,146,000 for 2019 and 2018, respectively.	13,721,000	60,458,000	13,864,000	63,140,000
State loans, bearing interest from 0% to 4%, generally with principal and interest due annually out of excess cash in arrears, to be repaid in full through 2072. Interest expense was \$4,134,000 and \$4,147,000 for 2019 and 2018, respectively.	36,803,000	157,044,000	33,717,000	157,044,000

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	2019		2018	
	Interest payable	Principal	Interest payable	Principal
Ground leases, bearing interest from 0% to 7.5%, generally payable out of excess cash annually in arrears, to be repaid in full through 2086. Interest expense was \$168,000 and \$165,000 for 2019 and 2018, respectively.	842,000	9,029,000	752,000	9,627,000
Developer fees, bearing interest at 0%, generally payable out of excess cash annually in arrears, to be paid in full through 2020.	-	3,305,000	-	1,736,000
	<u>132,763,000</u>	<u>799,592,000</u>	<u>119,904,000</u>	<u>688,609,000</u>
<i>Notes Payable with Repayments Due at Maturity</i>				
Federal loans, bearing interest from 0% to 1%, with principal payments generally deferred through 2071, at which time outstanding principal may be forgiven at the lenders' discretion. Interest expense was \$76,000 and \$71,000 for 2019 and 2018, respectively.	528,000	25,208,000	459,000	25,209,000
Total, gross	142,347,000	1,737,088,000	131,081,000	1,603,740,000
Debt issuance costs, net	-	14,841,000	-	11,485,000
Total, net	142,347,000	1,722,247,000	131,081,000	1,592,255,000
Less current portion	5,554,000	17,026,000	5,487,000	23,664,000
Non-current portion	<u>\$ 136,793,000</u>	<u>\$ 1,705,221,000</u>	<u>\$ 125,594,000</u>	<u>\$ 1,568,591,000</u>

Total interest expense was \$48,558,000 and \$45,978,000 for 2019 and 2018, respectively, and includes \$2,794,000 and \$1,372,000 of permanent loan cost amortization.

Construction loans are refinanced with permanent debt or repaid from investor capital contributions. BRIDGE and Affiliates obtained written commitments from refinance lenders and/or investors, and represented the balances as part of the long-term debt accordingly.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Principal payments toward notes payable for the next five years are subject to changes in net cash flow, which is a contingency that cannot be reasonably estimated. Estimated minimum required payments for each of the next five years and thereafter subsequent to December 31, 2019 are as follows:

2020	\$ 17,026,000
2021	23,298,000
2022	13,113,000
2023	10,894,000
2024	13,653,000
Thereafter	<u>1,659,104,000</u>
Total gross	<u>\$1,737,088,000</u>

Note 14 - Lines of credit

In 2001, BRIDGE entered into an unsecured line of credit with Wells Fargo Bank for \$2,000,000, which was increased to \$10,000,000 in 2018. The line of credit bears interest at LIBOR plus 2.75% with a modified expiration date of September 18, 2020. At December 31, 2019 and 2018, \$0 and \$0 were drawn on the line of credit, respectively.

In 2012, BRIDGE entered into an unsecured line of credit with US Bank for \$5,000,000, which was increased to \$10,000,000 in 2018. The line of credit bears interest at LIBOR plus 2.25% with a modified expiration date of August 9, 2020. At December 31, 2019 and 2018, \$1,714,000 and \$1,500,000 were drawn on the line of credit, respectively, and is included in notes payable in the statement of financial position.

Note 15 - Deferred revenues

Deferred revenues consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Development proceeds	\$ 7,209,000	\$ 12,537,000
Other	<u>5,828,000</u>	<u>4,451,000</u>
	13,037,000	16,988,000
Less current portion	<u>(10,536,000)</u>	<u>(14,397,000)</u>
Non-current portion	<u>\$ 2,501,000</u>	<u>\$ 2,591,000</u>

In connection with the development of certain affordable housing projects, BRIDGE and Affiliates received financing proceeds to pay for related development costs. If all conditions specified in the financing agreements are met, no payments are required. Until then, BRIDGE and Affiliates recorded these proceeds as deferred revenue.

Note 16 - Derivative financial instrument

BRIDGE and Affiliates entered into various interest rate cap/swap master agreements to potentially minimize the effect of changes in the variable interest rate of the loans.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2019 and 2018**

The following table for the years ended December 31, 2019 and 2018 sets forth the detailed changes in fair value for BRIDGE and Affiliates' Level 2 derivative financial instruments:

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ (7,197,000)	\$ (8,765,000)
New derivatives	-	-
Unrealized (loss) gain on derivative financial instrument	<u>(572,000)</u>	<u>1,568,000</u>
Ending balance	<u>\$ (7,769,000)</u>	<u>\$ (7,197,000)</u>

The derivative financial instruments held by BRIDGE and Affiliates are stated at fair value using a quoted price provided by the counterparty banks. Counterparty banks' valuation uses various approaches that involve using quoted prices for economically equivalent instruments, or valuation methodologies, assumptions and inputs, which in the case of projected future cash flows, discount such cash flows to a single net present value amount. The valuation is either based on Level 1 inputs directly, or based on the application of valuation models, which may be proprietary, that take into account Level 1, Level 2 and Level 3 inputs. Level 1 and Level 2 inputs are market-based, utilizing observable market data including swap rates, basis rates and currency exchange rates from sources believed to be reliable but which counterparty banks have not independently verified. Level 3 inputs may be used if counterparty banks determine that Level 1 and Level 2 inputs are unavailable, or in illiquid or dislocated markets, unreliable. In general, those inputs are used to construct interest rate, currency exchange rate, commodity price or other curves that are placed into proprietary valuation models to compute fair value.

Management reviews the reasonableness of counterparty banks' valuations by calculating the net present value of projected future cash flows using the US Daily Interest Rate Data for interest rate swaps as of the valuation date.

Significant assumptions follow:

Term of swap arrangements	13 to 38 years
Average projected variable rate through 2026	1.14% to 3.23%
Discount rate	1.00%

Note 17 - Net assets with donor restrictions and net assets released from restrictions

The major programs for which BRIDGE has received restricted contributions are as follows:

Project-related restricted proceeds - Various companies, agencies and individuals have awarded grants and donations to specific properties for the development of affordable housing. These grants are not to be secured and do not bear interest. These grants are released as the restricted use is met.

Educational assistance programs - Provides scholarships or awards to qualified residents in BRIDGE developments.

Resident programs and services - Programs at BRIDGE properties expand residents' educational opportunities and financial security, provide access to health and wellness resources and services, build community and connect residents to social safety net resources.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2019 and 2018**

Predevelopment funding - Provides funding for predevelopment working capital for new construction projects.

Net assets with donor restrictions were available for the following purposes:

	December 31, 2018	Contributions/ Investment Income	Releases	December 31, 2019
Project-related restricted proceeds	\$ 887,000	\$ 18,492,000	\$ (18,643,000)	\$ 736,000
Educational assistance programs	1,560,000	1,386,000	(241,000)	2,705,000
Resident programs and services	432,000	456,000	(888,000)	-
Predevelopment funding	-	7,971,000	(4,268,000)	3,703,000
Other	1,725,000	88,000	(35,000)	1,778,000
Total	\$ 4,604,000	\$ 28,393,000	\$ (24,075,000)	\$ 8,922,000
	December 31, 2017	Contributions/ Investment Income	Releases	December 31, 2018
Project-related restricted proceeds	\$ 173,000	\$ 9,888,000	\$ (9,174,000)	\$ 887,000
Educational assistance programs	2,439,000	(128,000)	(751,000)	1,560,000
Resident programs and services	-	1,552,000	(1,120,000)	432,000
Other	1,889,000	-	(164,000)	1,725,000
Total	\$ 4,501,000	\$ 11,312,000	\$ (11,209,000)	\$ 4,604,000

Restricted net assets includes land required to be used for low-income housing of \$1,660,000 as of December 31, 2019 and 2018, and is included in other restricted net assets.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2019 and 2018**

Note 18 - Functional expenses

BRIDGE's functional expenses, displayed by natural expense classifications, for the years ended December 31, 2019 and 2018, are as follows:

2019				
	Program	Support	Fundraising	Total
Salary and related expenses	\$ 31,315,000	\$ 2,334,000	\$ 751,000	\$ 34,400,000
Other administrative expenses	33,578,000	3,020,000	415,000	37,013,000
Rent and utilities expenses	17,229,000	1,421,000	-	18,650,000
Operating and maintenance expenses	34,018,000	35,000	-	34,053,000
Taxes and insurance	7,316,000	2,000	-	7,318,000
Financing expenses (interest)	48,041,000	517,000	-	48,558,000
Depreciation and amortization	68,228,000	159,000	-	68,387,000
Other partnership expense	18,006,000	371,000	-	18,377,000
Total	\$ 257,731,000	\$ 7,859,000	\$ 1,166,000	\$ 266,756,000
2018				
	Program	Support	Fundraising	Total
Salary and related expenses	\$ 29,076,000	\$ 2,615,000	\$ 550,000	\$ 32,241,000
Other administrative expenses	35,601,000	3,040,000	327,000	38,968,000
Rent and utilities expenses	15,843,000	1,044,000	37,000	16,924,000
Operating and maintenance expenses	30,887,000	55,000	2,000	30,944,000
Taxes and insurance	8,539,000	74,000	-	8,613,000
Financing expenses (interest)	45,430,000	548,000	-	45,978,000
Depreciation and amortization	66,342,000	461,000	-	66,803,000
Other partnership expense	5,688,000	277,000	-	5,965,000
Total	\$ 237,406,000	\$ 8,114,000	\$ 916,000	\$ 246,436,000

Note 19 - Employee benefit plans

BRIDGE has employee 403(b) plans, established effective July 1, 1998, covering eligible employees. BRIDGE contributions to the plans consist of a percentage based on eligible employees' compensation plus a discretionary amount to match voluntary employee contributions. Contributions and plan costs totaled approximately \$1,537,000 and \$1,249,000 for 2019 and 2018, respectively.

BRIDGE has an employee 457(b) plan, established effective July 1, 2004, covering eligible employees. BRIDGE's contributions are discretionary. Contributions and plan costs totaled approximately \$212,500 and \$157,000 for 2019 and 2018, respectively.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Note 20 - Liquidity

As part of BRIDGE's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition to anticipated obligations, BRIDGE projects capital needed for Development activity and the return of that capital to BRIDGE. Funds are held in short term deposits or investments with daily liquidity access. In addition to these liquid funds, BRIDGE has arranged for committed lines of credit in the amount of \$20 million which it could draw upon.

BRIDGE's financial assets available within one year to meet cash needs for general expenditures as of December 31, 2019 are as follows:

	<u>2019</u>
Cash and cash equivalents	\$ 83,748,000
Accounts receivable	10,098,000
Notes receivable	231,000
Contributions receivable	1,028,000
Short-term investments	<u>12,314,000</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 107,419,000</u>

Note 21 - Commitments and contingencies

Rental payments under non-cancelable operating leases:

Office space

BRIDGE has leases for office space in San Francisco, Irvine, and San Diego, California, Portland, Oregon, and Seattle, Washington, which expire through March 2024.

Future minimum rental payments under the office space leases for each of the next five years and thereafter, subsequent to December 31, 2019 are as follows:

2020	\$ 2,147,000
2021	2,115,000
2022	2,162,000
2023	2,124,000
2024	<u>520,000</u>
Total	<u>\$ 9,068,000</u>

Rent costs totaled approximately \$2,146,000 and \$1,584,000 for 2019 and 2018, respectively.

Property-related leases

BRIDGE and Affiliates lease property, land, facilities, and commercial space under leases ranging from 30 to 55 years. Rent expense totaled approximately \$1,950,000 and \$1,833,000 for 2019 and 2018, respectively.

Certain ground lease payments are subject to changes in net cash flow, which is a contingency that cannot be reasonably estimated.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Minimum future lease payments under the foregoing leases for each of the next five years and thereafter subsequent to December 31, 2019 are as follows:

2020	\$	527,000
2021		528,000
2022		529,000
2023		530,000
2024		531,000
Thereafter		<u>18,089,000</u>
Total	\$	<u>20,734,000</u>

Litigation

BRIDGE and Affiliates are named in various claims and legal actions in the normal course of their activities. Based upon counsel and management's opinion, the outcomes of such matters are not expected to have a material adverse effect on BRIDGE and Affiliates' financial position or changes in net assets.

Letters of credit

As of December 31, 2019, BRIDGE has a standby letter of credit with Wells Fargo totaling approximately \$3,871,000 for the La Vereda project and a standby letter of credit with US Bank totaling approximately \$315,000 for the Cedar Grove project. As of December 31, 2018, BRIDGE has a standby letter of credit with Wells Fargo totaling approximately \$3,871,000 for the La Vereda project and a standby letter of credit from US Bank totaling \$3,329,000 and \$3,400,000 for the Cedar Grove project and the Westview project, respectively.

Surety bonds

In connection with certain project developments, BRIDGE enters into surety bond agreements, which bind BRIDGE to repay the surety company if the contractor is unable to successfully perform on the contract. As of December 31, 2019 and 2018, BRIDGE has outstanding a maximum of \$9,170,000 and \$20,716,000, respectively, in surety bonds.

Property management

Property management on certain properties is contracted with non-affiliated entities for annual amounts subject to yearly increases.

Grants and loans receivable

In connection with various federal, state and city grants and loan programs, BRIDGE and Affiliates are obligated to operate in accordance with those grant and loan requirements and are subject to audit by those agencies. In cases of noncompliance, the agencies involved may require that BRIDGE and Affiliates refund payment of program funds. The amount, if any, of expenditures that may be disallowed by the agencies cannot be determined at this time, although BRIDGE and Affiliates expect such amounts, if any, to be immaterial.

Other

As general partners in various partnerships, BRIDGE and Affiliates may be subject to other liabilities, should the affected partnerships' assets become insufficient to meet their obligations. In the opinion of management, future revenues and the value of the underlying assets of each of these partnerships will be sufficient to meet ongoing and future partnership obligations.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Note 22 - Guarantees

BRIDGE issues a variety of guarantees in the course of developing properties. The guarantees are generally issued in favor of limited partner investors or lenders. Guarantees, as of December 31, 2019 and 2018 (except for tax benefits, which are one year in arrears), consist of the following:

	2019	2018
Operating deficits	\$ 26,917,000	\$ 23,391,000
Construction loan repayment and completion	549,869,000	496,527,000
Tax benefits	337,716,000	383,167,000
Other	12,229,000	12,129,000
Total	<u>\$ 926,731,000</u>	<u>\$ 915,214,000</u>

Operating deficit guarantees

Operating deficit guarantees are commitments to fund future operating deficits of partnerships. The guarantees are issued in favor of limited tax credit partnerships, and generally are for the fifteen-year period when the investor is expected to hold its limited partner interest, or for shorter periods (for example, until certain debt ratios are achieved). A payment under a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate, resulting in an obligation to repay the advance, usually from future operating cash flow. To date, BRIDGE has not experienced any calls on these guarantees.

Construction loan repayment and completion guarantees

BRIDGE provides repayment guarantees for construction loans used for the development of properties. BRIDGE has also provided construction completion guarantees in favor of certain lenders for the development of properties and lease-up of a project, should the project not receive expected permanent financing, or should the cost of the development exceed permanent financing received. A payment under such a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate that is obligated to complete a development, resulting in an obligation to repay the advance, usually from future operating cash flow. There are no significant completion delays in BRIDGE current developments. To date, BRIDGE has not experienced non-completion of a project, nor has it been called on for any loan repayment guarantee.

Tax benefits guarantees

As the sponsor or the developer of certain properties financed in part by federal and/or state tax credit allocations, BRIDGE has made certain guarantees to investors as to the tax credits and other benefits to be derived from the properties. These guarantees generally cover the tax compliance periods of fifteen years after initial lease-up. A payment under such a guarantee could result in a cash distribution from an affiliate's operating cash flow to the investor limited partner. In the opinion of management, compliance with tax regulations and careful monitoring of the properties should preclude these contingent liabilities from materializing. To date, BRIDGE has not experienced any calls on these guarantees.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2019 and 2018

Other guarantees

BRIDGE and affiliated not-for-profit organizations are the general partners, co-general partners, members, or co-managing members of various limited partnerships or limited liability companies as disclosed in Note 1. BRIDGE and Affiliates executed various performance guarantees in connection with those limited partnerships or limited liability companies. BRIDGE is obligated to fund various affiliated not-for-profit organizations with equity contributions in the event such guarantees are being called upon. BRIDGE provides loan guarantees for loans used during the predevelopment phase of certain projects. BRIDGE also provided a repayment guarantee on an acquisition loan (LP buyout). To date, BRIDGE has not experienced any calls on these guarantees and considers the occurrence of such events remote.

No stand ready liability has been recorded in connection with the operating deficit, construction loan repayment and completion, tax benefit, or equity contribution guarantees as these are guarantees to entities under common control.

Note 23 - Subsequent events

Events that occur after the statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes.

In December 2019 and early 2020, the coronavirus that causes COVID-19 was reported to have surfaced in China. The spread of this virus globally has caused business disruption domestically in the United States, the area in which BRIDGE operates. While the BRIDGE development projects continue to move forward, there is uncertainty as to the impact on BRIDGE's financial condition, results of operations, or cash flows, and the duration of the business disruption. Management has implemented operational measures to ensure health and safety of its residents and minimal disruption to its operations. In addition, in order to be prepared as possible, management is developing financial scenarios in light of the uncertainty and has identified ways to mitigate any negative financial impact under each scenario.

Management evaluated the activity of BRIDGE through April 28, 2020, the date the consolidated financial statements were available to be issued, and concluded that no other subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to consolidated financial statements.

Supplementary Information

BRIDGE Housing Corporation and Affiliates
Consolidating Schedules of Financial Position
December 31, 2019

<u>Assets</u>	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Current assets										
Cash and cash equivalents	\$ 24,221,000	\$ 1,934,000	\$ 271,000	\$ 554,000	\$ 11,261,000	\$ 44,266,000	\$ 1,241,000	\$ 83,748,000	\$ -	\$ 83,748,000
Accounts receivable - net	26,538,000	1,000	38,000	-	35,000	9,552,000	6,688,000	42,852,000	(32,754,000)	10,098,000
Contributions receivable - current portion	-	1,028,000	-	-	-	-	-	1,028,000	-	1,028,000
Notes receivable - current portion	2,807,000	-	-	191,000	1,211,000	-	122,000	4,331,000	(4,100,000)	231,000
Prepaid expenses and deposits - current portion	527,000	-	17,000	20,000	-	3,463,000	170,000	4,197,000	-	4,197,000
Investments	-	1,978,000	-	-	10,336,000	-	-	12,314,000	-	12,314,000
Impounds	-	-	-	-	-	2,289,000	-	2,289,000	-	2,289,000
Total current assets	54,093,000	4,941,000	326,000	765,000	22,843,000	59,570,000	8,221,000	150,759,000	(36,854,000)	113,905,000
Non-current assets										
Restricted cash and deposits	-	-	-	124,000	-	114,286,000	971,000	115,381,000	-	115,381,000
Accounts receivable - net of current portion	26,695,000	-	-	-	-	-	6,341,000	33,036,000	(32,532,000)	504,000
Contributions receivable - net of current portion	-	1,289,000	-	-	-	-	-	1,289,000	-	1,289,000
Notes receivable - net of current portion	22,516,000	-	-	2,056,000	-	6,758,000	85,210,000	116,540,000	(93,907,000)	22,633,000
Prepaid expenses and deposits - net of current portion	818,000	-	-	-	-	7,986,000	87,000	8,891,000	(1,924,000)	6,967,000
Property and equipment - net	9,500,000	155,000	-	-	-	2,361,510,000	21,746,000	2,392,911,000	(24,119,000)	2,368,792,000
Deferred costs - net	-	-	-	-	-	5,648,000	223,000	5,871,000	(237,000)	5,634,000
Land under lease and held for development	2,464,000	-	-	-	-	-	1,755,000	4,219,000	-	4,219,000
Asset held for sale	-	-	-	-	-	-	3,129,000	3,129,000	-	3,129,000
Other investments	6,113,000	-	-	-	-	-	47,154,000	53,267,000	(49,979,000)	3,288,000
Total non-current assets	68,106,000	1,444,000	-	2,180,000	-	2,496,188,000	166,616,000	2,734,534,000	(202,698,000)	2,531,836,000
Total assets	\$ 122,199,000	\$ 6,385,000	\$ 326,000	\$ 2,945,000	\$ 22,843,000	\$ 2,555,758,000	\$ 174,837,000	\$ 2,885,293,000	\$ (239,552,000)	\$ 2,645,741,000
Liabilities and Net Assets										
Current liabilities										
Accounts payable and accrued expenses	\$ 3,923,000	\$ 657,000	\$ 333,000	\$ 324,000	\$ -	\$ 101,488,000	\$ 26,690,000	133,415,000	\$ (51,381,000)	\$ 82,034,000
Notes payable - current portion	3,212,000	-	-	189,000	-	12,157,000	1,606,000	17,164,000	(138,000)	17,026,000
Interest payable - current portion	130,000	-	-	-	-	8,976,000	-	9,106,000	(3,552,000)	5,554,000
Deferred revenues - current portion	-	-	-	-	-	10,243,000	3,025,000	13,268,000	(2,732,000)	10,536,000
Security and other deposits	158,000	-	-	-	-	-	32,000	190,000	-	190,000
Total current liabilities	7,423,000	657,000	333,000	513,000	-	132,864,000	31,353,000	173,143,000	(57,803,000)	115,340,000
Non-current liabilities										
Accounts payable and accrued expenses - net of current portion	7,440,000	-	-	-	-	27,484,000	-	34,924,000	(33,824,000)	1,100,000
Notes payable - net of current portion	19,511,000	2,000,000	-	377,000	-	1,753,814,000	28,061,000	1,803,763,000	(98,542,000)	1,705,221,000
Interest payable - net of current portion	-	-	-	54,000	-	138,625,000	3,359,000	142,038,000	(5,245,000)	136,793,000
Deferred revenues - net of current portion	-	-	-	-	-	2,588,000	-	2,588,000	(87,000)	2,501,000
Derivative financial instrument	-	-	-	-	-	7,769,000	-	7,769,000	-	7,769,000
Security and other deposits - net of current portion	-	-	-	-	-	6,745,000	-	6,745,000	-	6,745,000
Total non-current liabilities	26,951,000	2,000,000	-	431,000	-	1,937,025,000	31,420,000	1,997,827,000	(137,698,000)	1,860,129,000
Total liabilities	34,374,000	2,657,000	333,000	944,000	-	2,069,889,000	62,773,000	2,170,970,000	(195,501,000)	1,975,469,000
Net assets										
Without donor restrictions										
Controlling interests	83,864,000	(1,115,000)	(7,000)	2,001,000	22,843,000	11,500,000	88,895,000	207,981,000	(44,056,000)	163,925,000
Non-controlling interests	-	-	-	-	-	474,251,000	23,169,000	497,420,000	5,000	497,425,000
Total without donor restrictions	83,864,000	(1,115,000)	(7,000)	2,001,000	22,843,000	485,751,000	112,064,000	705,401,000	(44,051,000)	661,350,000
With donor restrictions										
Total with donor restrictions	3,961,000	4,843,000	-	-	-	118,000	-	8,922,000	-	8,922,000
Total net assets	87,825,000	3,728,000	(7,000)	2,001,000	22,843,000	485,869,000	112,064,000	714,323,000	(44,051,000)	670,272,000
Total liabilities and net assets	\$ 122,199,000	\$ 6,385,000	\$ 326,000	\$ 2,945,000	\$ 22,843,000	\$ 2,555,758,000	\$ 174,837,000	\$ 2,885,293,000	\$ (239,552,000)	\$ 2,645,741,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.
(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates
Consolidating Schedules of Financial Position
December 31, 2018

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Assets										
Current assets										
Cash and cash equivalents	\$ 15,610,000	\$ 1,320,000	\$ 271,000	\$ 589,000	\$ 12,461,000	\$ 43,650,000	\$ 1,951,000	\$ 75,852,000	\$ -	\$ 75,852,000
Accounts receivable - net	21,315,000	3,000	33,000	-	-	7,549,000	6,340,000	35,240,000	(26,323,000)	8,917,000
Contributions receivable - current portion	-	695,000	-	-	-	-	-	695,000	-	695,000
Notes receivable - current portion	1,651,000	-	-	202,000	1,081,000	-	255,000	3,189,000	(2,871,000)	318,000
Prepaid expenses and deposits - current portion	705,000	60,000	17,000	20,000	-	3,907,000	124,000	4,833,000	(15,000)	4,818,000
Investments	-	1,695,000	-	-	8,731,000	-	-	10,426,000	-	10,426,000
Impounds	-	-	-	-	-	2,426,000	-	2,426,000	-	2,426,000
Total current assets	39,281,000	3,773,000	321,000	811,000	22,273,000	57,532,000	8,670,000	132,661,000	(29,209,000)	103,452,000
Non-current assets										
Restricted cash and deposits	-	-	-	46,000	-	94,395,000	440,000	94,881,000	-	94,881,000
Accounts receivable - net of current portion	28,140,000	-	-	-	-	-	4,605,000	32,745,000	(32,745,000)	-
Notes receivable - net of current portion	19,752,000	-	-	8,845,000	-	4,992,000	86,880,000	120,469,000	(97,608,000)	22,861,000
Contributions receivable - net of current portion	-	1,278,000	-	-	-	-	-	1,278,000	-	1,278,000
Prepaid expenses and deposits - net of current portion	205,000	-	-	-	-	7,829,000	89,000	8,123,000	(1,986,000)	6,137,000
Property and equipment - net	5,110,000	121,000	-	-	-	2,183,743,000	21,390,000	2,210,364,000	(20,087,000)	2,190,277,000
Deferred costs - net	-	-	-	-	-	5,293,000	327,000	5,620,000	(245,000)	5,375,000
Land under lease and held for development	2,464,000	-	-	-	-	-	1,755,000	4,219,000	-	4,219,000
Asset held for sale	-	-	-	-	-	-	2,944,000	2,944,000	-	2,944,000
Other investments	5,498,000	-	-	-	-	-	59,919,000	65,417,000	(61,778,000)	3,639,000
Total non-current assets	61,169,000	1,399,000	-	8,891,000	-	2,296,252,000	178,349,000	2,546,060,000	(214,449,000)	2,331,611,000
Total assets	\$ 100,450,000	\$ 5,172,000	\$ 321,000	\$ 9,702,000	\$ 22,273,000	\$ 2,353,784,000	\$ 187,019,000	\$ 2,678,721,000	\$ (243,658,000)	\$ 2,435,063,000
Liabilities and Net Assets										
Current liabilities										
Accounts payable and accrued expenses	\$ 3,060,000	\$ 731,000	\$ 328,000	\$ 437,000	\$ -	\$ 91,005,000	\$ 22,019,000	117,580,000	\$ (41,501,000)	\$ 76,079,000
Notes payable - current portion	3,000,000	-	-	158,000	-	19,548,000	7,600,000	30,306,000	(6,642,000)	23,664,000
Interest payable - current portion	37,000	-	-	-	-	8,407,000	28,000	8,472,000	(2,985,000)	5,487,000
Deferred revenues - current portion	154,000	-	-	-	-	11,415,000	5,642,000	17,211,000	(2,814,000)	14,397,000
Security and other deposits	67,000	-	-	-	-	-	32,000	99,000	-	99,000
Total current liabilities	6,318,000	731,000	328,000	595,000	-	130,375,000	35,321,000	173,668,000	(53,942,000)	119,726,000
Non-current liabilities										
Accounts payable and accrued expenses - net of current portion	5,644,000	-	-	-	-	25,849,000	-	31,493,000	(30,377,000)	1,116,000
Notes payable - net of current portion	13,626,000	2,000,000	-	6,356,000	-	1,604,724,000	34,949,000	1,661,655,000	(93,064,000)	1,568,591,000
Interest payable - net of current portion	-	33,000	-	530,000	-	127,183,000	3,233,000	130,979,000	(5,385,000)	125,594,000
Deferred revenues - net of current portion	-	-	-	-	-	2,680,000	-	2,680,000	(89,000)	2,591,000
Derivative financial instrument	-	-	-	-	-	7,197,000	-	7,197,000	-	7,197,000
Security and other deposits - net of current portion	-	-	-	-	-	6,600,000	-	6,600,000	-	6,600,000
Total non-current liabilities	19,270,000	2,033,000	-	6,886,000	-	1,774,233,000	38,182,000	1,840,604,000	(128,915,000)	1,711,689,000
Total liabilities	25,588,000	2,764,000	328,000	7,481,000	-	1,904,608,000	73,503,000	2,014,272,000	(182,857,000)	1,831,415,000
Net assets										
Without donor restrictions										
Controlling interests	73,202,000	(409,000)	(7,000)	2,221,000	22,273,000	35,538,000	89,199,000	222,017,000	(60,806,000)	161,211,000
Non-controlling interests	-	-	-	-	-	413,511,000	24,317,000	437,828,000	5,000	437,833,000
Total without donor restrictions	73,202,000	(409,000)	(7,000)	2,221,000	22,273,000	449,049,000	113,516,000	659,845,000	(60,801,000)	599,044,000
With donor restrictions										
Total with donor restrictions	1,660,000	2,817,000	-	-	-	127,000	-	4,604,000	-	4,604,000
Total net assets	74,862,000	2,408,000	(7,000)	2,221,000	22,273,000	449,176,000	113,516,000	664,449,000	(60,801,000)	603,648,000
Total liabilities and net assets	\$ 100,450,000	\$ 5,172,000	\$ 321,000	\$ 9,702,000	\$ 22,273,000	\$ 2,353,784,000	\$ 187,019,000	\$ 2,678,721,000	\$ (243,658,000)	\$ 2,435,063,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.
(2) Includes properties that control certain housing property entities.

See Independent Auditor's Report.

BRIDGE Housing Corporation and Affiliates

Consolidating Schedules of Activities Year Ended December 31, 2019

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Support and revenue										
Developer fees	\$ 19,223,000	\$ -	\$ -	\$ -	\$ -	\$ 145,000	\$ 4,448,000	\$ 23,816,000	\$ (8,075,000)	\$ 15,741,000
Rental income - net of vacancies and concessions	239,000	-	-	-	-	158,714,000	538,000	159,491,000	(317,000)	159,174,000
Management revenue	15,122,000	1,204,000	6,924,000	58,000	-	177,000	(3,617,000)	19,868,000	(18,573,000)	1,295,000
Contributions	6,482,000	3,327,000	-	-	-	14,499,000	4,817,000	29,125,000	-	29,125,000
Interest income	1,558,000	22,000	-	78,000	97,000	993,000	2,127,000	4,875,000	(3,556,000)	1,319,000
Other property related	-	-	-	-	-	10,952,000	-	10,952,000	-	10,952,000
Other	678,000	295,000	-	2,000	1,679,000	-	11,000	2,665,000	-	2,665,000
Total support and revenue	43,302,000	4,848,000	6,924,000	138,000	1,776,000	185,480,000	8,324,000	250,792,000	(30,521,000)	220,271,000
Expenses										
Program services	22,835,000	3,488,000	6,254,000	347,000	1,204,000	247,519,000	15,814,000	297,461,000	(39,730,000)	257,731,000
Supporting services	6,136,000	40,000	670,000	11,000	2,000	876,000	124,000	7,859,000	-	7,859,000
Fundraising	1,166,000	-	-	-	-	-	-	1,166,000	-	1,166,000
Total expenses	30,137,000	3,528,000	6,924,000	358,000	1,206,000	248,395,000	15,938,000	306,486,000	(39,730,000)	266,756,000
Changes in net assets	13,165,000	1,320,000	-	(220,000)	570,000	(62,915,000)	(7,614,000)	(55,694,000)	9,209,000	(46,485,000)
Net assets, beginning	74,862,000	2,408,000	(7,000)	2,221,000	22,273,000	449,176,000	113,516,000	664,449,000	(60,801,000)	603,648,000
Net capital contributions	(202,000)	-	-	-	-	99,608,000	6,162,000	105,568,000	7,541,000	113,109,000
Net assets, end	\$ 87,825,000	\$ 3,728,000	\$ (7,000)	\$ 2,001,000	\$ 22,843,000	\$ 485,869,000	\$ 112,064,000	\$ 714,323,000	\$ (44,051,000)	\$ 670,272,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

Consolidating Schedules of Activities Year Ended December 31, 2018

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Support and revenue										
Developer fees	\$ 21,357,000	\$ -	\$ -	\$ -	\$ -	\$ 27,000	\$ 2,808,000	\$ 24,192,000	\$ (10,353,000)	\$ 13,839,000
Rental income - net of vacancies and concessions	256,000	-	-	-	-	147,733,000	554,000	148,543,000	(292,000)	148,251,000
Management revenue	11,190,000	1,290,000	6,665,000	389,000	-	59,000	(1,360,000)	18,233,000	(16,335,000)	1,898,000
Contributions	-	3,974,000	-	-	-	7,326,000	1,345,000	12,645,000	-	12,645,000
Interest income	1,396,000	125,000	-	437,000	866,000	413,000	2,024,000	5,261,000	(3,386,000)	1,875,000
Other property related	-	-	-	-	-	12,186,000	-	12,186,000	-	12,186,000
Other	1,386,000	(52,000)	50,000	1,000	-	-	37,000	1,422,000	-	1,422,000
Total support and revenue	35,585,000	5,337,000	6,715,000	827,000	866,000	167,744,000	5,408,000	222,482,000	(30,366,000)	192,116,000
Expenses										
Program services	23,674,000	3,811,000	6,184,000	660,000	3,289,000	229,726,000	16,407,000	283,751,000	(46,345,000)	237,406,000
Supporting services	6,410,000	9,000	718,000	11,000	2,000	859,000	105,000	8,114,000	-	8,114,000
Fundraising	-	916,000	-	-	-	-	-	916,000	-	916,000
Total expenses	30,084,000	4,736,000	6,902,000	671,000	3,291,000	230,585,000	16,512,000	292,781,000	(46,345,000)	246,436,000
Changes in net assets	5,501,000	601,000	(187,000)	156,000	(2,425,000)	(62,841,000)	(11,104,000)	(70,299,000)	15,979,000	(54,320,000)
Net assets, beginning	69,209,000	1,807,000	180,000	2,065,000	24,698,000	407,561,000	131,514,000	637,034,000	(75,152,000)	561,882,000
Net capital contributions	152,000	-	-	-	-	104,456,000	(6,894,000)	97,714,000	(1,628,000)	96,086,000
Net assets, end	\$ 74,862,000	\$ 2,408,000	\$ (7,000)	\$ 2,221,000	\$ 22,273,000	\$ 449,176,000	\$ 113,516,000	\$ 664,449,000	\$ (60,801,000)	\$ 603,648,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

See Independent Auditor's Report.

BRIDGE Housing Corporation and Affiliates

Consolidating Schedules of Cash Flows Year Ended December 31, 2019

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Cash flows from operating activities										
Change in net assets	\$ 13,165,000	\$ 1,320,000	\$ -	\$ (220,000)	\$ 570,000	\$ (62,917,000)	\$ (7,612,000)	\$ (55,694,000)	\$ 9,209,000	\$ (46,485,000)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities										
Depreciation and amortization	179,000	51,000	-	-	-	68,711,000	212,000	69,153,000	(766,000)	68,387,000
Amortization of permanent loan costs	134,000	-	-	-	-	2,655,000	5,000	2,794,000	-	2,794,000
(Gain) loss on disposal of fixed assets	-	-	-	-	-	1,040,000	-	1,040,000	-	1,040,000
Unrealized gain (loss) and (income) loss from other investments	(446,000)	(283,000)	-	-	(1,605,000)	1,172,000	-	(1,162,000)	-	(1,162,000)
Bad debt	4,243,000	-	-	241,000	-	254,000	1,000	4,739,000	(4,460,000)	279,000
Discount for long term contributions receivable	-	22,000	-	-	-	-	-	22,000	-	22,000
Assigning equity investments to affiliates	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets										
Accounts receivable	(6,124,000)	-	(5,000)	(1,000)	(165,000)	(2,257,000)	(2,084,000)	(10,636,000)	8,673,000	(1,963,000)
Contributions receivable	-	(366,000)	-	-	-	-	-	(366,000)	-	(366,000)
Prepaid expenses and deposits	(344,000)	63,000	(1,000)	-	-	349,000	(44,000)	23,000	(80,000)	(57,000)
Impounds	-	-	-	-	-	137,000	-	137,000	-	137,000
Increase (decrease) in liabilities										
Accounts payable and accrued expenses	1,813,000	(74,000)	6,000	(114,000)	-	4,953,000	4,671,000	11,255,000	(13,327,000)	(2,072,000)
Deferred revenues	(154,000)	-	-	-	-	(1,264,000)	(4,919,000)	(6,337,000)	84,000	(6,253,000)
Interest payable	93,000	(33,000)	-	5,000	-	-	98,000	12,174,000	(427,000)	11,747,000
Net cash provided by (used in) operating activities	12,559,000	700,000	-	(89,000)	(1,200,000)	24,844,000	(9,672,000)	27,142,000	(1,094,000)	26,048,000
Cash flows from investing activities										
(Additions to) collections of notes receivable	(5,817,000)	-	-	339,000	-	(1,765,000)	1,802,000	(5,441,000)	(464,000)	(5,905,000)
Net (increase) decrease in other investments	(371,000)	-	-	-	-	-	12,765,000	12,394,000	(11,799,000)	595,000
(Purchase) sale of marketable securities and investments	-	-	-	-	-	(600,000)	-	(600,000)	-	(600,000)
Purchase of property and equipment	(3,723,000)	(86,000)	-	-	-	(239,664,000)	(649,000)	(244,122,000)	4,798,000	(239,324,000)
Sale and retirement of property and equipment	-	-	-	-	-	-	-	-	-	-
Net (increase) decrease in deferred costs	-	-	-	-	-	(961,000)	-	(961,000)	(8,000)	(969,000)
Net cash provided by (used in) investing activities	(9,911,000)	(86,000)	-	339,000	-	(242,990,000)	13,918,000	(238,730,000)	(7,473,000)	(246,203,000)
Cash flows from financing activities										
Proceeds from notes payable	7,525,000	-	-	-	-	410,880,000	-	418,405,000	1,026,000	419,431,000
Payment of notes payable	(1,562,000)	-	-	(207,000)	-	(271,836,000)	(12,887,000)	(286,492,000)	-	(286,492,000)
Proceeds from deferred revenue earmarked for development	-	-	-	-	-	-	2,302,000	2,302,000	-	2,302,000
Payment of syndication costs	-	-	-	-	-	(625,000)	-	(625,000)	-	(625,000)
Proceeds from (distribution of) capital contributions	-	-	-	-	-	100,234,000	6,160,000	106,394,000	7,541,000	113,935,000
Net cash provided by (used in) financing activities	5,963,000	-	-	(207,000)	-	238,653,000	(4,425,000)	239,984,000	8,567,000	248,551,000
Increase (decrease) in cash and cash equivalents	8,611,000	614,000	-	43,000	(1,200,000)	20,507,000	(179,000)	28,396,000	-	28,396,000
Cash, cash equivalents and restricted cash, beginning	15,610,000	1,320,000	271,000	635,000	12,461,000	138,045,000	2,391,000	170,733,000	-	170,733,000
Cash, cash equivalents and restricted cash, end	\$ 24,221,000	\$ 1,934,000	\$ 271,000	\$ 678,000	\$ 11,261,000	\$ 158,552,000	\$ 2,212,000	\$ 199,129,000	\$ -	\$ 199,129,000
Supplementary information										
Cash paid for interest (net of capitalized portion)	\$ 290,000	\$ 73,000	\$ -	\$ -	\$ -	\$ 35,536,000	\$ 1,163,000	\$ 37,062,000	\$ -	\$ 37,062,000
Noncash investing and financing activities										
Property and equipment acquired and recorded in accounts payable and accrued expenses	\$ 846,000	\$ -	\$ -	\$ -	\$ -	\$ 7,306,000	\$ -	\$ 8,152,000	\$ -	\$ 8,152,000
Line of credit affiliate	\$ -	\$ -	\$ -	\$ 4,808,000	\$ -	\$ -	\$ -	\$ 4,808,000	\$ -	\$ 4,808,000
Notes payable affiliate	\$ -	\$ -	\$ -	\$ 932,000	\$ -	\$ -	\$ -	\$ 932,000	\$ -	\$ 932,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

Consolidating Schedules of Cash Flows Year Ended December 31, 2018

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Cash flows from operating activities										
Change in net assets	\$ 5,501,000	\$ 601,000	\$ (187,000)	\$ 157,000	\$ (2,425,000)	\$ (61,778,000)	\$ (5,928,000)	\$ (64,059,000)	\$ 9,739,000	\$ (54,320,000)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities										
Depreciation and amortization	481,000	29,000	-	-	-	67,270,000	212,000	67,992,000	(1,189,000)	66,803,000
Amortization of permanent loan costs	89,000	-	-	-	-	1,278,000	5,000	1,372,000	-	1,372,000
(Gain) loss on disposal of fixed assets	-	-	-	-	-	(4,531,000)	-	(4,531,000)	-	(4,531,000)
Unrealized gain (loss) and (income) loss from other investments	(1,388,000)	193,000	-	-	977,000	(1,567,000)	-	(1,785,000)	-	(1,785,000)
Bad debt	4,053,000	-	-	-	-	631,000	-	4,684,000	(4,005,000)	679,000
Discount for long term contributions receivable	-	52,000	-	-	-	-	-	52,000	-	52,000
Contributions earmarked for acquisition of property and equipment	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets										
Accounts receivable	(10,275,000)	651,000	247,000	-	(12,000)	(142,000)	(2,369,000)	(11,900,000)	12,331,000	431,000
Contributions receivable	-	(544,000)	-	-	-	133,000	-	(411,000)	-	(411,000)
Prepaid expenses and deposits	1,303,000	(46,000)	-	(25,000)	-	(222,000)	(106,000)	904,000	(94,000)	810,000
Impounds	-	-	-	-	-	(294,000)	-	(294,000)	-	(294,000)
Increase (decrease) in liabilities										
Accounts payable and accrued expenses	1,291,000	(1,878,000)	(224,000)	153,000	(643,000)	9,389,000	5,418,000	13,506,000	(12,739,000)	767,000
Deferred revenues	97,000	-	-	-	-	(6,083,000)	(226,000)	(6,212,000)	103,000	(6,109,000)
Interest payable	(50,000)	(11,000)	-	72,000	-	10,301,000	553,000	10,865,000	(549,000)	10,316,000
Net cash provided by (used in) operating activities	1,102,000	(953,000)	(164,000)	357,000	(2,103,000)	14,385,000	(2,441,000)	10,183,000	3,597,000	13,780,000
Cash flows from investing activities										
(Additions to) collections of notes receivable	1,054,000	-	-	219,000	-	125,000	(7,593,000)	(6,195,000)	6,599,000	404,000
Net (increase) decrease in other investments	51,000	-	-	-	2,031,000	-	5,553,000	7,635,000	(5,254,000)	2,381,000
(Purchase) sale of marketable securities and investments	-	-	-	-	-	(6,000)	-	(6,000)	-	(6,000)
Purchase of property and equipment	(343,000)	(86,000)	-	-	-	(204,864,000)	805,000	(204,488,000)	2,825,000	(201,663,000)
Sale and retirement of property and equipment	-	-	-	-	-	4,476,000	-	4,476,000	-	4,476,000
Net (increase) decrease in deferred costs	-	-	-	-	-	(998,000)	-	(998,000)	(52,000)	(1,050,000)
Net cash provided by (used in) investing activities	762,000	(86,000)	-	219,000	2,031,000	(201,267,000)	(1,235,000)	(199,576,000)	4,118,000	(195,458,000)
Cash flows from financing activities										
Proceeds from notes payable	1,120,000	-	-	-	-	301,878,000	8,277,000	311,275,000	(6,088,000)	305,187,000
Payment of notes payable	(4,099,000)	-	-	(737,000)	-	(184,873,000)	-	(189,709,000)	-	(189,709,000)
Proceeds from deferred revenue earmarked for development	-	-	-	-	-	923,000	786,000	1,709,000	-	1,709,000
Payment of syndication costs	-	-	-	-	-	(562,000)	-	(562,000)	-	(562,000)
Proceeds from (distribution of) capital contributions	-	-	-	-	-	104,311,000	(6,894,000)	97,417,000	(1,627,000)	95,790,000
Net cash provided by (used in) financing activities	(2,979,000)	-	-	(737,000)	-	221,677,000	2,169,000	220,130,000	(7,715,000)	212,415,000
Increase (decrease) in cash and cash equivalents	(1,115,000)	(1,039,000)	(164,000)	(161,000)	(72,000)	34,795,000	(1,507,000)	30,737,000	-	30,737,000
Cash, cash equivalents and restricted cash, beginning	16,725,000	2,359,000	435,000	796,000	12,533,000	103,250,000	3,898,000	139,996,000	-	139,996,000
Cash, cash equivalents and restricted cash, end	\$ 15,610,000	\$ 1,320,000	\$ 271,000	\$ 635,000	\$ 12,461,000	\$ 138,045,000	\$ 2,391,000	\$ 170,733,000	\$ -	\$ 170,733,000
Supplementary information										
Cash paid for interest (net of capitalized portion)	\$ 509,000	\$ -	\$ -	\$ 153,000	\$ -	\$ 26,170,000	\$ 862,000	\$ 27,694,000	\$ -	\$ 27,694,000
Noncash investing and financing activities										
Property and equipment acquired and recorded in accounts payable and accrued expenses	\$ 1,278,000	\$ -	\$ -	\$ -	\$ -	\$ 29,818,000	\$ -	\$ 31,096,000	\$ -	\$ 31,096,000

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(2) Includes properties that control certain housing property entities.

See Independent Auditor's Report.

BRIDGE Housing Corporation and Affiliates
Consolidating Schedules of Cash Composition
Years Ended December 31, 2019 and 2018

2019	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp. (3)	Housing properties (1)	Other entities (2)	Total
Undesignated	\$ 23,109,000	\$ 3,000	\$ 271,000	\$ 554,000	\$ 11,261,000	\$ 1,522,000	\$ 990,000	\$ 37,710,000
Designated	1,112,000	-	-	-	-	42,744,000	194,000	44,050,000
Donor designated	-	1,931,000	-	-	-	-	57,000	1,988,000
Total unrestricted cash and cash equivalents	24,221,000	1,934,000	271,000	554,000	11,261,000	44,266,000	1,241,000	83,748,000
Restricted cash and deposits	-	-	-	124,000	-	114,286,000	971,000	115,381,000
Total cash and cash equivalents	<u>\$ 24,221,000</u>	<u>\$ 1,934,000</u>	<u>\$ 271,000</u>	<u>\$ 678,000</u>	<u>\$ 11,261,000</u>	<u>\$ 158,552,000</u>	<u>\$ 2,212,000</u>	<u>\$ 199,129,000</u>
2018								
Undesignated	\$ 14,415,000	\$ 37,000	\$ 271,000	\$ 589,000	\$ 12,461,000	\$ -	\$ 1,127,000	\$ 28,900,000
Designated	1,195,000	-	-	-	-	43,650,000	770,000	45,615,000
Donor designated	-	1,283,000	-	-	-	-	54,000	1,337,000
Total unrestricted cash and cash equivalents	15,610,000	1,320,000	271,000	589,000	12,461,000	43,650,000	1,951,000	75,852,000
Restricted cash and deposits	-	-	-	46,000	-	94,395,000	440,000	94,881,000
Total cash and cash equivalents	<u>\$ 15,610,000</u>	<u>\$ 1,320,000</u>	<u>\$ 271,000</u>	<u>\$ 635,000</u>	<u>\$ 12,461,000</u>	<u>\$ 138,045,000</u>	<u>\$ 2,391,000</u>	<u>\$ 170,733,000</u>

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes entities that control certain housing property entities.

(3) In addition, BRIDGE affiliates held marketable securities of \$12,314,000 and \$10,426,000 as of December 31, 2019 and 2018, respectively.

See Independent Auditor's Report.

BRIDGE Housing Corporation

Schedules of Financial Position December 31, 2019

2019	Corporate	Predevelopment	Subtotal	Eliminations	BRIDGE Housing Corporation
<u>Assets</u>					
Current assets					
Cash and cash equivalents	\$ 24,221,000	\$ -	\$ 24,221,000	\$ -	\$ 24,221,000
Accounts receivable - net	32,118,000	(5,656,000)	26,462,000	76,000	26,538,000
Notes receivable	2,807,000	-	2,807,000	-	2,807,000
Prepaid expenses and deposits	477,000	50,000	527,000	-	527,000
Total current assets	59,623,000	(5,606,000)	54,017,000	76,000	54,093,000
Non-current assets					
Accounts receivable - net of current portion	26,695,000	-	26,695,000	-	26,695,000
Notes receivable - net of current portion	22,516,000	-	22,516,000	-	22,516,000
Prepaid expenses and deposits - net of current portion	818,000	-	818,000	-	818,000
Property and equipment - net	178,000	9,322,000	9,500,000	-	9,500,000
Land under lease and held for development	2,464,000	-	2,464,000	-	2,464,000
Other investments	6,113,000	-	6,113,000	-	6,113,000
Total non-current assets	58,784,000	9,322,000	68,106,000	-	68,106,000
Total assets	\$ 118,407,000	\$ 3,716,000	\$ 122,123,000	\$ 76,000	\$ 122,199,000
<u>Liabilities and Net Assets</u>					
Current liabilities					
Accounts payable and accrued expenses	\$ 2,849,000	\$ 998,000	\$ 3,847,000	\$ 76,000	\$ 3,923,000
Notes payable	3,212,000	-	3,212,000	-	3,212,000
Interest payable	80,000	50,000	130,000	-	130,000
Deferred revenues	-	-	-	-	-
Security and other deposits	158,000	-	158,000	-	158,000
Total current liabilities	6,299,000	1,048,000	7,347,000	76,000	7,423,000
Non-current liabilities					
Accounts payable and accrued interest - net of current portion	7,440,000	-	7,440,000	-	7,440,000
Notes payable - net of current portion	16,853,000	2,658,000	19,511,000	-	19,511,000
Interest payable - net of current portion	-	-	-	-	-
Security and other deposits - net of current portion	-	-	-	-	-
Total non-current liabilities	24,293,000	2,658,000	26,951,000	-	26,951,000
Total liabilities	30,592,000	3,706,000	34,298,000	76,000	34,374,000
Net assets					
Without donor restrictions: Controlling interests	83,854,000	10,000	83,864,000	-	83,864,000
With donor restrictions	3,961,000	-	3,961,000	-	3,961,000
Total net assets	87,815,000	10,000	87,825,000	-	87,825,000
Total liabilities and net assets	\$ 118,407,000	\$ 3,716,000	\$ 122,123,000	\$ 76,000	\$ 122,199,000

BRIDGE Housing Corporation

Schedules of Financial Position December 31, 2018

2018	Corporate	Predevelopment	Subtotal	Eliminations	BRIDGE Housing Corporation
<u>Assets</u>					
Current assets					
Cash and cash equivalents	\$ 15,557,000	\$ 53,000	\$ 15,610,000	\$ -	\$ 15,610,000
Accounts receivable - net	24,223,000	(2,917,000)	21,306,000	9,000	21,315,000
Notes receivable	1,651,000	-	1,651,000	-	1,651,000
Prepaid expenses and deposits	655,000	50,000	705,000	-	705,000
Total current assets	42,086,000	(2,814,000)	39,272,000	9,000	39,281,000
Non-current assets					
Accounts receivable - net of current portion	28,140,000	-	28,140,000	-	28,140,000
Notes receivable - net of current portion	19,752,000	-	19,752,000	-	19,752,000
Prepaid expenses and deposits - net of current portion	205,000	-	205,000	-	205,000
Property and equipment - net	325,000	4,785,000	5,110,000	-	5,110,000
Land under lease and held for development	2,464,000	-	2,464,000	-	2,464,000
Other investments	5,498,000	-	5,498,000	-	5,498,000
Total non-current assets	56,384,000	4,785,000	61,169,000	-	61,169,000
Total assets	\$ 98,470,000	\$ 1,971,000	\$ 100,441,000	\$ 9,000	\$ 100,450,000
<u>Liabilities and Net Assets</u>					
Current liabilities					
Accounts payable and accrued expenses	\$ 1,760,000	\$ 1,291,000	\$ 3,051,000	\$ 9,000	3,060,000
Notes payable	2,388,000	612,000	3,000,000	-	3,000,000
Interest payable	29,000	8,000	37,000	-	37,000
Deferred revenues	154,000	-	154,000	-	154,000
Security and other deposits	67,000	-	67,000	-	67,000
Total current liabilities	4,398,000	1,911,000	6,309,000	9,000	6,318,000
Non-current liabilities					
Accounts payable and accrued interest - net of current portion	5,644,000	-	5,644,000	-	5,644,000
Notes payable - net of current portion	13,626,000	-	13,626,000	-	13,626,000
Interest payable - net of current portion	-	-	-	-	-
Security and other deposits - net of current portion	-	-	-	-	-
Total non-current liabilities	19,270,000	-	19,270,000	-	19,270,000
Total liabilities	23,668,000	1,911,000	25,579,000	9,000	25,588,000
Net assets					
Without donor restrictions: Controlling interests	73,142,000	60,000	73,202,000	-	73,202,000
With donor restrictions	1,660,000	-	1,660,000	-	1,660,000
Total net assets	74,802,000	60,000	74,862,000	-	74,862,000
Total liabilities and net assets	\$ 98,470,000	\$ 1,971,000	\$ 100,441,000	\$ 9,000	\$ 100,450,000

See Independent Auditor's Report.

BRIDGE Housing Corporation

**Schedules of Notes Payable
December 31, 2019 and 2018**

	2019		2018	
	Interest payable	Principal	Interest payable	Principal
Low Income Investment Fund, with interest of 2% per annum payable annually, secured by a promissory note, due December 1, 2025.	\$ 3,000	\$ 2,000,000	\$ 5,000	\$ 2,000,000
The Ford Foundation, unsecured, due in annual installments of \$1,000,000 beginning July 18, 2020, with 1% interest payable quarterly. Loan proceeds are designated to be used in home ownership developments.	-	3,000,000	-	3,000,000
Calvert Social Investment Foundation, unsecured, due December 20, 2024, with 4.75% interest payable quarterly.	37,000	5,000,000	-	-
Calvert Social Investment Foundation, unsecured, due April 30, 2019, with 4% interest payable semi-annually with interest payments commencing December 2003.	-	-	-	1,500,000
Community Development Agency of the City of Foster City, non-interest-bearing, secured primarily by a deed of trust. Principal payments are due annually in an amount equal to rental payments received. The note is due in June 2050, with unpaid balance to be forgiven under certain circumstances.	-	555,000	-	616,000
US Bank, unsecured, due October 1, 2022, with interest of 3.25% per annum payable monthly.	4,000	1,500,000	4,000	1,500,000
US Bank, unsecured line of credit, due August 8, 2020, with interest of 4.0% per annum payable monthly.	6,000	1,714,000	6,000	1,500,000
Wells Fargo Bank, subordinated loan, unsecured, due quarterly installments beginning January 1, 2023, with interest of 2% per annum due monthly.	30,000	6,000,000	14,000	6,000,000

BRIDGE Housing Corporation

**Schedules of Notes Payable
December 31, 2019 and 2018**

	2019		2018	
	Interest payable	Principal	Interest payable	Principal
The John Stewart Company note, unsecured, due in 2021.	-	498,000	-	-
Predevelopment notes payable	50,000	2,658,000	8,000	612,000
Total, gross	130,000	22,925,000	37,000	16,728,000
Debt issuance costs, net	-	202,000	-	102,000
Total, net	130,000	22,723,000	37,000	16,626,000
Less current portion	130,000	3,212,000	37,000	3,000,000
Non-current portion	\$ -	\$ 19,511,000	\$ -	\$ 13,626,000

See Independent Auditor's Report

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
BRIDGE Housing Corporation and Affiliates

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of BRIDGE Housing Corporation and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2019 and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 28, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered BRIDGE Housing Corporation and Affiliates' internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether BRIDGE Housing Corporation and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Los Angeles, California
April 28, 2020



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BRIDGE Housing Corporation and Affiliates

**Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

December 31, 2018 and 2017

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BRIDGE Housing Corporation and Affiliates

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Independent Auditor's Report

To the Board of Directors
BRIDGE Housing Corporation and Affiliates

Report on Financial Statements

We have audited the accompanying consolidated financial statements of BRIDGE Housing Corporation and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BRIDGE Housing Corporation and Affiliates as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 46 to 56 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2019, on our consideration of BRIDGE Housing Corporation and Affiliates' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BRIDGE Housing Corporation and Affiliates' internal control over financial reporting and compliance.



Los Angeles, California
April 24, 2019

BRIDGE Housing Corporation and Affiliates
Consolidated Statements of Financial Position
December 31, 2018 and 2017

	<u>Assets</u>	
	2018	2017
Current assets		
Cash and cash equivalents	\$ 75,852,000	\$ 65,032,000
Accounts receivable - net	8,917,000	10,027,000
Contributions receivable	695,000	1,376,000
Notes receivable	318,000	542,000
Prepaid expenses and deposits	4,818,000	5,491,000
Investments	10,426,000	13,627,000
Impounds	2,426,000	2,132,000
	103,452,000	98,227,000
Total current assets		
Non-current assets		
Restricted cash and deposits	94,881,000	74,964,000
Contributions receivable - net of current portion	1,278,000	206,000
Notes receivable - net of current portion	22,861,000	23,075,000
Prepaid expenses and deposits - net of current portion	6,137,000	6,351,000
Property and equipment - net	2,190,277,000	2,022,937,000
Deferred costs - net	5,375,000	5,079,000
Land under lease and held for development	4,219,000	4,219,000
Assets held for sale	2,944,000	3,517,000
Other investments	3,639,000	2,450,000
	2,331,611,000	2,142,798,000
Total non-current assets		
Total assets	\$ 2,435,063,000	\$ 2,241,025,000

BRIDGE Housing Corporation and Affiliates
Consolidated Statements of Financial Position
December 31, 2018 and 2017

	<u>Liabilities and Net Assets</u>	
	<u>2018</u>	<u>2017</u>
Current liabilities		
Accounts payable and accrued expenses	\$ 76,079,000	\$ 44,291,000
Notes payable	23,664,000	48,739,000
Interest payable	5,487,000	5,091,000
Deferred revenues	14,397,000	19,867,000
Security and other deposits	99,000	348,000
	<u>119,726,000</u>	<u>118,336,000</u>
Non-current liabilities		
Accounts payable and accrued expenses - net of current portion	1,116,000	1,041,000
Notes payable - net of current portion	1,568,591,000	1,427,373,000
Interest payable - net of current portion	125,594,000	115,676,000
Deferred revenues - net of current portion	2,591,000	1,521,000
Derivative financial instrument	7,197,000	8,765,000
Security and other deposits - net of current portion	6,600,000	6,431,000
	<u>1,711,689,000</u>	<u>1,560,807,000</u>
Total liabilities	<u>1,831,415,000</u>	<u>1,679,143,000</u>
Net assets		
Without donor restrictions		
Controlling interests	161,211,000	166,027,000
Non-controlling interests	437,833,000	391,354,000
	<u>599,044,000</u>	<u>557,381,000</u>
With donor restrictions	4,604,000	4,501,000
	<u>603,648,000</u>	<u>561,882,000</u>
Total net assets	<u>603,648,000</u>	<u>561,882,000</u>
Total liabilities and net assets	<u>\$ 2,435,063,000</u>	<u>\$ 2,241,025,000</u>

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Activities
Year Ended December 31, 2018**

	2018		
	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Developer fees	\$ 13,839,000	\$ -	\$ 13,839,000
Rental income - net of vacancies and concessions	148,251,000	-	148,251,000
Management revenue	1,898,000	-	1,898,000
Contributions	1,180,000	11,465,000	12,645,000
Investment income	2,028,000	(153,000)	1,875,000
Other property related	12,186,000	-	12,186,000
Other	1,422,000	-	1,422,000
Net assets released from restrictions	11,209,000	(11,209,000)	-
Total support and revenue	192,013,000	103,000	192,116,000
Expenses			
Program services	237,406,000	-	237,406,000
Supporting services	8,114,000	-	8,114,000
Fundraising	916,000	-	916,000
Total expenses	246,436,000	-	246,436,000
Change in net assets	(54,423,000)	103,000	(54,320,000)
Net assets, beginning of year	557,381,000	4,501,000	561,882,000
Net capital contribution - non-controlling interest	96,086,000	-	96,086,000
Net assets, end of year	\$ 599,044,000	\$ 4,604,000	\$ 603,648,000
Reconciliation of net assets			
Controlling interest			
Beginning of year			\$ 170,528,000
Change in net assets			(4,713,000)
Total reconciliation of net assets			165,815,000
Non-controlling interest			
Beginning of year			391,354,000
Net capital contributions			96,086,000
Non-controlling interests in limited partnership earnings			(49,607,000)
Total non-controlling interest			437,833,000
Net assets, end of year			\$ 603,648,000

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Activities
Year Ended December 31, 2017**

	2017		
	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Developer fees	\$ 11,381,000	\$ -	\$ 11,381,000
Rental income - net of vacancies and concessions	135,494,000	-	135,494,000
Management revenue	2,727,000	-	2,727,000
Contributions	1,183,000	22,029,000	23,212,000
Investment income	2,504,000	255,000	2,759,000
Other property related	5,382,000	-	5,382,000
Other	1,966,000	-	1,966,000
Net assets released from restrictions	22,436,000	(22,436,000)	-
Total support and revenue	183,073,000	(152,000)	182,921,000
Expenses			
Program services	208,961,000	-	208,961,000
Supporting services	7,395,000	-	7,395,000
Fundraising	674,000	-	674,000
Total expenses	217,030,000	-	217,030,000
Change in net assets	(33,957,000)	(152,000)	(34,109,000)
Net assets, beginning	533,993,000	4,653,000	538,646,000
Net capital contribution - non-controlling interest	57,345,000	-	57,345,000
Net assets, end	\$ 557,381,000	\$ 4,501,000	\$ 561,882,000
Reconciliation of net assets			
Controlling interest			
Beginning			\$ 171,339,000
Change in net assets			(811,000)
Total reconciliation of net assets			170,528,000
Non-controlling interest			
Beginning			367,307,000
Net capital contributions			57,345,000
Non-controlling interests in limited partnership earnings			(33,298,000)
Total non-controlling interest			391,354,000
Net assets, end			\$ 561,882,000

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ (54,320,000)	\$ (34,109,000)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	66,803,000	54,634,000
Amortization of permanent loan costs	1,372,000	1,134,000
(Gain) loss on disposal of property and equipment	(4,531,000)	2,643,000
Unrealized (gain) loss from other investments	(1,785,000)	(2,649,000)
Bad debt	679,000	272,000
Discount for long term contributions receivable	52,000	-
(Increase) decrease in assets		
Accounts receivable	431,000	(4,526,000)
Contributions receivable	(411,000)	(211,000)
Prepaid expenses and deposits	815,000	(203,000)
Impounds	(294,000)	(667,000)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	767,000	1,947,000
Deferred revenues	(6,109,000)	(3,767,000)
Interest payable	10,316,000	15,712,000
	<u>13,785,000</u>	<u>30,210,000</u>
Cash flows from investing activities		
Decrease of notes receivable	404,000	(3,402,000)
Net change in other investments	2,381,000	(2,630,000)
Net increase in restricted cash and deposits	(19,922,000)	(6,840,000)
Sales (purchases) of marketable securities and investments	(6,000)	(12,000)
Purchase of property and equipment	(201,663,000)	(237,322,000)
Sale and retirement of property and equipment	4,476,000	9,944,000
Net decrease (increase) in deferred costs	(1,050,000)	(1,812,000)
	<u>(215,380,000)</u>	<u>(242,074,000)</u>
Cash flows from financing activities		
Proceeds from notes payable	305,187,000	261,712,000
Payment of notes payable	(189,709,000)	(149,710,000)
Proceeds from deferred revenue earmarked for development	1,709,000	5,104,000
Payment of syndication costs	(562,000)	(556,000)
Proceeds from capital contributions	95,790,000	74,520,000
	<u>212,415,000</u>	<u>191,070,000</u>
Net (decrease) increase in cash and cash equivalents	10,820,000	(20,794,000)
Cash and cash equivalents, beginning	<u>65,032,000</u>	<u>85,826,000</u>
Cash and cash equivalents, end	<u>\$ 75,852,000</u>	<u>\$ 65,032,000</u>
Supplementary information		
Cash paid for interest (net of capitalized portion)	<u>\$ 27,694,000</u>	<u>\$ 26,593,000</u>
Noncash investing and financing activities		
Property and equipment acquired and recorded in accounts payable and accrued expenses	<u>\$ 31,096,000</u>	<u>\$ 13,249,000</u>

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

Note 1 - Organization and nature of activities

BRIDGE Housing Corporation ("BRIDGE") creates high-quality, affordable homes for working families and seniors. With over 17,000 homes placed in service and over 7,000 units currently in progress, BRIDGE is among the largest affordable housing developers. BRIDGE builds a range of housing types that not only fit comfortably into their surroundings but also act as a catalyst for revitalizing and strengthening neighborhoods.

BRIDGE is also affiliated with and under common board control with other not-for-profit corporations ("Affiliates") that have been formed either as supporting entities to BRIDGE, or as instruments to further BRIDGE's organizational objectives. These entities, which are included in the consolidated financial statements of BRIDGE and Affiliates in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), are:

BRIDGE Community Impact ("BCI") was formed to fund and provide services to support programs that assist the low- and moderate-income, elderly and disabled households who reside in BRIDGE-related housing developments, and to lessen the burden of local government, combat community deterioration and lessen neighborhood tensions in communities associated with BRIDGE-related housing developments through programs that provide service to the communities.

BRIDGE Property Management Company ("BPMC") is the provider of property and marketing services to rental properties developed or acquired by BRIDGE and Affiliates.

BRIDGE Impact Capital, Inc. ("BRIC") is a Community Development Financial Institution ("CDFI") as designated by the U.S. Department of Treasury. BRIC provides lending for affordable housing development, mortgage assistance programs for low-income families, arranges New Markets Tax Credit funding and is the sole member of HomeBricks NSP LLC and operator of Pacific Home Connection ("PHC"), a taxable not-for-profit entity.

BRIDGE Support Corporation ("BSC") is a not-for-profit established as a support corporation to BRIDGE.

In addition to the entities detailed in the tables below, housing properties and other entities include:

BRIDGE Community Development, Inc. ("BCDI") is a not-for-profit established as a support corporation to BRIDGE. BCDI is the sole managing member of BCDI Subsidiary CDE III, LLC and BCDI Subsidiary CDE IV, LLC, which are providers of community lending for affordable housing. BCDI is the co-managing member of BCDI Subsidiary CDE I, LLC and BCDI Subsidiary II, LLC.

BRIDGE Infill Development, Inc. ("BID"), a taxable not-for-profit entity, is a managing member and 2% owner of BRIDGE Urban Infill Land Development, LLC ("BUILD"). BUILD was formed as a partnership with the State of California Public Employees' Retirement System ("CalPERS"). In 2014, a BRIDGE affiliate purchased CalPERS's interest in BUILD, and BUILD is in the process of winding down.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Single-purpose not-for-profit corporations holding a controlling general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partnerships	Marketing Name
BRIDGE Tower, LLC	14th Street Associates	Ironhorse at Central Station
4840 Mission Housing Associates, LLC	4840 Mission Housing Associates, L.P.	4840 Mission
735 Davis Senior BRIDGE, LLC	735 Davis Senior, L.P.	735 Davis
88 Broadway Family BRIDGE, LLC	88 Broadway Family, L.P.	88 Broadway
2065 SW River Parkway, LLC	River Place Phase 2, L.P.	River Place Phase 2
Abigail Manager, LLC	Abigail Housing Associates, L.P.	The Abigail
Alameda Housing, LLC	Alameda Housing Associates, L.P.	Marea Alta
BRIDGE SC, LLC	Area F1 Housing Associates, L.P.	Sage Canyon
Site K, Inc.	Armstrong Place Associates	Armstrong Place Senior Housing
AveVista Associates, LLC	AveVista Associates, L.P.	AveVista
Bay Meadows Affordable Associates, LLC	Bay Meadows Affordable Associates, L.P.	Bay Meadows
BHC College Park II, LLC	BHC College Park II, L.P.	Ivy at College Park Phase 2
BRIDGE SC, LLC	BHC Sage Park, L.P.	Sage Park
BRIDGE Berkeley Way, LLC	BRIDGE Berkeley Way, L.P.	Berkeley Way
BASC General Partner, LLC	BRIDGE Aggregate Solar Company, L.P.	BASC
Church Street Housing, Inc.	BRIDGE Grayson Creek Associates	Grayson Creek
BRIDGE Regional Partners, Inc.	BRIDGE Potrero Community Associates, LLC	Potrero Hill Affordable
BRIDGE NorCal Development, Inc.	BRIDGE Triangle Associates, L.P.	The Rivermark
Broadway Tower, Inc.	Broadway Tower Associates, L.P.	Celadon at 9th & Broadway 9%
Broadway Upper Tower, LLC	Broadway Upper Tower Associates, L.P.	Celadon at 9th & Broadway 4%
Northpoint Housing, Inc.	Canal Housing Associates	Belvedere Place
BRIDGE Housing Corp - Southern California	Carmel Valley Housing Associates	Torrey del Mar
BRIDGE Tower, LLC	Carquinez Associates, L.P.	The Carquinez
Northpoint Housing, Inc.	Chelsea Gardens Associates	Chelsea Gardens
Church Street Housing, Inc.	Church Street Housing Associates	One Church Street
Coggins Square, Inc.	Coggins Square Associates	Coggins Square
COMM22 Housing GP, LLC	COMM22 Family Housing, L.P.	Paseo at COMM22
COMM22 Senior GP, LLC	COMM22 Senior Housing, L.P.	Victoria at COMM22
BRIDGE Housing Corp - Southern California	Copper Creek 4% Housing Associates, L.P.	Copper Creek 4%

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

General Partner	Limited Partnerships	Marketing Name
BRIDGE Housing Corp - Southern California	Copper Creek 9% Housing Associates, L.P.	Copper Creek 9%
Cornelius Place Manager, LLC	Cornelius Place Housing Associates, L.P.	Cornelius Place
Coronado Springs Cottages GP, LLC	Coronado Springs Cottages, LLP	Coronado Springs Cottages
Doretha Mitchell Housing, LLC	Doretha Housing, L.P.	Doretha Mitchell Housing LP
BRIDGE Housing Corporation	Drake Marin Associates	Doretha Mitchell
Northpoint Housing, Inc.	Fabian Way Associates	Alta Torre
Foothill Farms Senior, LLC	Foothill Farms Associates, L.P.	Foothill Farms
Northpoint Housing, Inc.	Geary Housing Partners, L.P.	The Coronet
Gough Street Housing, LLC	Gough Street Housing Associates, L.P.	Fell Street Apartments
BRIDGE Tower, LLC	Grand Oak Associates	Grand Oak
Hercules Senior, Inc.	Hercules Senior Housing Associates	The Arbors
Heritage Square Housing, LLC	Heritage Square Housing Partners, L.P.	Heritage Square
Hermann Street Associates LLC	Hermann Street Associates, L.P.	Church Street
BRIDGE Tower, LLC	Irvington Development Group, L.P.	Irvington Terrace
Fell Street Housing, Inc.	Ivy at College Park, L.P.	Ivy at College Park
BRIDGE Tower, LLC	Jennings Avenue Associates	Arroyo Point
John Street Housing, LLC	John Street Housing Associates, L.P.	Pinole Grove Senior Housing
JD Housing 1A, LLC	Jordan Downs 1A, L.P.	Jordan Downs Phase I
Jordan Downs 2B, LLC	Jordan Downs 2B, L.P.	Jordan Downs Phase II
BRIDGE Tower, LLC	Kentfield Associates	Kentfield
BRIDGE Housing Corp - Southern California	Laguna Canyon Housing Associates	Laguna Canyon
BRIDGE Tower, LLC	Leland Housing Associates	dormant
Tressa CM, LLC	Linden 143, LLC	Tressa Apartments
BRIDGE NORCAL, LLC	MacArthur Telegraph Associates, L.P.	Mural Apartments
BRIDGE Tower, LLC	Marina Tower Associates	Marina Tower Apartments
Milpitas Housing, Inc.	Milpitas Housing Associates	Montevista Apartments
Nairobi Housing, Inc.	Nairobi Housing Associates	Peninsula Park
474 Natoma, LLC	Natoma Family Housing, L.P.	Natoma
Armstrong Place, Inc.	None as of December 31, 2018 and 2017	None as of December 31, 2018 and 2017
BRIDGE Bissell, Inc.	None as of December 31, 2018 and 2017	None as of December 31, 2018 and 2017
BRIDGE Terraza, Inc.	None as of December 31, 2018 and 2017	None as of December 31, 2018 and 2017
BRIDGE Third Street, Inc.	None as of December 31, 2018 and 2017	None as of December 31, 2018 and 2017

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

General Partner	Limited Partnerships	Marketing Name
Chestnut Linden, Inc.	None as of December 31, 2018 and 2017	None as of December 31, 2018 and 2017
Westpark Housing Corporation	None as of December 31, 2018 and 2017	None as of December 31, 2018 and 2017
BRIDGE Northwest Development, Inc.	None as of December 31, 2018 and 2017	None as of December 31, 2018 and 2017
North Beach Housing, Inc.	None as of December 31, 2018 and 2017	None as of December 31, 2018 and 2017
BRIDGE Housing Corporation	North Beach Retail Associates, LLC	North Beach Retail Associates, Inc. (NBRA)
Northpoint Housing, Inc.	Northpoint Housing Associates	Northpoint Village Apartments I
Northpoint Housing, Inc.	Northpoint II Housing Associates	Northpoint Village Apartments II
Northside Senior Housing, Inc.	Northside Housing Associates	Mabuhay Court
North Williams Manager, LLC	North Williams Housing Associates, L.P.	North Williams
BRIDGE Housing Corp - Southern California	Northwood Housing Associates, L.P.	Windrow
Crespi Drive, LLC	Oceanview Housing Associates, L.P.	Oceanview
Ohlone Housing, Inc.	Ohlone Housing Associates	Ohlone Court
Alto Station, Inc.	Pickleweed Housing, LLC	Pickleweed
BRIDGE Housing Corp - Southern California	Poinsettia Housing Associates	Poinsettia Station
Potrero Housing I, LLC	Potrero Housing Associates I, L.P.	Potrero Phase I
Potrero Housing II, LLC	Potrero Housing II Associates, L.P.	Potrero II
Pottery Court, LLC	Pottery Court Housing Associates, L.P.	Pottery Court
Harbour Way, LLC	Richmond Housing Associates, L.P.	Richmond City Center Apartments
RiverPlace 3, LLC	RiverPlace 3 Housing, L.P.	RiverPlace
Roberts Avenue, Inc.	Roberts Avenue Senior Housing L.P.	Oak Circle
Alameda Senior, LLC	San Leandro Senior, L.P.	San Leandro Senior
Danville Senior Housing, Inc.	Sanraf Associates	San Rafael Commons
BRIDGE Housing Corp - Southern California	Santa Alicia Family Housing Associates	Santa Alicia
MCB Family Housing, Inc.	St. Joseph's Family Associates, L.P.	Terraza Palmera at St. Joseph's
BRIDGE Tower, LLC	St. Joseph's Senior, L.P.	St. Joseph's Senior Apartments
Strobridge Housing, Inc.	Strobridge Housing Associates	Strobridge Court
BRIDGE SC, LLC	Summerhouse Housing 3, L.P.	Madera Vista Phase 3
Summerhouse Housing, LLC	Summerhouse Housing Associates, L.P.	Madera Vista
BRIDGE Housing Ventures, Inc.	Susanne B. Wilson, LLC	Susanne B. Wilson Residence

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

General Partner	Limited Partnerships	Marketing Name
San Marcos Family Housing, Inc.	Terra Cotta Housing Associates	Terra Cotta
MCB Family Housing, Inc.	Trestle Glen Associates	Trestle Glen
BRIDGE Housing Corp - Southern California	White Dove Canyon Housing Associates, L.P.	Dove Canyon
BRIDGE SC, LLC	Woodbury Partners, L.P.	Woodbury Walk
Winfield Hill, Inc.	Woodland Hillsboro, LLC	Woodland
Woodland Park Associates Manager, LLC	Woodland Park Associates, L.P.	Woodland Park

Single-purpose not-for-profit corporations holding a co-general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing (BRIDGE's officers and/or board have a majority control over these entities):

General Partner	Limited Partnerships	Marketing Name
1950 Mission Housing Associates, LLC	1950 Mission Housing Associates, L.P.	1950 Mission
25 Sanchez, LLC	25 Sanchez Housing Associates, L.P.	25 Sanchez
255 Woodside, LLC	255 Woodside Housing Associates, L.P.	255 Woodside
462 Duboce, LLC	462 Duboce Housing Associates, L.P.	462 Duboce
490 SVN Housing Associates, LLC	490 SVN Housing Associates, L.P.	490 SVN
BRIDGE 500 Folsom, LLC	500 Folsom, L.P.	Transbay Block 9
3850 18 th Street, LLC	3850 18 th Street Housing Associates, L.P.	3850 18 th Street
Alemanly Housing, LLC	Alemanly Housing Associates, L.P.	Alemanly Bernal
BRIDGE Housing Ventures, Inc.	Chestnut Linden Associates	Chestnut Linden Court
Holly Courts Housing, LLC	Holly Courts Housing Associates, L.P.	Holly Courts
Hope Center Housing, LLC	BFHP Hope Center, L.P.	BFHP Berkeley Way
Mission Bay 9, LLC	Mission Bay 9, L.P.	Mission Bay
BRIDGE Housing Corporation	Jordan Downs Community Partners, LLC	Jordan Downs
BRIDGE Housing Ventures, Inc.	Mandela Gateway Associates	Mandela Gateway Apartments
BRIDGE Housing Ventures, Inc.	Marina Annex Associates	Marina Tower Annex
Mission Dolores GP, LLC	Mission Dolores Housing Associates, L.P.	Mission Dolores
BRIDGE Housing Ventures, Inc.	North Beach Housing Associates	North Beach Place
Tressa Manager, LLC	Linden 143, LLC	Tressa Apartments
Silverado Creek Housing, Inc.	Silverado Creek Partners	Silverado Creek

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

General Partner	Limited Partnerships	Marketing Name
Villages at Westview I, LLC	Villages at Westview I, L.P.	Villages at Westview I

Single-purpose not-for-profit corporations holding a general partner interest (ranging from .01% to 1%) and limited partner interest (ranging from 99% to 99.99%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partnerships	Marketing Name
Danville Senior, Inc.	Danville Senior Housing Associates	Sycamore Place
Rotary Valley, Inc.	Rotary Valley Associates	Rotary Valley
Site K, Inc.	South Beach Family Associates	Steamboat Point Apartments
Winfield Hill, LLC	Winfield Hill Associates	Almaden Lake Apartments

Single-purpose not-for-profit corporations holding a co-general partner interest (ranging from .01% to 1%) and co-limited partner interest (ranging from 99% to 99.99%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partner	Limited Partnerships	Marketing Name
BRIDGE Housing Acquisitions, Inc.	BRIDGE Housing Acquisitions, Inc.	SR Fountains, L.P.	SanRaf
Centertown, Inc.	BRIDGE Housing Ventures, Inc.	Centertown Associates	Centertown
Hunt Avenue, Inc.	Calistoga Brannan Housing, Inc.	Hunt Avenue Associates	Hunt's Grove
Silverado Creek Housing, Inc.	Calistoga Brannan Housing, Inc.	Silverado Creek Partners	Silverado Creek Apartments
BRIDGE Housing Ventures, Inc.	BRIDGE Housing Ventures, Inc.	Pacific Oaks Associates	Pacific Oaks
BRIDGE Housing Ventures, Inc.	BRIDGE Housing Ventures, Inc.	South San Francisco Magnolia Plaza Associates	Magnolia Plaza
Calistoga Brannan Housing, Inc.	Hunt Avenue, Inc.	Calistoga Brannan Housing Associates	La Pradera

Owners and operators of affordable housing properties:

Not-for-Profit Corporation	Marketing Name
Alto Station, Inc.	Alto Station
Alto Station, Inc.	Casa Vista
Bayview Senior Housing, Inc.	Geraldine Johnson
BLP Partnership, Inc.	The Parkview
BOMH, Inc.	Acorn III
BRIDGE West Oakland Housing, Inc.	Acorn I and II
Brisbane Senior Housing, Inc.	Visitacion Gardens

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Not-for-Profit Corporation	Marketing Name
Chestnut Creek, Inc.	Chestnut Creek
Emeryville Senior Housing, Inc.	Emery Villa
Metro Senior Homes, Inc.	Metro Center
Redwood Shores Senior Housing, Inc.	Redwood Shores

Sole member of limited liability companies that predominantly hold general partner interests in limited partnerships providing affordable housing:

Not-for-Profit Corporation	Limited Liability Company
BRIDGE Economic Development Corporation	16th Street Station, LLC
BRIDGE Homes, Inc.	474 Natoma, LLC
MCB Family Housing, Inc.	88 Broadway Family BRIDGE, LLC
MCB Family Housing, Inc.	735 Davis Senior BRIDGE, LLC
Winfield Hill, Inc.	Abigail Manager, LLC
MCB Family Housing, Inc.	Alameda Housing, LLC
BRIDGE Economic Development Corporation	Alameda Parking, LLC
MCB Family Housing, Inc.	Alameda Senior, LLC
BRIDGE Homes, Inc.	Armstrong Townhomes, LLC
MCB Family Housing, Inc.	AveVista Associates, LLC
BRIDGE Economic Development Corporation	AveVista Commercial, LLC
BRIDGE Homes, Inc.	Berry Street, LLC
MCB Family Housing, Inc.	BRIDGE 500 Folsom, LLC
BRIDGE Housing Corporation	BHC Balboa Builders, LLC
BRIDGE Housing Corporation	Mayfair Affordable, LLC
BRIDGE Housing Corporation	BASC General Partner, LLC
BRIDGE Housing Corporation	BRIDGE Berkeley Way, LLC
BRIDGE Housing Corporation	JD Housing 2B, LLC
BRIDGE Housing Corporation	Coronado Springs Cottages GP, LLC
BRIDGE Housing Corp - Southern California	BHC College Park II, LLC
Alto Station, Inc	Casa Vista Housing, LLC
MCB Family Housing, Inc.	BRIDGE NORCAL, LLC
BRIDGE Housing Corp - Southern California	BRIDGE SC, LLC
Northpoint Housing, Inc.	BRIDGE Tower, LLC
BRIDGE NorCal Development, Inc.	BRIDGE Triangle, LLC
BRIDGE Housing Corp - Southern California	Broadway Upper Tower, LLC
Winfield Hill, Inc.	Crespi Drive, LLC
BRIDGE Northwest Development, Inc.	2065 SW River Parkway, LLC
BRIDGE Northwest Development, Inc.	North Williams Manager, LLC
MCB Family Housing, Inc.	Foothill Farms Senior, LLC

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Not-for-Profit Corporation	Limited Liability Company
Winfield Hill, Inc.	Harbour Way, LLC
BRIDGE Housing Corp - Southern California	Heritage Square Housing, LLC
MCB Family Housing, Inc.	JD Housing I, LLC
BRIDGE Economic Development Corporation	MacArthur Transit Community Partners, LLC
BRIDGE Economic Development Corporation	Mandela Gateway Commercial, LLC
BRIDGE Homes, Inc.	Mandela Gateway Townhomes, LLC
BRIDGE Northwest Development, Inc	Port City, LLC
MCB Family Housing, Inc.	Potrero Housing I, LLC
BRIDGE Housing Corp - Southern California	Pottery Court, LLC
BRIDGE Housing Corp - Southern California	Summerhouse Housing, LLC
BRIDGE Housing Corp - Southern California	Tobria Terrace, LLC
MCB Family Housing, Inc.	Tressa CM, LLC

Co-member of limited liability companies that predominantly hold general partner interests in limited partnerships providing affordable housing:

Not-for-Profit Corporation	Limited Liability Company
Winfield Hill, Inc.	25 Sanchez, LLC
Winfield Hill, Inc.	255 Woodside, LLC
Winfield Hill, Inc.	462 Duboce, LLC
MCB Family Housing Inc.	490 SVN Housing Associates, LLC
MCB Family Housing Inc.	1950 Mission Housing Associates, LLC
Winfield Hill, Inc.	3850 18th Street, LLC
Winfield Hill, Inc.	Alemany Housing, LLC
BRIDGE Housing Corporation	COMM22 Housing GP, LLC
BRIDGE Housing Corporation	Mission Bay 9 LLC
BRIDGE Housing Corporation	Fruitvale Phase IIB LLC
BRIDGE Housing Corporation	Hope Center LLC
BRIDGE Economic Development Corporation	Comm22, LLC
BRIDGE Housing Corporation	COMM22 Senior GP, LLC
BRIDGE Northwest Development, Inc.	Coronado Housing Associates, LLC
Winfield Hill, Inc.	Doretha Mitchell Housing, LLC
Fell Street Housing, Inc.	Gough Street Housing, LLC
Winfield Hill, Inc.	Holly Courts Housing, LLC
Hercules Senior Housing, Inc.	John Street Housing, LLC
BRIDGE Housing Corporation	North Beach Development Associates, LLC
MCB Family Housing Inc.	Tressa Investment, LLC
MCB Family Housing Inc.	Tressa Manager, LLC
MCB Family Housing Inc.	Villages at Westview 1, LLC

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2018 and 2017

The consolidated financial statements do not include single-purpose not-for-profit corporations and other entities holding a general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing for which BRIDGE's officers and/or board are deemed not to have a majority control, namely:

General Partner	Limited Partnerships	Marketing Name
Bernal Senior Housing Corp.	Bernal Senior Housing Partners	Coleridge Park
SR Senior Housing, Inc.	SR Senior Housing, Inc.	The Fountains

Note 2 - Significant accounting policies

Principles of consolidation

Not-for-profit corporations

The consolidated financial statements include the accounts of BRIDGE and other not-for-profit entities that are commonly controlled by BRIDGE's officers or board of directors, including those not-for-profit entities that are majority controlled by BRIDGE. Other not-for-profit entities, over which BRIDGE does not exercise majority control, are not included in the consolidated financial statements. All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

Limited partnerships/limited liability companies ("LLCs")

Partnerships or LLCs that are controlled by BRIDGE or its affiliated not-for-profit entities are included in the consolidated financial statements.

BRIDGE and Affiliates' partnership interests generally range from .01% to 1.0% and are shown as controlling interests in unrestricted net assets. Partners' or members' capital interests generally range from 99% to 99.9% and are presented as non-controlling interests in unrestricted net assets. All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

Partnerships or LLCs over which BRIDGE or its Affiliates exercise significant influence are included in the consolidated financial statements using the equity method of accounting. Intercompany balances and transactions are not eliminated under the equity method.

Accounting method

BRIDGE and Affiliates use the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation

The consolidated financial statements are presented in accordance with generally accepted accounting principles, which require that financial statements are presented on the basis of net assets without donor restrictions and net assets with donor restrictions.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Basis of presentation

The consolidated financial statements are presented in accordance with generally accepted accounting principles, which require that financial statements are presented on the basis of net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions

Net assets without donor restrictions consist of all resources of BRIDGE and Affiliates that have not been specifically restricted by a donor.

Net assets with donor restrictions

Net assets with donor restrictions consists of cash received or other assets with donor stipulations that limit their use. Donor restrictions are stipulated by either a time restriction or a purpose restriction. Upon expiration of a time restriction or completion of a purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Reclassifications

Prior period financial statement amounts have been reclassified to conform to the current period presentation.

Revenue recognition

Developer fees

BRIDGE earns fees for development of properties and generally recognizes the fees as earned over the development period as follows:

30% of each anticipated total developer fee is recorded when the predevelopment phase ends and the construction period begins; however, if BRIDGE receives payment of fees during the predevelopment phase, revenue will be recognized as fees are received but shall not exceed 30% of total anticipated developer fee; and

70% is recorded throughout the construction period based on the percentage of completion as gauged by the general contractor's progress billing.

An allowance of 5% of the fee is reserved until the Internal Revenue Service Form 8609 is obtained, or its equivalent, to signify completion of the development process.

Developer fees paid from cash flow are eliminated in consolidation and recognized when received.

Rental income

Revenue from resident fees, rents and services is recognized in the period rendered. Rental income is shown at its maximum gross potential. Vacancy loss and concessions are shown as a reduction of rental income. Rental units occupied by employees are included in rental income and as an expense of operations. Most of the rental income is received under short-term residential leases.

Revenue from long-term leases on land is recorded in the period earned, according to lease contract terms. In many situations, rental revenue is payable only from excess cash and is recorded when cash is received. Such intercompany revenue has been eliminated in the consolidated financial statements.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Contributions

Contributions are recognized as revenue when they are unconditionally promised. Noncash contributions are recorded at their estimated fair value when received. Contributions to be received after one year are discounted at an appropriate discount rate when material. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as assets with donor restrictions and assets without donor restrictions, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions restricted for the purpose of long-lived assets are reported as support without donor restrictions when expended for that purpose in the individual financial statements of each affiliated entity, but may be reported as net assets with donor restrictions in the consolidated financial statements.

Cash and cash equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. BRIDGE and Affiliates consider all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. BRIDGE has designated certain cash and cash equivalents for the development of affordable homes and for operating and replacement reserves at one of the properties. Donor restricted cash represents amounts received with donor stipulations that limit the use of the donated assets. Not included as cash and cash equivalents are funds restricted as to their use, regardless of liquidity, such as reserves for replacements, operations, debt services, mortgage assistance programs and tenant security deposits. BRIDGE and Affiliates maintain cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted accounts, was approximately \$87,614,000 as of December 31, 2018. BRIDGE and Affiliates have not experienced any losses in such accounts.

Cash and cash equivalents composition amounts are as follows at December 31:

	2018	2017
Unrestricted	\$ 28,900,000	\$ 31,605,000
Designated	45,615,000	31,252,000
Donor designated	1,337,000	2,175,000
Total unrestricted cash and cash equivalents	75,852,000	65,032,000
Restricted (Note 8)	94,881,000	74,964,000
Total cash and cash equivalents	<u>\$ 170,733,000</u>	<u>\$ 139,996,000</u>

Fair value of financial assets and liabilities

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments. It is not practicable for management to estimate the fair value of accounts and notes receivable, notes payable, equity investments and financial guarantees because of the nature of such instruments and lack of readily available market information for financial instruments with similar terms.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Investments

Investments are stated at fair value in the statement of financial position. Investment sales and purchases are recorded on a trade-date basis. The realized gains and losses are included in the BRIDGE and Affiliates' statement of activities. Dividend income is recorded based upon the ex-dividend date and interest income is recorded as earned on an accrual basis.

BRIDGE and Affiliates shall be invested in a diversified portfolio, consisting primarily of marketable securities and alternative investments, which may reflect varying rates of return. The asset allocation for the investment portfolio is determined by the trustees with the advice of their investment consultant.

Fair value measurements

Under generally accepted accounting principles, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

Generally accepted accounting principles establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of BRIDGE and Affiliates. Unobservable inputs, if any, reflect BRIDGE and Affiliates' assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at measurement date. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 - Valuations based on significant inputs that are observable, either directly or indirectly, or quoted prices in markets that are not active, that is, markets in which there are few transactions, the prices are not current or price quotations vary substantially either over time or among market makers.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Fair value measurements at December 31, 2018

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measures at NAV	Total
Marketable securities BRIDGE's investment in Housing Partnership Insurance Exchange (Note 12)	\$ 616,000	\$ -	\$ -	\$ -	\$ 616,000
Multi asset funds	-	3,863,000	-	-	3,863,000
Derivative financial instrument (liability) (Note 16)	-	-	-	9,810,000	9,810,000
	<u>-</u>	<u>(7,197,000)</u>	<u>-</u>	<u>-</u>	<u>(7,197,000)</u>
Total	<u>\$ 616,000</u>	<u>\$ (3,334,000)</u>	<u>\$ -</u>	<u>\$ 9,810,000</u>	<u>\$ 7,092,000</u>

Fair value measurements at December 31, 2017

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measures at NAV	Total
Marketable securities BRIDGE's investment in Housing Partnership Insurance Exchange (Note 12)	\$ 685,000	\$ -	\$ -	\$ -	\$ 685,000
Multi asset funds	-	2,475,000	-	-	2,475,000
Derivative financial instrument (liability) (Note 16)	-	-	-	12,942,000	12,942,000
	<u>-</u>	<u>(8,765,000)</u>	<u>-</u>	<u>-</u>	<u>(8,765,000)</u>
Total	<u>\$ 685,000</u>	<u>\$ (6,290,000)</u>	<u>\$ -</u>	<u>\$ 12,942,000</u>	<u>\$ 7,337,000</u>

The fair value of the multi-asset funds is determined using the net asset value ("NAV") of shares held. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. Valuations provided by fund administrators consider variables such as the financial performance of the underlying investments, recent sales prices of underlying investments, and other pertinent information. In addition, actual market exchange at year-end provides additional observable market inputs of the exit price. BRIDGE reviews valuations and assumptions provided by fund administrators or reasonableness and believes that the carrying amount of these financial instruments are reasonable estimates of fair value.

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Notes to Consolidated Financial Statements December 31, 2018 and 2017

The preceding methods may produce a fair value that may not be indicative of realizable fair value or reflective of future fair values. Furthermore, although BRIDGE believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the valuation techniques during the current year. The multi-asset funds are measured at NAV per share at December 31, 2018 and 2017:

Investment strategy	2018 Fair value	2017 Fair value	Redemption terms	Redemption restrictions	Redemption restriction in place at year-end
Multi-strategy	\$ 9,810,000	\$ 12,942,000	Daily with 2 days notice	None	None

Management revenue and related accounts

BRIDGE and Affiliates provide property management, bookkeeping and asset management services. BRIDGE also provides investment management, marketing and other services. Income is earned in accordance with the terms of the agreements and recorded as revenue. Such intercompany revenue has been eliminated in the consolidated financial statements.

Notes receivable

Notes receivable represent financial assistance provided to qualified home buyers. Loans are stated at unpaid principal balances, less an allowance for loan losses. The loans are collateralized by the properties.

Allowances for uncollectible accounts receivable

The allowances for uncollectible accounts are determined on specific identification basis, based upon management's assessment. Based on an assessment of the customer's current credit worthiness, an estimate of the balance that may not be collected is made. In addition, an amount of estimated credit losses on the aggregate remaining accounts receivable is made based on past collection experience. Once all efforts to collect have been undertaken, the unpaid balance is written off as a charge to the allowance for doubtful accounts or loan losses. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful collections was \$532,000 and \$487,000 as of December 31, 2018 and 2017, respectively.

Land

Purchased land is carried at cost. Donated land is carried at estimated fair market value at the date of donation. BRIDGE leases most of its land to affiliated affordable housing developments under long-term leases.

Property and equipment, leasehold improvements, ground lease and deferred costs

Property and equipment are stated at cost of acquisition, construction or rehabilitation, or fair value if donated. Acquisitions among entities under common control are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance, repair, and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred.

BRIDGE and Affiliates incur costs during the development phase of the affordable housing project undertaken. Such costs include governmental fees, legal and consulting fees, as well as construction costs. BRIDGE and Affiliates record these costs as assets (development in progress) until the housing project is placed in service. Any funds expended on a project that does not pass

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2018 and 2017

beyond the development stage are recorded as expenses when activity on the project ceases. Management believes that no material portion of the development in progress is unrealizable at December 31, 2018 and 2017. Development in progress is not depreciated until the completion of the development.

Deferred costs are incurred in order to obtain permanent financing and tax credits for the affordable housing projects. Deferred costs are incurred in order to obtain tax credits for affordable housing projects. Organization costs are expensed as incurred.

The useful lives of the assets are estimated as follows:

Buildings and improvements	15 to 55 years
Furniture, fixtures and equipment	3 to 12 years
Tax credit costs	10 years

BRIDGE and Affiliates review their investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no material impairment losses recorded in 2018 or 2017.

Capitalized interest

BRIDGE and Affiliates capitalize interest incurred during construction as a component of development in progress and building and improvements costs. BRIDGE and Affiliates capitalized interest of approximately \$4,587,000 and \$1,638,000 in 2018 and 2017, respectively.

Other investments

Other investments in for-profit entities, taxable not-for-profit entities, and other not-for-profit organizations are recorded using the fair value, cost or equity method of accounting, depending on the level of ownership and control. Investments in affiliated entities that are 100% or majority controlled by BRIDGE are eliminated in the consolidated financial statements.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Accounting for leases

Leasehold interests of several consolidated entities are not subject to capitalization and thus are accounted for as operating leases. Prepaid ground leases are an allocation of the total cost of the property, which is amortized over the respective lease terms.

Income taxes

BRIDGE is a not-for-profit corporation pursuant to the Internal Revenue Code Section 501(c)(3) and related California code sections and, accordingly, is exempt from federal and state income taxes on related business income. BRIDGE Properties, Inc. ("BPI"), BID, PHC, BCDI Subsidiary CDE III, LLC and BCDI Subsidiary CDE IV, LLC are the only Affiliates that are not tax-exempt. Deferred income

BRIDGE Housing Corporation and Affiliates

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taxes do not arise from the operations of these entities in a material amount. The income or loss from the partnerships is reported by the partners on their income tax returns.

No income tax provision has been included in the consolidated financial statements for the single member LLCs, which are generally considered disregarded entities. The income and loss of the LLCs are included in the tax returns of their respective sole members. Only the annual California limited liability company minimum tax and the annual fee appear as expense in the consolidated financial statements.

BRIDGE and Affiliates believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements. BRIDGE and Affiliates' federal and state income tax returns for the years 2014 through 2017 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively. While no income tax returns are currently being examined by the Internal Revenue Service, tax years after 2014 remain open. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Guarantees

Generally accepted accounting principles require a liability to be recorded for the fair value of the stand-ready obligation associated with a guarantee issued after December 31, 2002. Guarantees issued between entities under common control or on behalf of an entity under common control are excluded. Consequently, no liabilities have been recorded as all guarantees are considered to be issued to entities under common control (see Note 22).

Allocation of partnership income/loss and tax credits

The affiliated partnerships are generally expected to generate low-income housing tax credits, which will be allocated in the same manner as the income or loss of each affiliated partnership. Because the limited partners' losses are limited to their investments, except when BRIDGE and Affiliates are also the co-general partner and co-limited partner, the limited partners' equity will not be reduced below zero unless future capital contributions will be made in amounts sufficient to absorb the losses. All remaining losses are allocated to the general partners. Any subsequent income allocable to the limited partners is allocated to the general partners first until the general partners' share of that income offsets the losses not previously recognized by the limited partners.

Functional expense allocation

The costs of providing program services and supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

Program services include all expenses relating to development, management of properties, and resident services. Supporting services consist of management and general expenses.

Related party transactions

Material related party transactions and balances between controlled entities have been eliminated in the consolidated financial statements.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Adoption of new accounting pronouncement

During 2018, BRIDGE adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") No. 2016-14 - Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 are the net assets used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions, and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. BRIDGE's liquidity is now assessed to determine the availability of restricted resources to fund general expenditures within one year from the statement of financial position date. ASU 2016-14 has been adopted by BRIDGE on a retrospective basis.

Note 3 - Accounts receivable

Accounts receivable consist of the following at December 31:

	2018	2017
Reimbursable costs	\$ 4,094,000	\$ 3,220,000
Rent	3,378,000	5,314,000
Developer fees	300,000	80,000
Management and consulting fees	1,677,000	1,900,000
	9,449,000	10,514,000
Less allowance for uncollectible accounts	(532,000)	(487,000)
	8,917,000	10,027,000
Less current portion	(8,917,000)	(10,027,000)
Non-current portion	\$ -	\$ -

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Note 4 - Contributions receivable

Contributions receivable consist of future amounts to be received. Contributions receivable due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 3%. Contributions receivable are comprised of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Project-related	\$ 1,948,000	\$ 1,074,000
Resident programs and services	77,000	474,000
Stein Educational Assistance	-	21,000
Other	-	13,000
	<u>2,025,000</u>	<u>1,582,000</u>
Less: discount for present value	(52,000)	-
	<u>1,973,000</u>	<u>1,582,000</u>
Less current portion	(695,000)	(1,376,000)
Non-current portion	<u>\$ 1,278,000</u>	<u>\$ 206,000</u>

At December 31, 2018 and 2017, gross undiscounted contributions receivable in less than one year are \$695,000 and \$1,376,000, respectively, and gross undiscounted contributions receivable in one to five years is \$1,330,000 and \$206,000. At December 31, 2018 and 2017, BRIDGE has not provided for an allowance for uncollectible contributions as all amounts are considered fully collectible.

Note 5 - Notes receivable

Notes receivable, including accrued interest, consist of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Mortgage assistance program	\$ 2,585,000	\$ 2,923,000
QLICI loan	17,301,000	17,301,000
NMTC leveraged loan	6,445,000	6,445,000
Other	373,000	473,000
	<u>26,704,000</u>	<u>27,142,000</u>
Less allowance for uncollectible accounts	(3,525,000)	(3,525,000)
	<u>23,179,000</u>	<u>23,617,000</u>
Less current portion	(318,000)	(542,000)
Non-current portion	<u>\$ 22,861,000</u>	<u>\$ 23,075,000</u>

Mortgage assistance program

BRIDGE and Affiliates established a mortgage assistance program for revolving loan funds to provide financial assistance in the form of subordinated mortgages to qualified homebuyers in low- and moderate-income households in California. The loans bear interest at 4% and mature through 2032.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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BRIDGE and Affiliates hold various second mortgage loans associated with a development project in Pinole, California. The loans bear no interest but share in the appreciation of the property. BRIDGE and Affiliates may receive proceeds from the mortgage loans when the property is sold.

Qualified Low-Income Community Investment ("QLICI") Loans

During 2014, a related party of BRIDGE, Chestnut Campus, Inc., a QLICI, entered into a loan with BCDI Subsidiary CDE II, LLC for \$9,120,000 that is to be paid in equal monthly installments of \$20,710 at an interest rate of 2.725% and is due in full by November 20, 2049 with a principal installment of \$1,800,000 due November 20, 2021. Chestnut Campus, Inc. is an owner of land in West Oakland, California on which a charter school was built and is currently operating. During 2015, another non-affiliate of BRIDGE, Loma Linda University, entered into a loan with BCDI Subsidiary CDE I, LLC for \$8,160,000 that is paid in equal monthly installments of \$6,800 at an interest rate of 1% and is due in full by June 1, 2049, with a principal installment of \$1,800,000 due November 20, 2021.

NMTC leveraged loan

During 2014, BRIDGE Housing Ventures, Inc. ("BHVI"), acting as the leveraged lender, loaned \$6,424,850 as part of a New Markets Tax Credit ("NMTC") transaction to the non-affiliate investment fund of the NMTC transaction. BRIDGE Community Development, Inc. and the non-affiliate investment fund, are the members of BCDI Subsidiary CDE II, LLC. BHVI funded the leveraged loan by a fundraising campaign of \$2,139,850, land of \$1,335,000 that BHVI held since 2000, an NCCLF grant of \$50,000, and by borrowing funds from Low Income Investment Fund ("LIIF") of \$2,900,000. The leveraged loan is due in equal monthly installment of \$20,613 at an interest rate of 3.85% and is due in full by November 20, 2049, with a principal installment of \$1,800,000 due on November 20, 2021.

BRIDGE and Affiliates evaluate notes receivable based on the following credit quality indicators: collateral and related versus non-related borrowers. These credit quality indicators are updated at least annually. Details about the notes receivable follow:

	2018				
	Collateralized	Uncollateralized	Past Due	Allowance	Net
Related party	\$ 6,445,000	\$ -	\$ -	\$ (3,525,000)	\$ 2,920,000
Non-related party	20,259,000	-	-	-	20,259,000
Total	\$ 26,704,000	\$ -	\$ -	\$ (3,525,000)	\$ 23,179,000

	2017				
	Collateralized	Uncollateralized	Past Due	Allowance	Net
Related party	\$ 6,445,000	\$ -	\$ -	\$ (3,525,000)	\$ 2,920,000
Non-related party	20,697,000	-	-	-	20,697,000
Total	\$ 27,142,000	\$ -	\$ -	\$ (3,525,000)	\$ 23,617,000

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**Notes to Consolidated Financial Statements
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Estimated principal payments under these notes to be received for each of the next five years and thereafter subsequent to December 31, 2018 are as follows:

2019	\$	318,000
2020		199,000
2021		1,999,000
2022		263,174
2023		199,000
Thereafter		<u>20,200,826</u>
Total	\$	<u>23,179,000</u>

Note 6 - Prepaid expenses and deposits

Prepaid expenses and deposits consist of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Deposits	\$ 1,510,000	\$ 2,563,000
Ground leases	5,931,000	6,011,000
Insurance	1,931,000	1,797,000
Predevelopment costs	641,000	652,000
Property taxes	186,000	287,000
Other	<u>756,000</u>	<u>532,000</u>
	10,955,000	11,842,000
Less current portion	<u>(4,818,000)</u>	<u>(5,491,000)</u>
Non-current portion	<u>\$ 6,137,000</u>	<u>\$ 6,351,000</u>

Note 7 - Impounds

Certain properties are required to make deposits to impound accounts to cover property tax and insurance premiums in accordance with the lenders' regulatory agreements. Impound balances as of December 31, 2018 and 2017 were \$2,426,000 and \$2,132,000, respectively.

Note 8 - Restricted cash and deposits

Restricted cash and deposits consist of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Operating reserves	\$ 40,070,000	\$ 34,833,000
Replacement reserves	30,841,000	27,736,000
Mortgage Assistance Program	-	23,000
Tenant security deposits	6,380,000	6,285,000
Debt service accounts	11,958,000	2,129,000
Residual receipts and other	<u>5,632,000</u>	<u>3,958,000</u>
Total	<u>\$ 94,881,000</u>	<u>\$ 74,964,000</u>

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Operating and replacement reserves

BRIDGE and Affiliates are required to maintain operating reserves as well as replacement and repair reserves for property and equipment in accordance with partnership and other lenders' regulatory agreements.

Mortgage assistance program ("MAP")

MAP provides second mortgages to low- to moderate-income first-time home buyers.

Tenant security deposits

BRIDGE and Affiliates are required to hold security deposits in separate bank accounts in the name of the properties.

Debt service accounts

Certain properties are required to make deposits to debt service accounts to cover mortgage payments.

Residual receipts

BRIDGE and Affiliates are required to deposit excess cash, as generally defined by HUD, into separate bank accounts in accordance with the HUD regulatory agreements.

Note 9 - Property and equipment

Property and equipment consist of the following at December 31:

	2018	2017
Land	\$ 180,193,000	\$ 180,263,000
Buildings and improvements	2,000,033,000	1,957,117,000
On-site and off-site improvements	130,773,000	123,487,000
Furniture, fixtures and equipment	40,887,000	36,534,000
Rehabilitation in progress	83,684,000	87,769,000
Development in progress	310,321,000	127,252,000
	2,745,891,000	2,512,422,000
Less accumulated depreciation and amortization	(555,614,000)	(489,485,000)
Total	<u>\$2,190,277,000</u>	<u>\$2,022,937,000</u>

Depreciation and amortization of property and equipment totaled \$66,129,000 and \$54,079,000 for the years ended December 31, 2018 and 2017, respectively.

BRIDGE Housing Corporation and Affiliates

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Development in progress is summarized as follows as of December 31:

Property name	2018	2017
1101 Connecticut Street (Potrero Block X)	\$ 60,343,000	\$ 21,008,000
Villages at Westview I	51,048,000	25,725,000
Jordan Downs Phase I	46,203,000	17,933,000
RiverPlace Parcel 3	42,831,000	-
La Vereda (San Leandro Senior)	37,817,000	18,324,000
Cornelius Place	12,495,000	-
16th Street Station	1,084,000	841,000
MacArthur BART Master Plan	4,000,000	2,961,000
Other	792,000	1,396,000
Construction expected to be completed in one year following year end	256,613,000	88,188,000
Potrero Hill Affordable	9,306,000	9,130,000
1950 Mission	7,676,000	2,439,000
490 South Van Ness	7,004,000	1,158,000
Bay Meadows Affordable	5,034,000	842,000
Parcel 3 LLC	3,521,000	3,335,000
88 Broadway	3,508,000	1,314,000
Jordan Downs	2,932,000	3,190,000
4840 Mission	2,182,000	1,081,000
735 Davis Senior	1,936,000	809,000
Berkeley Way	1,818,000	1,397,000
Balboa Reservoir	1,483,000	334,000
Mission Bay	1,073,000	-
North Williams	1,041,000	306,000
Westview Village	929,000	-
Jordan Downs Phase II (Area H)	539,000	-
Anaheim & Walnut	526,000	-
RiverPlace Phase 2	501,000	461,000
BHC - Coronado	413,000	-
Potrero Phase II Infrastructure	405,000	-
RiverPlace Parcel 3	-	8,660,000
Element 78	-	1,756,000
Cornelius Place	-	2,092,000
Other	1,881,000	760,000
Construction expected to be completed in two or more years following year end	53,708,000	39,064,000
Total	\$ 310,321,000	\$ 127,252,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Note 10 - Deferred costs

Deferred costs are summarized as follows as of December 31:

	<u>2018</u>	<u>2017</u>
Tax credit fees	\$ 4,070,000	\$ 3,222,000
City fees	3,639,000	3,638,000
Other	<u>2,740,000</u>	<u>2,619,000</u>
	10,449,000	9,479,000
Less accumulated amortization	<u>(5,074,000)</u>	<u>(4,400,000)</u>
Total	<u>\$ 5,375,000</u>	<u>\$ 5,079,000</u>

Amortization of deferred cost totaled \$674,000 and \$555,000 for the years ended December 31, 2018 and 2017, respectively.

Note 11 - Land under lease, held for development and assets held for sale

BRIDGE leases all of the below land under various long-term leases to affiliates. Terms of the leases range from 55 to 90 years. The land is pledged as security under deeds of trust for the related notes payable or is pledged as security for certain liabilities of the lessees.

Land under lease and assets held for sale are summarized as follows as of December 31:

	<u>2018</u>	<u>2017</u>
Livermore, California, donated (1986)	\$ 1,660,000	\$ 1,660,000
San Diego, California, donated (2000)	1,428,000	1,428,000
Foster City, California (1995)	804,000	804,000
Richmond, California (1992)	<u>327,000</u>	<u>327,000</u>
Total	<u>\$ 4,219,000</u>	<u>\$ 4,219,000</u>

BRIDGE and Affiliates own 100% of BUILD's assets. BRIDGE expects the final remaining land parcel to be sold by December 31, 2019. Land held for sale is summarized as follows as of December 31:

	<u>2018</u>	<u>2017</u>
Oakland, California, held for sale	<u>\$ 2,944,000</u>	<u>\$ 3,517,000</u>

BRIDGE Housing Corporation and Affiliates

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Note 12 - Other investments

Other investments consist of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Housing Partnership Insurance Exchange ⁽¹⁾	\$ 3,863,000	\$ 2,475,000
Preservation Investment Fund - Coronado Springs, LLC ⁽²⁾	910,000	1,070,000
Other ⁽³⁾	<u>171,000</u>	<u>322,000</u>
	4,944,000	3,867,000
General and limited partner capital (deficit) interests and membership interests accounted for under the equity method ⁽⁴⁾	<u>(1,305,000)</u>	<u>(1,417,000)</u>
Total	<u>\$ 3,639,000</u>	<u>\$ 2,450,000</u>

(1) BRIDGE invested in Housing Partnership Insurance Exchange ("HPIEx") for the purpose of gaining access to property and liability insurance for its various development properties from a captive insurance company. BRIDGE invested funds into HPIEx for the purpose of gaining access to worker's compensation insurance from a captive insurance company. The investment is stated at estimated fair value using quoted purchase prices determined by HPIEx (Level 2 input) and represents 14% and 13% of the capital of HPIEx as of December 31, 2018 and 2017, respectively.

(2) In 2016, BRIDGE Regional Partners, Inc. invested in Preservation Investment Fund - Coronado Springs, LLC, in connection with the acquisition of Coronado Springs Apartments located in unincorporated King County, Washington.

(3) In 2013, BRIDGE invested in Housing Partnership Equity Trust, LLC and Subsidiaries ("HPET") for the purpose of gaining access to social equity for its various development properties. HPET is a real estate investment trust ("REIT") that is specifically authorized to own membership interests in the subsidiaries that acquire ownership interests in various development projects. As of 2017 and 2016, none of BRIDGE's development properties utilized the REIT funding. The investment is stated at cost as of December 31, 2018 and 2017. BRIDGE's share of equity represents 1.2% of the capital in HPET.

In 2015 and 2016, BRIDGE invested in Housing Partnership Select ("Select") for the purpose of gaining access to an industry procurement platform. BRIDGE invested funds into Select for the purpose of combining its purchasing power with other not-for-profit affordable housing developers and owners. BRIDGE invested additional funds in 2018, and elected to write down the value of the investment to zero as of December 31, 2018. The investment was stated at cost as of December 31, 2017. BRIDGE's share of equity represents 2.8% of the capital in Select.

(4) BRIDGE's share of the equity as of December 31, 2018 and 2017 was \$(1,305,000) and \$(1,417,000), respectively. Summarized financial information for unconsolidated entities accounted for under the equity method consist of the following as of December 31:

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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	Unaudited	
	2018	2017
Total assets	\$ 31,968,000	\$ 32,831,000
Total liabilities	90,117,000	91,129,000
Partners' deficit	(58,149,000)	(58,298,000)
Income	14,440,000	13,909,000
Expenses	13,048,000	13,000,000
Results of operations	1,392,000	909,000

In addition, the following financial position and activity summarize the entities that are not included in the consolidated financial statements based on BRIDGE's board participation as of December 31:

	Unaudited	
	2018	2017
Total assets	\$ 14,901,000	\$ 15,244,000
Total liabilities	20,927,000	20,466,000
Net assets (deficit)	(6,026,000)	(5,222,000)
Support and revenue	1,847,000	1,727,000
Expenses	2,651,000	2,531,000
Change in net assets	(804,000)	(804,000)

Note 13 - Notes payable

Notes payable are generally secured by the respective properties and consist of the following at December 31:

	2018		2017	
	Interest payable	Principal	Interest payable	Principal
<u>Notes Payable with Regular Payments</u>				
Permanent loans, bearing interest from 0% to 9%, generally with principal and interest due monthly, to be repaid in full through 2057. Interest expense was \$17,991,000 and \$15,992,000 for 2018 and 2017, respectively.	\$ 1,357,000	\$ 387,262,000	\$ 1,326,000	\$ 334,504,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

	2018		2017	
	Interest payable	Principal	Interest payable	Principal
Construction loans, bearing variable interest, generally with interest only payments due monthly, to be repaid in full or partially converted to permanent loans maturing through 2077. Interest expense net of capitalized amount was \$6,757,000 and \$7,937,000 for 2018 and 2017, respectively.	6,798,000	395,776,000	8,732,000	472,517,000
Bonds, bearing interest from 2% to 14%, generally with principal and interest paid monthly, to be repaid in full through 2045. Principal payments are generally accumulated in a principal fund held by a trustee. Interest expense was \$2,468,000 and \$2,523,000 for 2018 and 2017, respectively.	1,629,000	44,842,000	1,607,000	49,370,000
Other loans, bearing interest from 0% to 8%, generally with principal and interest due monthly, to be repaid in full through 2059. Interest expense was \$927,000 and \$941,000 for 2018 and 2017, respectively.	934,000	12,766,000	798,000	13,103,000
	<u>10,718,000</u>	<u>840,646,000</u>	<u>12,463,000</u>	<u>869,494,000</u>

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

	2018		2017	
	Interest payable	Principal	Interest payable	Principal
<u>Notes Payable with Annual Payments from Available Excess Cash</u>				
Local loans, bearing interest from 0% to 6%, generally payable out of excess cash annually in arrears, to be repaid in full through 2072. Interest expense was \$9,864,000 and \$8,378,000 for 2018 and 2017, respectively.	71,571,000	506,338,000	60,406,000	370,707,000
County loans, bearing interest from 0% to 6.5%, generally with principal and interest due annually out of excess cash in arrears, to be repaid in full through 2075. Interest expense was \$2,146,000 and \$1,932,000 for 2018 and 2017, respectively.	13,864,000	63,140,000	16,214,000	57,373,000
State loans, bearing interest from 0% to 4%, generally with principal and interest due annually out of excess cash in arrears, to be repaid in full through 2072. Interest expense was \$4,147,000 and \$4,143,000 for 2018 and 2017, respectively.	33,717,000	157,044,000	30,663,000	157,081,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

	2018		2017	
	Interest payable	Principal	Interest payable	Principal
Ground leases, bearing interest from 0% to 7.5%, generally payable out of excess cash annually in arrears, to be repaid in full through 2086. Interest expense was \$165,000 and \$179,000 for 2018 and 2017, respectively.	752,000	9,627,000	643,000	9,234,000
Developer Fees, bearing interest at 0%, generally payable out of excess cash annually in arrears, to be paid in full through 2020.	-	1,736,000	-	171,000
	<u>119,904,000</u>	<u>688,609,000</u>	<u>107,926,000</u>	<u>594,566,000</u>
<i><u>Notes Payable with Repayments Due at Maturity</u></i>				
Federal loans, bearing interest from 0% to 1%, with principal payments generally deferred through 2071, at which time outstanding principal may be forgiven at the lenders' discretion. Interest expense was \$71,000 and \$67,000 for 2018 and 2017, respectively.	459,000	25,209,000	378,000	21,586,000
Total, gross	131,081,000	1,603,740,000	120,767,000	1,485,646,000
Debt issuance costs, net	-	11,485,000	-	9,534,000
Total, net	131,081,000	1,592,255,000	120,767,000	1,476,112,000
Less current portion	5,487,000	23,664,000	5,091,000	48,739,000
Non-current portion	<u>\$ 125,594,000</u>	<u>\$ 1,568,591,000</u>	<u>\$ 115,676,000</u>	<u>\$ 1,427,373,000</u>

Total interest expense was \$45,978,000 and \$43,226,000 for 2018 and 2017, respectively, and includes \$1,372,000 and \$1,134,000 of permanent loan cost amortization.

Construction loans are refinanced with permanent debt or repaid from investor capital contributions. BRIDGE and Affiliates obtained written commitments from refinance lenders and/or investors, and represented the balances as part of the long-term debt accordingly.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Principal payments toward notes payable for the next five years are subject to changes in net cash flow, which is a contingency that cannot be reasonably estimated. Estimated minimum required payments for each of the next five years and thereafter subsequent to December 31, 2018 are as follows:

2019	\$ 23,664,000
2020	47,339,000
2021	24,776,000
2022	13,321,000
2023	11,281,000
Thereafter	<u>1,483,359,000</u>
Total gross	<u>\$1,603,740,000</u>

Note 14 - Lines of credit

In 2001, BRIDGE entered into an unsecured line of credit with Wells Fargo Bank for \$2,000,000, which was increased to \$10,000,000 in 2018. The line of credit bears interest at LIBOR plus 2.75% with a modified expiration date of September 18, 2020. At December 31, 2018 and 2017, \$0 and \$0 were drawn on the line of credit, respectively.

In 2012, BRIDGE entered into an unsecured line of credit with US Bank for \$5,000,000, which was increased to \$10,000,000 in 2018. The line of credit bears interest at LIBOR plus 2.25% with a modified expiration date of August 9, 2019. At December 31, 2018 and 2017, \$1,500,000 and \$0 were drawn on the line of credit, respectively, and is included in notes payable in the statement of financial position.

Note 15 - Deferred revenues

Deferred revenues consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Development proceeds	\$ 12,537,000	\$ 16,544,000
Other	<u>4,451,000</u>	<u>4,844,000</u>
	16,988,000	21,388,000
Less current portion	<u>(14,397,000)</u>	<u>(19,867,000)</u>
Non-current portion	<u>\$ 2,591,000</u>	<u>\$ 1,521,000</u>

In connection with the development of certain affordable housing projects, BRIDGE and Affiliates received financing proceeds to pay for related development costs. If all conditions specified in the financing agreements are met, no payments are required. Until then, BRIDGE and Affiliates recorded these proceeds as deferred revenue.

Note 16 - Derivative financial instrument

BRIDGE and Affiliates entered into various interest rate cap/swap master agreements to potentially minimize the effect of changes in the variable interest rate of the loans.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

The following table for the years ended December 31, 2018 and 2017 sets forth the detailed changes in fair value for BRIDGE and Affiliates' Level 2 derivative financial instruments:

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ (8,765,000)	\$ (7,883,000)
New derivatives	-	(1,963,000)
Unrealized (loss) gain on derivative financial instrument	<u>1,568,000</u>	<u>1,081,000</u>
Ending balance	<u>\$ (7,197,000)</u>	<u>\$ (8,765,000)</u>

The derivative financial instruments held by BRIDGE and Affiliates are stated at fair value using a quoted price provided by the counterparty banks. Counterparty banks' valuation uses various approaches that involve using quoted prices for economically equivalent instruments, or valuation methodologies, assumptions and inputs, which in the case of projected future cash flows, discount such cash flows to a single net present value amount. The valuation is either based on Level 1 inputs directly, or based on the application of valuation models, which may be proprietary, that take into account Level 1, Level 2 and Level 3 inputs. Level 1 and Level 2 inputs are market-based, utilizing observable market data including swap rates, basis rates and currency exchange rates from sources believed to be reliable but which counterparty banks have not independently verified. Level 3 inputs may be used if counterparty banks determine that Level 1 and Level 2 inputs are unavailable, or in illiquid or dislocated markets, unreliable. In general, those inputs are used to construct interest rate, currency exchange rate, commodity price or other curves that are placed into proprietary valuation models to compute fair value.

Management reviews the reasonableness of counterparty banks' valuations by calculating the net present value of projected future cash flows using the US Daily Interest Rate Data for interest rate swaps as of the valuation date.

Significant assumptions follow:

Term of swap arrangements	13 to 38 years
Average projected variable rate through 2026	1.14% to 3.23%
Discount rate	1.00%

Note 17 - Restricted net assets and net assets released from restrictions

The major programs for which BRIDGE has received restricted contributions are as follows:

Project-related Restricted Proceeds - Various companies, agencies and individuals have awarded grants and donations to specific properties for the development of affordable housing. These grants are not to be secured and do not bear interest. These grants are released as the restricted use is met.

Educational Assistance Programs - Provides scholarships or awards to qualified residents in BRIDGE developments.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Resident Programs and Services - Programs at BRIDGE properties expand residents' educational opportunities and financial security, provide access to health and wellness resources and services, build community and connect residents to social safety net resources.

Restricted net assets were available for the following purposes:

	December 31, 2017	Contributions/ Investment Income	Releases	December 31, 2018
Project-related Restricted Proceeds	\$ 173,000	\$ 9,888,000	\$ (9,174,000)	\$ 887,000
Educational Assistance Programs	2,439,000	(128,000)	(751,000)	1,560,000
Resident Programs & Services	-	1,552,000	(1,120,000)	432,000
Other	1,889,000	-	(164,000)	1,725,000
Total	\$ 4,501,000	\$ 11,312,000	\$ (11,209,000)	\$ 4,604,000
	December 31, 2016	Contributions/ Investment Income	Releases	December 31, 2017
Project-related Restricted Proceeds	\$ 368,000	\$ 21,641,000	\$ (21,836,000)	\$ 173,000
Educational Assistance Programs	2,140,000	503,000	(204,000)	2,439,000
Resident Programs & Services	256,000	55,000	(311,000)	-
Other	1,889,000	85,000	(85,000)	1,889,000
Total	\$ 4,653,000	\$ 22,284,000	\$ (22,436,000)	\$ 4,501,000

Restricted net assets includes land required to be used for low-income housing of \$1,660,000 as of December 31, 2018 and 2017, and is included in Other restricted net assets.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Note 18 - Functional expenses

BRIDGE's functional expenses, displayed by natural expense classifications, for the years ended December 31, 2018 and 2017, are as follows:

2018				
	Program	Support	Fundraising	Total
Salary and related expenses	\$ 29,076,000	\$ 2,615,000	\$ 550,000	\$ 32,241,000
Other administrative expenses	35,601,000	3,040,000	327,000	38,968,000
Rent and utilities expenses	15,843,000	1,044,000	37,000	16,924,000
Operating and maintenance expenses	30,887,000	55,000	2,000	30,944,000
Taxes and insurance	8,539,000	74,000	-	8,613,000
Financing expenses (interest)	45,430,000	548,000	-	45,978,000
Depreciation and amortization	65,781,000	461,000	-	66,242,000
Other partnership expense	6,249,000	277,000	-	6,526,000
Total	\$ 237,406,000	\$ 8,114,000	\$ 916,000	\$ 246,436,000
2017				
	Program	Support	Fundraising	Total
Salary and related expenses	\$ 27,694,000	\$ 2,326,000	\$ 473,000	\$ 30,493,000
Other administrative expenses	24,323,000	2,730,000	158,000	27,211,000
Rent and utilities expenses	15,183,000	907,000	39,000	16,129,000
Operating and maintenance expenses	28,199,000	67,000	3,000	28,269,000
Taxes and insurance	8,194,000	116,000	1,000	8,311,000
Financing expenses (interest)	42,782,000	444,000	-	43,226,000
Depreciation and amortization	54,289,000	459,000	-	54,748,000
Other partnership expense	8,296,000	347,000	-	8,643,000
Total	\$ 208,960,000	\$ 7,396,000	\$ 674,000	\$ 217,030,000

Note 19 - Employee benefit plans

BRIDGE has employee 403(b) plans, established effective July 1, 1998, covering eligible employees. BRIDGE contributions to the plans consist of a percentage based on eligible employees' compensation plus a discretionary amount to match voluntary employee contributions. Contributions and plan costs totaled approximately \$1,249,000 and \$1,234,000 for 2018 and 2017, respectively.

BRIDGE has an employee 457(b) plan, established effective July 1, 2004, covering eligible employees. BRIDGE's contributions are discretionary. Contributions and plan costs totaled approximately \$157,000 and \$154,000 for 2018 and 2017, respectively.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2018 and 2017**

Note 20 - Liquidity

As part of BRIDGE's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition to anticipated obligations, BRIDGE projects capital needed for Development activity and the return of that capital to BRIDGE. Funds are held in short term deposits or investments with daily liquidity access. In addition to these liquid funds, BRIDGE has arranged for committed lines of credit in the amount of \$20 million which it could draw upon.

BRIDGE's financial assets available within one year to meet cash needs for general expenditures as of December 31, 2018 are as follows:

Cash and cash equivalents	\$ 75,852,000
Accounts receivable	8,917,000
Notes receivable	318,000
Contributions receivable	695,000
Short-term investments	<u>10,426,000</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 96,208,000</u>

Note 21 - Commitments and contingencies

Rental payments under non-cancelable operating leases:

Office space

BRIDGE has leases for office space in San Francisco, Irvine, and San Diego, California, Portland, Oregon, and Seattle, Washington, which expire through June 2023.

Future minimum rental payments under the office space leases for each of the next five years and thereafter, subsequent to December 31, 2018 are as follows:

2019	\$ 1,985,000
2020	2,042,000
2021	2,066,000
2022	2,201,000
2023	2,149,000
Thereafter	<u>520,000</u>
Total	<u>\$ 10,963,000</u>

Rent costs totaled approximately \$1,584,000 and \$1,436,000 for 2018 and 2017, respectively.

Property-related leases

BRIDGE and Affiliates lease property, land, facilities, and commercial space under leases ranging from 30 to 55 years. Rent expense totaled approximately \$1,833,000 and \$1,887,000 for 2018 and 2017, respectively.

Certain ground lease payments are subject to changes in net cash flow, which is a contingency that cannot be reasonably estimated.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Minimum future lease payments under the foregoing leases for each of the next five years and thereafter subsequent to December 31, 2018 are as follows:

2019	\$	465,000
2020		466,000
2021		467,000
2022		468,000
2023		469,000
Thereafter		<u>17,307,505</u>
Total	\$	<u>19,642,505</u>

Litigation

BRIDGE and Affiliates are named in various claims and legal actions in the normal course of their activities. Based upon counsel and management's opinion, the outcomes of such matters are not expected to have a material adverse effect on BRIDGE and Affiliates' financial position or changes in net assets.

Letters of credit

As of December 31, 2018, BRIDGE has a standby letter of credit with Wells Fargo totaling approximately \$3,871,000 for the La Vereda project, and a standby letter of credit from US Bank totaling \$3,329,000 and \$3,400,000 for the Marea Alta project and the Westview project, respectively.

Surety bonds

In connection with certain project developments, BRIDGE enters into surety bond agreements, which bind BRIDGE to repay the surety company if the contractor is unable to successfully perform on the contract. As of December 31, 2018 and 2017, BRIDGE has outstanding a maximum of \$20,716,000 and \$20,978,000, respectively, in surety bonds.

Property management

Property management on certain properties is contracted with non-affiliated entities for annual amounts subject to yearly increases.

Grants and loans receivable

In connection with various federal, state and city grants and loan programs, BRIDGE and Affiliates are obligated to operate in accordance with those grant and loan requirements and are subject to audit by those agencies. In cases of noncompliance, the agencies involved may require that BRIDGE and Affiliates refund payment of program funds. The amount, if any, of expenditures that may be disallowed by the agencies cannot be determined at this time, although BRIDGE and Affiliates expect such amounts, if any, to be immaterial.

Other

As general partners in various partnerships, BRIDGE and Affiliates may be subject to other liabilities, should the affected partnerships' assets become insufficient to meet their obligations. In the opinion of management, future revenues and the value of the underlying assets of each of these partnerships will be sufficient to meet ongoing and future partnership obligations.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Note 22 - Guarantees

BRIDGE issues a variety of guarantees in the course of developing properties. The guarantees are generally issued in favor of limited partner investors or lenders. Guarantees, as of December 31, 2018 and 2017 (except for tax benefits, which are one year in arrears), consist of the following:

	2018	2017
Operating deficits	\$ 23,391,000	\$ 22,531,000
Construction loan repayment and completion	496,527,000	553,548,000
Tax benefits	383,167,000	422,857,000
Other	12,129,000	71,000
Total	<u>\$ 915,214,000</u>	<u>\$ 999,007,000</u>

Operating deficit guarantees

Operating deficit guarantees are commitments to fund future operating deficits of partnerships. The guarantees are issued in favor of limited tax credit partnerships, and generally are for the fifteen-year period when the investor is expected to hold its limited partner interest, or for shorter periods (for example, until certain debt ratios are achieved). A payment under a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate, resulting in an obligation to repay the advance, usually from future operating cash flow. To date, BRIDGE has not experienced any calls on these guarantees.

Construction loan repayment and completion guarantees

BRIDGE provides repayment guarantees for construction loans used for the development of properties. BRIDGE has also provided construction completion guarantees in favor of certain lenders for the development of properties and lease-up of a project, should the project not receive expected permanent financing, or should the cost of the development exceed permanent financing received. A payment under such a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate that is obligated to complete a development, resulting in an obligation to repay the advance, usually from future operating cash flow. There are no significant completion delays in BRIDGE current developments. To date, BRIDGE has not experienced non-completion of a project, nor has it been called on for any loan repayment guarantee.

Tax benefits guarantees

As the sponsor or the developer of certain properties financed in part by federal and/or state tax credit allocations, BRIDGE has made certain guarantees to investors as to the tax credits and other benefits to be derived from the properties. These guarantees generally cover the tax compliance periods of fifteen years after initial lease-up. A payment under such a guarantee could result in a cash distribution from an affiliate's operating cash flow to the investor limited partner. In the opinion of management, compliance with tax regulations and careful monitoring of the properties should preclude these contingent liabilities from materializing. To date, BRIDGE has not experienced any calls on these guarantees.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2018 and 2017

Other guarantees

BRIDGE and affiliated not-for-profit organizations are the general partners, co-general partners, members, or co-managing members of various limited partnerships or limited liability companies as disclosed in Note 1. BRIDGE and Affiliates executed various performance guarantees in connection with those limited partnerships or limited liability companies. BRIDGE is obligated to fund various affiliated not-for-profit organizations with equity contributions in the event such guarantees are being called upon. BRIDGE provides loan guarantees for loans used during the predevelopment phase of certain projects. BRIDGE also provided a repayment guarantee on an acquisition loan (LP buyout). To date, BRIDGE has not experienced any calls on these guarantees and considers the occurrence of such events remote.

No stand ready liability has been recorded in connection with the operating deficit, construction loan repayment and completion, tax benefit, or equity contribution guarantees as these are guarantees to entities under common control.

Note 23 - Subsequent events

Events that occur after the statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Company through April 24, 2019, the date the consolidated financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to consolidated financial statements.

Supplementary Information

BRIDGE Housing Corporation and Affiliates
Consolidating Schedules of Financial Position
December 31, 2018

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Assets										
Current assets										
Cash and cash equivalents	\$ 15,610,000	\$ 1,320,000	\$ 271,000	\$ 589,000	\$ 12,461,000	\$ 43,650,000	\$ 1,951,000	\$ 75,852,000	\$ -	\$ 75,852,000
Accounts receivable - net	21,315,000	3,000	33,000	-	-	7,549,000	6,340,000	35,240,000	(26,323,000)	8,917,000
Contributions receivable - current portion	-	695,000	-	-	-	-	-	695,000	-	695,000
Notes receivable - current portion	1,651,000	-	-	202,000	1,081,000	-	255,000	3,189,000	(2,871,000)	318,000
Prepaid expenses and deposits - current portion	705,000	60,000	17,000	20,000	-	3,907,000	124,000	4,833,000	(15,000)	4,818,000
Investments	-	1,695,000	-	-	8,731,000	-	-	10,426,000	-	10,426,000
Impounds	-	-	-	-	-	2,426,000	-	2,426,000	-	2,426,000
Total current assets	39,281,000	3,773,000	321,000	811,000	22,273,000	57,532,000	8,670,000	132,661,000	(29,209,000)	103,452,000
Non-current assets										
Restricted cash and deposits	-	-	-	46,000	-	94,395,000	440,000	94,881,000	-	94,881,000
Accounts receivable - net of current portion	28,140,000	-	-	-	-	-	4,605,000	32,745,000	(32,745,000)	-
Notes receivable - net of current portion	19,752,000	-	-	8,845,000	-	4,992,000	86,880,000	120,469,000	(97,608,000)	22,861,000
Contributions receivable - net of current portion	-	1,278,000	-	-	-	-	-	1,278,000	-	1,278,000
Prepaid expenses and deposits - net of current portion	205,000	-	-	-	-	7,829,000	89,000	8,123,000	(1,986,000)	6,137,000
Property and equipment - net	5,110,000	121,000	-	-	-	2,183,743,000	21,390,000	2,210,364,000	(20,087,000)	2,190,277,000
Deferred costs - net	-	-	-	-	-	5,293,000	327,000	5,620,000	(245,000)	5,375,000
Land under lease and held for development	2,464,000	-	-	-	-	-	1,755,000	4,219,000	-	4,219,000
Asset held for sale	-	-	-	-	-	-	2,944,000	2,944,000	-	2,944,000
Other investments	5,498,000	-	-	-	-	-	59,919,000	65,417,000	(61,778,000)	3,639,000
Total non-current assets	61,169,000	1,399,000	-	8,891,000	-	2,296,252,000	178,349,000	2,546,060,000	(214,449,000)	2,331,611,000
Total assets	\$ 100,450,000	\$ 5,172,000	\$ 321,000	\$ 9,702,000	\$ 22,273,000	\$ 2,353,784,000	\$ 187,019,000	\$ 2,678,721,000	\$ (243,658,000)	\$ 2,435,063,000
Liabilities and Net Assets										
Current liabilities										
Accounts payable and accrued expenses	\$ 3,060,000	\$ 731,000	\$ 328,000	\$ 437,000	\$ -	\$ 91,005,000	\$ 22,019,000	117,580,000	\$ (41,501,000)	\$ 76,079,000
Notes payable - current portion	3,000,000	-	-	158,000	-	19,548,000	7,600,000	30,306,000	(6,642,000)	23,664,000
Interest payable - current portion	37,000	-	-	-	-	8,407,000	28,000	8,472,000	(2,985,000)	5,487,000
Deferred revenues - current portion	154,000	-	-	-	-	11,415,000	5,642,000	17,211,000	(2,814,000)	14,397,000
Security and other deposits	67,000	-	-	-	-	-	32,000	99,000	-	99,000
Total current liabilities	6,318,000	731,000	328,000	595,000	-	130,375,000	35,321,000	173,668,000	(53,942,000)	119,726,000
Non-current liabilities										
Accounts payable and accrued expenses - net of current portion	5,644,000	-	-	-	-	25,849,000	-	31,493,000	(30,377,000)	1,116,000
Notes payable - net of current portion	13,626,000	2,000,000	-	6,356,000	-	1,604,724,000	34,949,000	1,661,655,000	(93,064,000)	1,568,591,000
Interest payable - net of current portion	-	33,000	-	530,000	-	127,183,000	3,233,000	130,979,000	(5,385,000)	125,594,000
Deferred revenues - net of current portion	-	-	-	-	-	2,680,000	-	2,680,000	(89,000)	2,591,000
Derivative financial instrument	-	-	-	-	-	7,197,000	-	7,197,000	-	7,197,000
Security and other deposits - net of current portion	-	-	-	-	-	6,600,000	-	6,600,000	-	6,600,000
Total non-current liabilities	19,270,000	2,033,000	-	6,886,000	-	1,774,233,000	38,182,000	1,840,604,000	(128,915,000)	1,711,689,000
Total liabilities	25,588,000	2,764,000	328,000	7,481,000	-	1,904,608,000	73,503,000	2,014,272,000	(182,857,000)	1,831,415,000
Net assets										
Without donor restrictions										
Controlling interests	73,202,000	(409,000)	(7,000)	2,221,000	22,273,000	35,538,000	89,199,000	222,017,000	(60,806,000)	161,211,000
Non-controlling interests	-	-	-	-	-	413,511,000	24,317,000	437,828,000	5,000	437,833,000
Total without donor restrictions	73,202,000	(409,000)	(7,000)	2,221,000	22,273,000	449,049,000	113,516,000	659,845,000	(60,801,000)	599,044,000
With donor restrictions										
Total with donor restrictions	1,660,000	2,817,000	-	-	-	127,000	-	4,604,000	-	4,604,000
Total net assets	74,862,000	2,408,000	(7,000)	2,221,000	22,273,000	449,176,000	113,516,000	664,449,000	(60,801,000)	603,648,000
Total liabilities and net assets	\$ 100,450,000	\$ 5,172,000	\$ 321,000	\$ 9,702,000	\$ 22,273,000	\$ 2,353,784,000	\$ 187,019,000	\$ 2,678,721,000	\$ (243,658,000)	\$ 2,435,063,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.
(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates
Consolidating Schedules of Financial Position
December 31, 2017

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Assets										
Current assets										
Cash and cash equivalents	\$ 16,725,000	\$ 2,359,000	\$ 435,000	\$ 747,000	\$ 12,533,000	\$ 28,741,000	\$ 3,492,000	\$ 65,032,000	\$ -	\$ 65,032,000
Accounts receivable - net	22,592,000	654,000	281,000	-	-	9,134,000	5,669,000	38,330,000	(28,303,000)	10,027,000
Contributions receivable - current portion	-	1,275,000	-	-	-	101,000	-	1,376,000	-	1,376,000
Notes receivable - current portion	3,482,000	-	-	301,000	137,000	125,000	2,739,000	6,784,000	(6,242,000)	542,000
Prepaid expenses and deposits - current portion	2,132,000	16,000	15,000	-	-	3,372,000	4,000	5,539,000	(48,000)	5,491,000
Impounds	-	-	-	-	-	2,132,000	-	2,132,000	-	2,132,000
Total current assets	44,931,000	4,304,000	731,000	1,048,000	12,670,000	43,605,000	11,904,000	119,193,000	(34,593,000)	84,600,000
Non-current assets										
Restricted cash and deposits	-	-	-	49,000	-	74,509,000	406,000	74,964,000	-	74,964,000
Investments	-	1,888,000	-	-	11,739,000	-	-	13,627,000	-	13,627,000
Accounts receivable - net of current portion	18,278,000	-	-	-	-	-	1,844,000	20,122,000	(20,122,000)	-
Notes receivable - net of current portion	21,338,000	-	-	8,964,000	932,000	4,992,000	76,803,000	113,029,000	(89,954,000)	23,075,000
Contributions receivable - net of current portion	-	206,000	-	-	-	-	-	206,000	-	206,000
Prepaid expenses and deposits - net of current portion	339,000	-	-	-	-	7,968,000	91,000	8,398,000	(2,047,000)	6,351,000
Property and equipment - net	3,970,000	63,000	-	-	-	2,018,225,000	19,130,000	2,041,388,000	(18,451,000)	2,022,937,000
Deferred costs - net	-	-	-	-	-	4,945,000	431,000	5,376,000	-	5,079,000
Land under lease and held for development	2,464,000	-	-	-	-	-	1,755,000	4,219,000	-	4,219,000
Asset held for sale	-	-	-	-	-	-	3,517,000	3,517,000	-	3,517,000
Other investments	4,009,000	-	-	-	-	-	71,713,000	75,722,000	(73,272,000)	2,450,000
Total non-current assets	50,398,000	2,157,000	-	9,013,000	12,671,000	2,110,639,000	175,690,000	2,360,568,000	(204,143,000)	2,156,425,000
Total assets	\$ 95,329,000	\$ 6,461,000	\$ 731,000	\$ 10,061,000	\$ 25,341,000	\$2,154,244,000	\$ 187,594,000	\$2,479,761,000	\$ (238,736,000)	\$2,241,025,000
Liabilities and Net Assets										
Current liabilities										
Accounts payable and accrued expenses	\$ 3,322,000	\$ 2,609,000	\$ 551,000	\$ 284,000	\$ 643,000	\$ 60,075,000	\$ 16,601,000	\$ 84,085,000	\$ (39,794,000)	\$ 44,291,000
Notes payable - current portion	11,599,000	-	-	625,000	-	45,848,000	2,094,000	60,166,000	(11,427,000)	48,739,000
Interest payable - current portion	74,000	-	-	112,000	-	8,306,000	106,000	8,598,000	(3,507,000)	5,091,000
Deferred revenues - current portion	57,000	-	-	-	-	17,643,000	5,082,000	22,782,000	(2,915,000)	19,867,000
Security and other deposits	325,000	-	-	-	-	-	23,000	348,000	-	348,000
Total current liabilities	15,377,000	2,609,000	551,000	1,021,000	643,000	131,872,000	23,906,000	175,979,000	(57,643,000)	118,336,000
Non-current liabilities										
Accounts payable and accrued expenses - net of current portion	2,813,000	-	-	-	-	17,573,000	-	20,386,000	(19,345,000)	1,041,000
Notes payable - net of current portion	7,917,000	2,000,000	-	6,626,000	-	1,463,449,000	29,572,000	1,509,564,000	(82,191,000)	1,427,373,000
Interest payable - net of current portion	13,000	45,000	-	349,000	-	116,981,000	2,602,000	119,990,000	(4,314,000)	115,676,000
Deferred revenues - net of current portion	-	-	-	-	-	1,612,000	-	1,612,000	(91,000)	1,521,000
Derivative financial instrument	-	-	-	-	-	8,765,000	-	8,765,000	-	8,765,000
Security and other deposits - net of current portion	-	-	-	-	-	6,431,000	-	6,431,000	-	6,431,000
Total non-current liabilities	10,743,000	2,045,000	-	6,975,000	-	1,614,811,000	32,174,000	1,666,748,000	(105,941,000)	1,560,807,000
Total liabilities	26,120,000	4,654,000	551,000	7,996,000	643,000	1,746,683,000	56,080,000	1,842,727,000	(163,584,000)	1,679,143,000
Net assets										
Without donor restrictions										
Controlling interests	67,549,000	(837,000)	180,000	2,065,000	24,698,000	40,537,000	106,992,000	241,184,000	(75,157,000)	166,027,000
Non-controlling interests	-	-	-	-	-	366,827,000	24,522,000	391,349,000	5,000	391,354,000
Total without donor restrictions	67,549,000	(837,000)	180,000	2,065,000	24,698,000	407,364,000	131,514,000	632,533,000	(75,152,000)	557,381,000
With donor restrictions										
Total with donor restrictions	1,660,000	2,644,000	-	-	-	197,000	-	4,501,000	-	4,501,000
Total net assets	69,209,000	1,807,000	180,000	2,065,000	24,698,000	407,561,000	131,514,000	637,034,000	(75,152,000)	561,882,000
Total liabilities and net assets	\$ 95,329,000	\$ 6,461,000	\$ 731,000	\$ 10,061,000	\$ 25,341,000	\$2,154,244,000	\$ 187,594,000	\$2,479,761,000	\$ (238,736,000)	\$2,241,025,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.
(2) Includes properties that control certain housing property entities.

See Independent Auditor's Report.

BRIDGE Housing Corporation and Affiliates

Consolidating Schedules of Activities Year Ended December 31, 2018

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Support and revenue										
Developer fees	\$ 21,357,000	\$ -	\$ -	\$ -	\$ -	\$ 27,000	\$ 2,808,000	\$ 24,192,000	\$ (10,353,000)	\$ 13,839,000
Rental income - net of vacancies and concessions	256,000	-	-	-	-	147,733,000	554,000	148,543,000	(292,000)	148,251,000
Management revenue	11,190,000	1,290,000	6,665,000	389,000	-	59,000	(1,360,000)	18,233,000	(16,335,000)	1,898,000
Contributions	-	3,974,000	-	-	-	7,326,000	1,345,000	12,645,000	-	12,645,000
Interest income	1,396,000	125,000	-	437,000	866,000	413,000	2,024,000	5,261,000	(3,386,000)	1,875,000
Other property related	-	-	-	-	-	12,186,000	-	12,186,000	-	12,186,000
Other	1,386,000	(52,000)	50,000	1,000	-	-	37,000	1,422,000	-	1,422,000
Total support and revenue	35,585,000	5,337,000	6,715,000	827,000	866,000	167,744,000	5,408,000	222,482,000	(30,366,000)	192,116,000
Expenses										
Program services	23,674,000	3,811,000	6,184,000	660,000	3,289,000	229,726,000	16,407,000	283,751,000	(46,345,000)	237,406,000
Supporting services	6,410,000	9,000	718,000	11,000	2,000	859,000	105,000	8,114,000	-	8,114,000
Fundraising	-	916,000	-	-	-	-	-	916,000	-	916,000
Total expenses	30,084,000	4,736,000	6,902,000	671,000	3,291,000	230,585,000	16,512,000	292,781,000	(46,345,000)	246,436,000
Changes in net assets	5,501,000	601,000	(187,000)	156,000	(2,425,000)	(62,841,000)	(11,104,000)	(70,299,000)	15,979,000	(54,320,000)
Net assets, beginning	69,209,000	1,807,000	180,000	2,065,000	24,698,000	407,561,000	131,514,000	637,034,000	(75,152,000)	561,882,000
Net capital contributions	152,000	-	-	-	-	104,456,000	(6,894,000)	97,714,000	(1,628,000)	96,086,000
Net assets, end	\$ 74,862,000	\$ 2,408,000	\$ (7,000)	\$ 2,221,000	\$ 22,273,000	\$ 449,176,000	\$ 113,516,000	\$ 664,449,000	\$ (60,801,000)	\$ 603,648,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

Consolidating Schedules of Activities Year Ended December 31, 2017

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Support and revenue										
Developer fees	\$ 16,460,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,971,000	\$ 19,431,000	\$ (8,050,000)	\$ 11,381,000
Rental income - net of vacancies and concessions	217,000	-	-	-	-	135,123,000	511,000	135,851,000	(357,000)	135,494,000
Management revenue	9,148,000	710,000	6,858,000	558,000	-	48,000	(2,107,000)	15,215,000	(12,488,000)	2,727,000
Contributions	-	2,328,000	-	-	-	791,000	20,093,000	23,212,000	-	23,212,000
Interest income	1,836,000	197,000	-	345,000	1,648,000	267,000	1,842,000	6,135,000	(3,376,000)	2,759,000
Other property related	-	-	-	-	-	8,810,000	-	8,810,000	(3,428,000)	5,382,000
Other	837,000	57,000	-	1,000	239,000	-	832,000	1,966,000	-	1,966,000
Total support and revenue	28,498,000	3,292,000	6,858,000	904,000	1,887,000	145,039,000	24,142,000	210,620,000	(27,699,000)	182,921,000
Expenses										
Program services	17,842,000	3,703,000	6,258,000	648,000	1,144,000	202,078,000	7,622,000	239,295,000	(30,334,000)	208,961,000
Supporting services	5,846,000	10,000	599,000	10,000	2,000	826,000	102,000	7,395,000	-	7,395,000
Fundraising	-	674,000	-	-	-	-	-	674,000	-	674,000
Total expenses	23,688,000	4,387,000	6,857,000	658,000	1,146,000	202,904,000	7,724,000	247,364,000	(30,334,000)	217,030,000
Changes in net assets before assigning net assets	4,810,000	(1,095,000)	1,000	246,000	741,000	(57,865,000)	16,418,000	(36,744,000)	2,635,000	(34,109,000)
Assigning net assets to affiliates	-	-	-	-	-	(50,000)	50,000	-	-	-
Changes in net assets	4,810,000	(1,095,000)	1,000	246,000	741,000	(57,915,000)	16,468,000	(36,744,000)	2,635,000	(34,109,000)
Net assets, beginning	64,399,000	2,902,000	179,000	1,819,000	23,957,000	388,327,000	116,690,000	598,273,000	(59,627,000)	538,646,000
Net capital contributions	-	-	-	-	-	77,149,000	(1,644,000)	75,505,000	(18,160,000)	57,345,000
Net assets, end	\$ 69,209,000	\$ 1,807,000	\$ 180,000	\$ 2,065,000	\$ 24,698,000	\$ 407,561,000	\$ 131,514,000	\$ 637,034,000	\$ (75,152,000)	\$ 561,882,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

See Independent Auditor's Report.

BRIDGE Housing Corporation and Affiliates

Consolidating Schedules of Cash Flows Year Ended December 31, 2018

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Cash flows from operating activities										
Change in net assets	\$ 5,501,000	\$ 601,000	\$ (187,000)	\$ 157,000	\$ (2,425,000)	\$ (61,778,000)	\$ (5,928,000)	\$ (64,059,000)	\$ 9,739,000	\$ (54,320,000)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities										
Depreciation and amortization	481,000	29,000	-	-	-	67,270,000	212,000	67,992,000	(1,189,000)	66,803,000
Amortization of permanent loan costs	89,000	-	-	-	-	1,278,000	5,000	1,372,000	-	1,372,000
(Gain) loss on disposal of fixed assets	-	-	-	-	-	(4,531,000)	-	(4,531,000)	-	(4,531,000)
Unrealized gain (loss) and (income) loss from other investments	(1,388,000)	193,000	-	-	977,000	(1,567,000)	-	(1,785,000)	-	(1,785,000)
Bad debt	4,053,000	-	-	-	-	631,000	-	4,684,000	(4,005,000)	679,000
Discount for long term contributions receivable	-	52,000	-	-	-	-	-	52,000	-	52,000
Assigning equity investments to affiliates	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in assets										
Accounts receivable	(10,275,000)	651,000	247,000	-	(12,000)	(142,000)	(2,369,000)	(11,900,000)	12,331,000	431,000
Contributions receivable	-	(544,000)	-	-	-	133,000	-	(411,000)	-	(411,000)
Prepaid expenses and deposits	1,303,000	(46,000)	-	(20,000)	-	(222,000)	(106,000)	909,000	(94,000)	815,000
Impounds	-	-	-	-	-	(294,000)	-	(294,000)	-	(294,000)
Increase (decrease) in liabilities										
Accounts payable and accrued expenses	1,291,000	(1,878,000)	(224,000)	153,000	(643,000)	9,389,000	5,418,000	13,506,000	(12,739,000)	767,000
Deferred revenues	97,000	-	-	-	-	(6,083,000)	(226,000)	(6,212,000)	103,000	(6,109,000)
Interest payable	(50,000)	(11,000)	-	72,000	-	10,301,000	553,000	10,865,000	(549,000)	10,316,000
Net cash provided by (used in) operating activities	1,102,000	(953,000)	(164,000)	362,000	(2,103,000)	14,385,000	(2,441,000)	10,188,000	3,597,000	13,785,000
Cash flows from investing activities										
(Additions to) collections of notes receivable	1,054,000	-	-	219,000	-	125,000	(7,593,000)	(6,195,000)	6,599,000	404,000
Net (increase) decrease in other investments	51,000	-	-	-	2,031,000	-	5,553,000	7,635,000	(5,254,000)	2,381,000
Net (increase) decrease in restricted cash and deposits	-	-	-	(2,000)	-	(19,886,000)	(34,000)	(19,922,000)	-	(19,922,000)
(Purchase) sale of marketable securities and investments	-	-	-	-	-	(6,000)	-	(6,000)	-	(6,000)
Purchase of property and equipment	(343,000)	(86,000)	-	-	-	(204,864,000)	805,000	(204,488,000)	2,825,000	(201,663,000)
Sale and retirement of property and equipment	-	-	-	-	-	4,476,000	-	4,476,000	-	4,476,000
Net (increase) decrease in deferred costs	-	-	-	-	-	(998,000)	-	(998,000)	(52,000)	(1,050,000)
Net cash provided by (used in) investing activities	762,000	(86,000)	-	217,000	2,031,000	(221,153,000)	(1,269,000)	(219,498,000)	4,118,000	(215,380,000)
Cash flows from financing activities										
Proceeds from notes payable	1,120,000	-	-	-	-	301,878,000	8,277,000	311,275,000	(6,088,000)	305,187,000
Payment of notes payable	(4,099,000)	-	-	(737,000)	-	(184,873,000)	-	(189,709,000)	-	(189,709,000)
Proceeds from deferred revenue earmarked for development	-	-	-	-	-	923,000	786,000	1,709,000	-	1,709,000
Payment of syndication costs	-	-	-	-	-	(562,000)	-	(562,000)	-	(562,000)
Proceeds from (distribution of) capital contributions	-	-	-	-	-	104,311,000	(6,894,000)	97,417,000	(1,627,000)	95,790,000
Net cash provided by (used in) financing activities	(2,979,000)	-	-	(737,000)	-	221,677,000	2,169,000	220,130,000	(7,715,000)	212,415,000
Increase (decrease) in cash and cash equivalents	(1,115,000)	(1,039,000)	(164,000)	(158,000)	(72,000)	14,909,000	(1,541,000)	10,820,000	-	10,820,000
Cash and cash equivalents, beginning	16,725,000	2,359,000	435,000	747,000	12,533,000	28,741,000	3,492,000	65,032,000	-	65,032,000
Cash and cash equivalents, end	\$ 15,610,000	\$ 1,320,000	\$ 271,000	\$ 589,000	\$ 12,461,000	\$ 43,650,000	\$ 1,951,000	\$ 75,852,000	\$ -	\$ 75,852,000
Supplementary information										
Cash paid for interest (net of capitalized portion)	\$ 509,000	\$ -	\$ -	\$ 153,000	\$ -	\$ 26,170,000	\$ 862,000	\$ 27,694,000	\$ -	\$ 27,694,000
Noncash investing and financing activities										
Property and equipment acquired and recorded in accounts payable and accrued expenses	\$ 1,278,000	\$ -	\$ -	\$ -	\$ -	\$ 29,818,000	\$ -	\$ 31,096,000	\$ -	\$ 31,096,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

Consolidating Schedules of Cash Flows Year Ended December 31, 2017

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Cash flows from operating activities										
Change in net assets	\$ 4,810,000	\$ (1,095,000)	\$ 1,000	\$ 246,000	\$ 741,000	\$ (57,915,000)	\$ 16,468,000	\$ (36,744,000)	\$ 2,635,000	\$ (34,109,000)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities										
Depreciation and amortization	471,000	(26,000)	-	-	-	54,638,000	147,000	55,230,000	(596,000)	54,634,000
Amortization of permanent loans costs	41,000	-	-	-	-	1,074,000	19,000	1,134,000	-	1,134,000
(Gain) loss on disposal of fixed assets	-	-	-	-	-	2,643,000	-	2,643,000	-	2,643,000
Unrealized gain (loss) and (income) loss from other investments	(833,000)	(214,000)	-	-	(238,000)	(1,364,000)	-	(2,649,000)	-	(2,649,000)
Bad debt	2,230,000	-	-	-	-	272,000	-	2,502,000	(2,230,000)	272,000
Assigning equity investments to affiliates	-	-	-	-	-	50,000	(50,000)	-	-	-
(Increase) decrease in assets										
Accounts receivable	(10,173,000)	(543,000)	(261,000)	303,000	(63,000)	(3,451,000)	(2,604,000)	(16,792,000)	12,266,000	(4,526,000)
Contributions receivable	-	(152,000)	1,000	-	-	(60,000)	-	(211,000)	-	(211,000)
Prepaid expenses and deposits	(21,000)	13,000	-	16,000	-	(319,000)	189,000	(122,000)	(81,000)	(203,000)
Impounds	-	-	-	-	-	(667,000)	-	(667,000)	-	(667,000)
Increase (decrease) in liabilities										
Accounts payable and accrued expenses	1,467,000	2,047,000	222,000	97,000	643,000	5,172,000	7,784,000	17,432,000	(15,485,000)	1,947,000
Deferred revenues	(196,000)	-	-	-	-	2,594,000	(5,990,000)	(3,592,000)	(175,000)	(3,767,000)
Interest payable	(14,000)	1,000	-	150,000	-	16,442,000	524,000	17,103,000	(1,391,000)	15,712,000
Net cash provided by (used in) operating activities	(2,218,000)	31,000	(37,000)	812,000	1,083,000	19,109,000	16,487,000	35,267,000	(5,057,000)	30,210,000
Cash flows from investing activities										
(Additions to) collections of notes receivable	(13,797,000)	-	-	(2,868,000)	-	24,000	(12,854,000)	(29,495,000)	26,093,000	(3,402,000)
Net (increase) decrease in other investments	105,000	-	-	-	(1,572,000)	-	(16,592,000)	(18,059,000)	15,429,000	(2,630,000)
Net (increase) decrease in restricted cash and deposits	-	-	-	(5,000)	-	(6,512,000)	(323,000)	(6,840,000)	-	(6,840,000)
(Purchase) sale of marketable securities and investments	-	(4,000)	-	-	-	(8,000)	-	(12,000)	-	(12,000)
Purchase of property and equipment	4,001,000	33,000	-	-	-	(234,823,000)	(9,379,000)	(240,168,000)	2,846,000	(237,322,000)
Sale and retirement of property and equipment	-	-	-	-	-	9,944,000	-	9,944,000	-	9,944,000
Net (increase) decrease in deferred costs	-	-	-	-	-	(2,108,000)	(1,000)	(2,109,000)	297,000	(1,812,000)
Net cash provided by (used in) investing activities	(9,691,000)	29,000	-	(2,873,000)	(1,572,000)	(233,483,000)	(39,149,000)	(286,739,000)	44,665,000	(242,074,000)
Cash flows from financing activities										
Proceeds from notes payable	(3,451,000)	-	-	3,056,000	-	271,531,000	12,025,000	283,161,000	(21,449,000)	261,712,000
Payment of notes payable	2,000,000	-	-	(504,000)	-	(150,081,000)	(1,125,000)	(149,710,000)	-	(149,710,000)
Proceeds from deferred revenue earmarked for development	-	-	-	-	-	1,308,000	3,796,000	5,104,000	-	5,104,000
Payment of syndication costs	-	-	-	-	-	(556,000)	-	(556,000)	-	(556,000)
Proceeds from (distribution of) capital contributions	-	-	-	-	-	89,718,000	2,961,000	92,679,000	(18,159,000)	74,520,000
Net cash provided by (used in) financing activities	(1,451,000)	-	-	2,552,000	-	211,920,000	17,657,000	230,678,000	(39,608,000)	191,070,000
Increase (decrease) in cash and cash equivalents	(13,360,000)	60,000	(37,000)	491,000	(489,000)	(2,454,000)	(5,005,000)	(20,794,000)	-	(20,794,000)
Cash and cash equivalents, beginning	30,085,000	2,299,000	472,000	256,000	13,022,000	31,195,000	8,497,000	85,826,000	-	85,826,000
Cash and cash equivalents, end	\$ 16,725,000	\$ 2,359,000	\$ 435,000	\$ 747,000	\$ 12,533,000	\$ 28,741,000	\$ 3,492,000	\$ 65,032,000	\$ -	\$ 65,032,000
Supplementary information										
Cash paid for interest (net of capitalized portion)	\$ 417,000	\$ -	\$ -	\$ 6,000	\$ -	\$ 26,170,000	\$ -	\$ 26,593,000	\$ -	\$ 26,593,000
Noncash investing and financing activities										
Property and equipment acquired and recorded in accounts payable and accrued expenses	\$ 577,000	\$ -	\$ -	\$ -	\$ -	\$ 12,672,000	\$ -	\$ 13,249,000	\$ -	\$ 13,249,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

See Independent Auditor's Report.

BRIDGE Housing Corporation and Affiliates
Consolidating Schedules of Cash Composition
Years Ended December 31, 2018 and 2017

2018	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp. (3)	Housing properties (1)	Other entities (2)	Total
Unrestricted	\$ 14,415,000	\$ 37,000	\$ 271,000	\$ 589,000	\$ 12,461,000	\$ -	\$ 1,129,000	\$ 28,902,000
Designated	1,195,000	-	-	-	-	43,650,000	768,000	45,613,000
Donor designated	-	1,283,000	-	-	-	-	54,000	1,337,000
Total unrestricted cash and cash equivalents	15,610,000	1,320,000	271,000	589,000	12,461,000	43,650,000	1,951,000	75,852,000
Restricted cash and deposits	-	-	-	46,000	-	94,395,000	440,000	94,881,000
Total cash and cash equivalents	<u>\$ 15,610,000</u>	<u>\$ 1,320,000</u>	<u>\$ 271,000</u>	<u>\$ 635,000</u>	<u>\$ 12,461,000</u>	<u>\$ 138,045,000</u>	<u>\$ 2,391,000</u>	<u>\$ 170,733,000</u>
2017								
Unrestricted	\$ 15,578,000	\$ 386,000	\$ 435,000	\$ 747,000	\$ 12,533,000	\$ -	\$ 1,926,000	\$ 31,605,000
Designated	1,147,000	-	-	-	-	28,741,000	1,364,000	31,252,000
Donor designated	-	1,973,000	-	-	-	-	202,000	2,175,000
Total unrestricted cash and cash equivalents	16,725,000	2,359,000	435,000	747,000	12,533,000	28,741,000	3,492,000	65,032,000
Restricted cash and deposits	-	-	-	49,000	-	74,509,000	406,000	74,964,000
Total cash and cash equivalents	<u>\$ 16,725,000</u>	<u>\$ 2,359,000</u>	<u>\$ 435,000</u>	<u>\$ 796,000</u>	<u>\$ 12,533,000</u>	<u>\$ 103,250,000</u>	<u>\$ 3,898,000</u>	<u>\$ 139,996,000</u>

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes entities that control certain housing property entities.

(3) In addition, BRIDGE affiliates held marketable securities of \$10,426,000 and \$13,627,000 as of December 31, 2018 and 2017, respectively.

See Independent Auditor's Report.

BRIDGE Housing Corporation

Schedules of Financial Position December 31, 2018

2018	Corporate	Predevelopment	Subtotal	Eliminations	BRIDGE Housing Corporation
<u>Assets</u>					
Current assets					
Cash and cash equivalents	\$ 15,557,000	\$ 53,000	\$ 15,610,000	\$ -	\$ 15,610,000
Accounts receivable - net	24,223,000	(2,917,000)	21,306,000	9,000	21,315,000
Notes receivable	1,651,000	-	1,651,000	-	1,651,000
Prepaid expenses and deposits	655,000	50,000	705,000	-	705,000
Total current assets	42,086,000	(2,814,000)	39,272,000	9,000	39,281,000
Non-current assets					
Accounts receivable - net of current portion	28,140,000	-	28,140,000	-	28,140,000
Notes receivable - net of current portion	19,752,000	-	19,752,000	-	19,752,000
Prepaid expenses and deposits - net of current portion	205,000	-	205,000	-	205,000
Property and equipment - net	325,000	4,785,000	5,110,000	-	5,110,000
Land under lease and held for development	2,464,000	-	2,464,000	-	2,464,000
Other investments	5,498,000	-	5,498,000	-	5,498,000
Total non-current assets	56,384,000	4,785,000	61,169,000	-	61,169,000
Total assets	\$ 98,470,000	\$ 1,971,000	\$ 100,441,000	\$ 9,000	\$ 100,450,000
<u>Liabilities and Net Assets</u>					
Current liabilities					
Accounts payable and accrued expenses	\$ 1,760,000	\$ 1,291,000	3,051,000	\$ 9,000	\$ 3,060,000
Notes payable	2,388,000	612,000	3,000,000	-	3,000,000
Interest payable	29,000	8,000	37,000	-	37,000
Deferred revenues	154,000	-	154,000	-	154,000
Security and other deposits	67,000	-	67,000	-	67,000
Total current liabilities	4,398,000	1,911,000	6,309,000	9,000	6,318,000
Non-current liabilities					
Accounts payable and accrued interest - net of current portion	5,644,000	-	5,644,000	-	5,644,000
Notes payable - net of current portion	13,626,000	-	13,626,000	-	13,626,000
Interest payable - net of current portion	-	-	-	-	-
Security and other deposits - net of current portion	-	-	-	-	-
Total non-current liabilities	19,270,000	-	19,270,000	-	19,270,000
Total liabilities	23,668,000	1,911,000	25,579,000	9,000	25,588,000
Net assets					
Unrestricted: Controlling interests	73,142,000	60,000	73,202,000	-	73,202,000
Restricted	1,660,000	-	1,660,000	-	1,660,000
Total net assets	74,802,000	60,000	74,862,000	-	74,862,000
Total liabilities and net assets	\$ 98,470,000	\$ 1,971,000	\$ 100,441,000	\$ 9,000	\$ 100,450,000

BRIDGE Housing Corporation

**Schedules of Financial Position
December 31, 2017**

2017	Corporate	Predevelopment	Subtotal	Eliminations	BRIDGE Housing Corporation
<u>Assets</u>					
Current assets					
Cash and cash equivalents	\$ 16,720,000	\$ 5,000	\$ 16,725,000	\$ -	\$ 16,725,000
Accounts receivable - net	23,917,000	(1,410,000)	22,507,000	85,000	22,592,000
Notes receivable	3,482,000	-	3,482,000	-	3,482,000
Prepaid expenses and deposits	2,113,000	19,000	2,132,000	-	2,132,000
Total current assets	<u>46,232,000</u>	<u>(1,386,000)</u>	<u>44,846,000</u>	<u>85,000</u>	<u>44,931,000</u>
Non-current assets					
Accounts receivable - net of current portion	18,278,000	-	18,278,000	-	18,278,000
Notes receivable - net of current portion	21,338,000	-	21,338,000	-	21,338,000
Prepaid expenses and deposits - net of current portion	339,000	-	339,000	-	339,000
Property and equipment - net	1,152,000	2,818,000	3,970,000	-	3,970,000
Land under lease and held for development	2,464,000	-	2,464,000	-	2,464,000
Other investments	4,009,000	-	4,009,000	-	4,009,000
Total non-current assets	<u>47,580,000</u>	<u>2,818,000</u>	<u>50,398,000</u>	<u>-</u>	<u>50,398,000</u>
Total assets	<u>\$ 93,812,000</u>	<u>\$ 1,432,000</u>	<u>\$ 95,244,000</u>	<u>\$ 85,000</u>	<u>\$ 95,329,000</u>
<u>Liabilities and Net Assets</u>					
Current liabilities					
Accounts payable and accrued expenses	\$ 2,660,000	\$ 577,000	\$ 3,237,000	\$ 85,000	3,322,000
Notes payable	11,599,000	-	11,599,000	-	11,599,000
Interest payable	74,000	-	74,000	-	74,000
Deferred revenues	57,000	-	57,000	-	57,000
Security and other deposits	325,000	-	325,000	-	325,000
Total current liabilities	<u>14,715,000</u>	<u>577,000</u>	<u>15,292,000</u>	<u>85,000</u>	<u>15,377,000</u>
Non-current liabilities					
Accounts payable and accrued interest - net of current portion	2,813,000	-	2,813,000	-	2,813,000
Notes payable - net of current portion	7,075,000	842,000	7,917,000	-	7,917,000
Interest payable - net of current portion	-	13,000	13,000	-	13,000
Security and other deposits - net of current portion	-	-	-	-	-
Total non-current liabilities	<u>9,888,000</u>	<u>855,000</u>	<u>10,743,000</u>	<u>-</u>	<u>10,743,000</u>
Total liabilities	<u>24,603,000</u>	<u>1,432,000</u>	<u>26,035,000</u>	<u>85,000</u>	<u>26,120,000</u>
Net assets					
Unrestricted: Controlling interests	67,549,000	-	67,549,000	-	67,549,000
Restricted	1,660,000	-	1,660,000	-	1,660,000
Total net assets	<u>69,209,000</u>	<u>-</u>	<u>69,209,000</u>	<u>-</u>	<u>69,209,000</u>
Total liabilities and net assets	<u>\$ 93,812,000</u>	<u>\$ 1,432,000</u>	<u>\$ 95,244,000</u>	<u>\$ 85,000</u>	<u>\$ 95,329,000</u>

See Independent Auditor's Report.

BRIDGE Housing Corporation

**Schedules of Notes Payable
December 31, 2018 and 2017**

	2018		2017	
	Interest payable	Principal	Interest payable	Principal
Low Income Investment Fund, with interest of 2% per annum payable annually, secured by a promissory note, due December 1, 2025.	\$ 5,000	\$ 2,000,000	\$ 5,000	\$ 2,000,000
The Ford Foundation, unsecured, due in annual installments of \$1,000,000 beginning July 16, 2020, with 1% interest payable quarterly. Loan proceeds are designated to be used in home ownership developments.	-	3,000,000	-	3,000,000
The Ford Foundation, unsecured, due in annual installments of \$1,000,000 beginning September 20, 2018, with 1% interest payable quarterly. Loan proceeds are designated to be lent to BRIC for the Mortgage Assistance Program.	-	-	-	1,499,000
Calvert Social Investment Foundation, unsecured, due April 30, 2019, with 4% interest payable semi-annually with interest payments commencing December 2003.	-	1,500,000	-	1,500,000
Community Development Agency of the City of Foster City, non-interest-bearing, secured primarily by a deed of trust. Principal payments are due annually in an amount equal to rental payments received. The note is due in June 2050, with unpaid balance to be forgiven under certain circumstances.	-	616,000	-	616,000
US Bank, unsecured, due October 1, 2022, with interest of 3.25% per annum payable monthly.	4,000	1,500,000	4,000	1,500,000
US Bank, unsecured line of credit, due August 9, 2019, with interest of 4.625% per annum payable monthly.	6,000	1,500,000	-	-
Wells Fargo Bank, subordinated loan, unsecured, due quarterly installments beginning January 1, 2023, with interest of 2% per annum due monthly.	14,000	6,000,000	-	-

BRIDGE Housing Corporation

**Schedules of Notes Payable
December 31, 2018 and 2017**

	2018		2017	
	Interest payable	Principal	Interest payable	Principal
Wells Fargo Bank, unsecured, due July 10, 2018, with interest of 2% per annum payable monthly.	-	-	5,000	1,000,000
Wells Fargo Bank, unsecured, due October 16, 2018, with interest of 2% per annum payable monthly.	-	-	5,000	1,000,000
Wells Fargo Bank, due May 1, 2018, with interest of 2% per annum payable quarterly.	-	-	20,000	4,000,000
BHAI, affiliate loan, with interest of 2% per annum payable monthly.	-	-	35,000	2,600,000
Predevelopment notes payable	8,000	612,000	-	843,000
Total, gross	37,000	16,728,000	74,000	19,558,000
Debt issuance costs, net	-	102,000	-	42,000
Total, net	37,000	16,626,000	74,000	19,516,000
Less current portion	37,000	3,000,000	74,000	11,599,000
Non-current portion	\$ -	\$ 13,626,000	\$ -	\$ 7,917,000

See Independent Auditor's Report

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
BRIDGE Housing Corporation and Affiliates

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of BRIDGE Housing Corporation and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2018 and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 24, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered BRIDGE Housing Corporation and Affiliates' internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether BRIDGE Housing Corporation and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Los Angeles, California
April 24, 2019

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BRIDGE Housing Corporation and Affiliates

**Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

December 31, 2017 and 2016

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BRIDGE Housing Corporation and Affiliates

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Independent Auditor's Report

To the Board of Directors
BRIDGE Housing Corporation and Affiliates

Report on Financial Statements

We have audited the accompanying consolidated financial statements of BRIDGE Housing Corporation and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion


In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BRIDGE Housing Corporation and Affiliates as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 45 to 55 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2018, on our consideration of BRIDGE Housing Corporation and Affiliates' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BRIDGE Housing Corporation and Affiliates' internal control over financial reporting and compliance.



Los Angeles, California
April 27, 2018

BRIDGE Housing Corporation and Affiliates
Consolidated Statements of Financial Position
December 31, 2017 and 2016

	<u>Assets</u>	
	<u>2017</u>	<u>2016</u>
Current assets		
Cash and cash equivalents	\$ 65,032,000	\$ 85,826,000
Accounts receivable - net	10,027,000	5,999,000
Contributions receivable	1,376,000	1,369,000
Notes receivable	542,000	577,000
Prepaid expenses and deposits	5,491,000	10,233,000
Impounds	2,132,000	1,656,000
	<hr/>	<hr/>
Total current assets	84,600,000	105,660,000
	<hr/>	<hr/>
Non-current assets		
Restricted cash and deposits	74,964,000	66,100,000
Investments	13,627,000	11,599,000
Contributions receivable - net of current portion	206,000	-
Notes receivable - net of current portion	23,075,000	23,480,000
Prepaid expenses and deposits - net of current portion	6,351,000	6,346,000
Property and equipment - net	2,022,937,000	1,851,459,000
Deferred costs - net	5,079,000	5,195,000
Land under lease and held for development	4,219,000	4,219,000
Assets held for sale	3,517,000	2,830,000
Other investments	2,450,000	2,820,000
	<hr/>	<hr/>
Total non-current assets	2,156,425,000	1,974,048,000
	<hr/>	<hr/>
Total assets	<u>\$ 2,241,025,000</u>	<u>\$ 2,079,708,000</u>

BRIDGE Housing Corporation and Affiliates
Consolidated Statements of Financial Position
December 31, 2017 and 2016

	<u>Liabilities and Net Assets</u>	
	<u>2017</u>	<u>2016</u>
Current liabilities		
Accounts payable and accrued expenses	\$ 44,291,000	\$ 58,128,000
Notes payable	48,739,000	11,264,000
Interest payable	5,091,000	5,572,000
Deferred revenues	19,867,000	19,322,000
Security and other deposits	348,000	249,000
	<u>118,336,000</u>	<u>94,535,000</u>
Non-current liabilities		
Accounts payable and accrued expenses - net of current portion	1,041,000	-
Notes payable - net of current portion	1,427,373,000	1,329,858,000
Interest payable - net of current portion	115,676,000	100,287,000
Deferred revenues - net of current portion	1,521,000	2,078,000
Derivative financial instrument	8,765,000	7,883,000
Security and other deposits - net of current portion	6,431,000	6,421,000
	<u>1,560,807,000</u>	<u>1,446,527,000</u>
Total non-current liabilities	<u>1,560,807,000</u>	<u>1,446,527,000</u>
Total liabilities	<u>1,679,143,000</u>	<u>1,541,062,000</u>
Net assets		
Unrestricted		
Controlling interests	166,027,000	166,686,000
Non-controlling interests	391,354,000	367,307,000
	<u>557,381,000</u>	<u>533,993,000</u>
Total unrestricted	<u>557,381,000</u>	<u>533,993,000</u>
Temporarily restricted	2,841,000	2,993,000
Permanently restricted	1,660,000	1,660,000
	<u>561,882,000</u>	<u>538,646,000</u>
Total net assets	<u>561,882,000</u>	<u>538,646,000</u>
Total liabilities and net assets	<u>\$ 2,241,025,000</u>	<u>\$ 2,079,708,000</u>

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Activities
Year Ended December 31, 2017**

	2017			
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Support and revenue				
Developer fees	\$ 11,381,000	\$ -	\$ -	\$ 11,381,000
Rental income - net of vacancies and concessions	135,494,000	-	-	135,494,000
Management revenue	2,727,000	-	-	2,727,000
Contributions	1,183,000	22,029,000	-	23,212,000
Interest income	2,504,000	255,000	-	2,759,000
Other property related	5,382,000	-	-	5,382,000
Other	1,966,000	-	-	1,966,000
Net assets released from restrictions	22,436,000	(22,436,000)	-	-
Total support and revenue	<u>183,073,000</u>	<u>(152,000)</u>	<u>-</u>	<u>182,921,000</u>
Expenses				
Program services	208,961,000	-	-	208,961,000
Supporting services	7,395,000	-	-	7,395,000
Fundraising	674,000	-	-	674,000
Total expenses	<u>217,030,000</u>	<u>-</u>	<u>-</u>	<u>217,030,000</u>
Change in net assets	(33,957,000)	(152,000)	-	(34,109,000)
Net assets, beginning	533,993,000	2,993,000	1,660,000	538,646,000
Net capital contribution - non- controlling interest	57,345,000	-	-	57,345,000
Net assets, end	<u>\$ 557,381,000</u>	<u>\$ 2,841,000</u>	<u>\$ 1,660,000</u>	<u>\$ 561,882,000</u>
Reconciliation of net assets				
Controlling interest				
Beginning				\$ 171,339,000
Change in net assets				<u>(811,000)</u>
Total reconciliation of net assets				<u>170,528,000</u>
Non-controlling interest				
Beginning				367,307,000
Net capital contributions				57,345,000
Non-controlling interests in limited partnership earnings				<u>(33,298,000)</u>
Total non-controlling interest				<u>391,354,000</u>
Net assets, end				<u>\$ 561,882,000</u>

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Activities
Year Ended December 31, 2016**

	2016			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Support and revenue				
Developer fees	\$ 12,750,000	\$ -	\$ -	\$ 12,750,000
Rental income - net of vacancies and concessions	126,657,000	-	-	126,657,000
Management revenue	2,806,000	-	-	2,806,000
Contributions	1,129,000	21,148,000	-	22,277,000
Interest income	1,599,000	43,000	-	1,642,000
Other property related	3,712,000	-	-	3,712,000
Other	441,000	-	-	441,000
Net assets released from restrictions	21,734,000	(21,734,000)	-	-
Total support and revenue	170,828,000	(543,000)	-	170,285,000
Expenses				
Program services	207,620,000	-	-	207,620,000
Supporting services	7,285,000	-	-	7,285,000
Fundraising	625,000	-	-	625,000
Total expenses	215,530,000	-	-	215,530,000
Change in net assets	(44,702,000)	(543,000)	-	(45,245,000)
Net assets, beginning of year	484,544,000	3,536,000	1,660,000	489,740,000
Net capital contribution - non-controlling interest	94,151,000	-	-	94,151,000
Net assets, end of year	\$ 533,993,000	\$ 2,993,000	\$ 1,660,000	\$ 538,646,000
Reconciliation of net assets				
Controlling interest				
Beginning of year				\$ 171,084,000
Change in net assets				255,000
Total reconciliation of net assets				171,339,000
Non-controlling interest				
Beginning of year				318,656,000
Net capital contributions				94,151,000
Non-controlling interests in limited partnership earnings				(45,500,000)
Total non-controlling interest				367,307,000
Net assets, end of year				\$ 538,646,000

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Cash Flows
Years Ended December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ (34,109,000)	\$ (45,245,000)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	54,634,000	50,254,000
Amortization of permanent loan costs	1,134,000	1,825,000
(Gain) loss on disposal of property and equipment	2,643,000	13,528,000
Unrealized (gain) loss from other investments	(2,649,000)	(995,000)
Bad debt	272,000	375,000
(Increase) decrease in assets		
Accounts receivable	(4,526,000)	887,000
Contributions receivable	(211,000)	(400,000)
Prepaid expenses and deposits	(203,000)	7,962,000
Impounds	(667,000)	(342,000)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	1,947,000	750,000
Deferred revenues	(3,767,000)	(21,038,000)
Interest payable	15,712,000	12,631,000
	<u>30,210,000</u>	<u>20,192,000</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Decrease of notes receivable	(3,402,000)	(5,000)
Net change in other investments	(2,630,000)	(3,075,000)
Net increase in restricted cash and deposits	(6,840,000)	(1,913,000)
Sales (purchases) of marketable securities and investments	(12,000)	448,000
Purchase of property and equipment	(237,322,000)	(292,161,000)
Sale and retirement of property and equipment	9,944,000	23,327,000
Net decrease (increase) in deferred costs	(1,812,000)	(1,709,000)
	<u>(242,074,000)</u>	<u>(275,088,000)</u>
Net cash used in investing activities		

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Cash Flows
Years Ended December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from financing activities		
Proceeds from notes payable	261,712,000	201,346,000
Payment of notes payable	(149,710,000)	(25,942,000)
Proceeds from deferred revenue earmarked for development	5,104,000	9,320,000
Payment of syndication costs	(556,000)	-
Proceeds from capital contributions	<u>74,520,000</u>	<u>94,151,000</u>
Net cash provided by financing activities	<u>191,070,000</u>	<u>278,875,000</u>
Net (decrease) increase in cash and cash equivalents	(20,794,000)	23,979,000
Cash and cash equivalents, beginning	<u>85,826,000</u>	<u>61,847,000</u>
Cash and cash equivalents, end	<u>\$ 65,032,000</u>	<u>\$ 85,826,000</u>
Supplementary information		
Cash paid for interest (net of capitalized portion)	<u>\$ 26,593,000</u>	<u>\$ 27,130,000</u>
Noncash investing and financing activities		
Property and equipment acquired and recorded in accounts payable and accrued expenses	<u>\$ 13,249,000</u>	<u>\$ 10,079,000</u>

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Note 1 - Organization and nature of activities

BRIDGE Housing Corporation ("BRIDGE") creates high-quality, affordable homes for working families and seniors. With over 17,000 homes placed in service and over 5,500 units currently in progress, BRIDGE is among the largest affordable housing developers. BRIDGE builds a range of housing types that not only fit comfortably into their surroundings but also act as a catalyst for revitalizing and strengthening neighborhoods.

BRIDGE is also affiliated with and under common board control with other not-for-profit corporations ("Affiliates") that have been formed either as supporting entities to BRIDGE, or as instruments to further BRIDGE's organizational objectives. These entities, which are included in the consolidated financial statements of BRIDGE and Affiliates in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), are:

BRIDGE Community Impact ("BCI") was formed to fund and provide services to support programs that assist the low- and moderate-income, elderly and disabled households who reside in BRIDGE-related housing developments, and to lessen the burden of local government, combat community deterioration and lessen neighborhood tensions in communities associated with BRIDGE-related housing developments through programs that provide service to the communities.

BRIDGE Property Management Company ("BPMC") is the provider of property and marketing services to rental properties developed by BRIDGE or acquired by Affiliates.

BRIDGE Impact Capital, Inc. ("BRIC") is a Community Development Financial Institution ("CDFI") as designated by the U.S. Department of Treasury. BRIC provides lending for affordable housing development, mortgage assistance programs for low-income families, arranges New Markets Tax Credit funding and is the sole member of HomeBricks NSP LLC and operator of Pacific Home Connection ("PHC"), a taxable not-for-profit entity.

BRIDGE Support Corporation ("BSC") is a not-for-profit established as a support corporation to BRIDGE.

Bay Area Senior Services, Inc. ("BASS") is the licensee operating The Peninsula Regent ("TPR"), a senior assisted living facility in San Mateo, California. In 2017, BRIDGE, as parent company to Bay Area Senior Services, Inc., transferred BASS and its operating interest in The Peninsula Regent to Pacific Retirement Services, a senior living organization in Medford Oregon.

In addition to the entities detailed in the tables below, housing properties and other entities include:

BRIDGE Community Development, Inc. ("BCDI") is a not-for-profit established as a support corporation to BRIDGE. BCDI is the sole managing member of BCDI Subsidiary CDE III, LLC and BCDI Subsidiary CDE IV, LLC, which are providers of community lending for affordable housing. BCDI is the co-managing member of BCDI Subsidiary CDE I, LLC and BCDI Subsidiary II, LLC.

BRIDGE Infill Development, Inc. ("BID"), a taxable not-for-profit entity, is a managing member and 2% owner of BRIDGE Urban Infill Land Development, LLC ("BUILD"). BUILD was formed as a partnership with the State of California Public Employees' Retirement System ("CalPERS"). In 2014, a BRIDGE affiliate purchased CalPERS's interest in BUILD, and BUILD is in the process of winding down.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Single-purpose not-for-profit corporations holding a controlling general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partnerships	Marketing Name
BRIDGE Tower, LLC	14th Street Associates	Ironhorse at Central Station
4840 Mission Housing Associates, LLC	4840 Mission Housing Associates LP	4840 Mission
735 Davis Senior BRIDGE, LLC	735 Davis Senior, L.P.	735 Davis
88 Broadway Family BRIDGE, LLC	88 Broadway Family, L.P.	88 Broadway
Abigail Manager, LLC	Abigail Housing Associates, L.P.	The Abigail
Alameda Housing, LLC	Alameda Housing Associates, L.P.	Marea Alta
BRIDGE SC, LLC	Area F1 Housing Associates, L.P.	Sage Canyon
Site K, Inc.	Armstrong Place Associates	Armstrong Place Senior Housing
AveVista Associates, LLC	AveVista Associates LP	AveVista
Bay Meadows Affordable Associates, LLC	Bay Meadows Affordable Associates, L.P.	Bay Meadows
BHC College Park II, LLC	BHC College Park II, L.P.	Ivy at College Park Phase 2
BRIDGE SC, LLC	BHC Sage Park, L.P.	Sage Park
Church Street Housing, Inc.	BRIDGE Grayson Creek Associates	Grayson Creek
BRIDGE Regional Partners, Inc.	BRIDGE Potrero Community Associates, LLC	Potrero Hill Affordable
BRIDGE NorCal Development, Inc.	BRIDGE Triangle Associates, L.P.	The Rivermark
Broadway Tower, Inc.	Broadway Tower Associates, L.P.	Celadon at 9th & Broadway 9%
Broadway Upper Tower, LLC	Broadway Upper Tower Associates, .LP.	Celadon at 9th & Broadway 4%
Northpoint Housing, Inc.	Canal Housing Associates	Belvedere Place
BRIDGE Housing Corp - Southern California	Carmel Valley Housing Associates	Torrey del Mar
BRIDGE Tower, LLC	Carquinez Associates, L.P.	The Carquinez
Northpoint Housing, Inc.	Chelsea Gardens Associates	Chelsea Gardens
Church Street Housing, Inc.	Church Street Housing Associates	One Church Street
Coggins Square, Inc.	Coggins Square Associates	Coggins Square
COMM22 Housing GP, LLC	COMM22 Family Housing, L.P.	Paseo at COMM22
COMM22 Senior GP, LLC	COMM22 Senior Housing, L.P.	Victoria at COMM22
BRIDGE Housing Corp - Southern California	Copper Creek 4% Housing Associates, L.P.	Copper Creek 4%
BRIDGE Housing Corp - Southern California	Copper Creek 9% Housing Associates, L.P.	Copper Creek 9%
Cornelius Place Manager, LLC	Cornelius Place Housing Associates, L.P.	Cornelius Place

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

General Partner	Limited Partnerships	Marketing Name
Doretha Mitchell Housing, LLC	Doretha Housing, L.P.	Doretha Mitchell Housing LP
BRIDGE Housing Corporation	Drake Marin Associates	Doretha Mitchell
Element 78 Housing, LLC	Element 78 Housing Associates, L.P.	Element 78
Northpoint Housing, Inc.	Fabian Way Associates	Alta Torre
Foothill Farms Senior, LLC	Foothill Farms Associates, L.P.	Foothill Farms
Northpoint Housing, Inc.	Geary Housing Partners, L.P.	The Coronet
Gough Street Housing, LLC	Gough Street Housing Associates, L.P.	Fell Street Apartments
BRIDGE Tower, LLC	Grand Oak Associates	Grand Oak
Hercules Senior, Inc.	Hercules Senior Housing Associates	The Arbors
Heritage Square Housing, LLC	Heritage Square Housing Partners, L.P.	Heritage Square
Hermann Street Associates LLC	Hermann Street Associates L.P.	Church Street
BRIDGE Tower, LLC	Irvington Development Group, L.P.	Irvington Terrace
Fell Street Housing, Inc.	Ivy at College Park, L.P.	Ivy at College Park
BRIDGE Tower, LLC	Jennings Avenue Associates	Arroyo Point
John Street Housing, LLC	John Street Housing Associates, L.P.	Pinole Grove Senior Housing
JD Housing 1A, LLC	Jordan Downs 1A, L.P.	Jordan Downs Phase I
BRIDGE Tower, LLC	Kentfield Associates	Kentfield
BRIDGE Housing Corp - Southern California	Laguna Canyon Housing Associates	Laguna Canyon
BRIDGE Tower, LLC	Leland Housing Associates	dormant
Tressa CM, LLC	Linden 143, LLC	Tressa Apartments
BRIDGE NORCAL, LLC	MacArthur Telegraph Associates, L.P.	Mural Apartments
BRIDGE Tower, LLC	Marina Tower Associates	Marina Tower Apartments
Milpitas Housing, Inc.	Milpitas Housing Associates	Montevista Apartments
Nairobi Housing, Inc.	Nairobi Housing Associates	Peninsula Park
474 Natoma, LLC	Natoma Family Housing, L.P.	Natoma
Armstrong Place, Inc.	None as of December 31, 2017 and 2016	None as of December 31, 2017 and 2016
BRIDGE Bissell, Inc.	None as of December 31, 2017 and 2016	None as of December 31, 2017 and 2016
BRIDGE Terraza, Inc.	None as of December 31, 2017 and 2016	None as of December 31, 2017 and 2016
BRIDGE Third Street, Inc.	None as of December 31, 2017 and 2016	None as of December 31, 2017 and 2016
Chestnut Linden, Inc.	None as of December 31, 2017 and 2016	None as of December 31, 2017 and 2016
Westpark Housing Corporation	None as of December 31, 2017 and 2016	None as of December 31, 2017 and 2016

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

General Partner	Limited Partnerships	Marketing Name
BRIDGE Northwest Development, Inc.	None as of December 31, 2017 and 2016	None as of December 31, 2017 and 2016
North Beach Housing, Inc.	None as of December 31, 2017 and 2016	None as of December 31, 2017 and 2016
BRIDGE Housing Corporation	North Beach Retail Associates, LLC	North Beach Retail Associates, Inc. (NBRA)
Northpoint Housing, Inc.	Northpoint Housing Associates	Northpoint Village Apartments I
Northpoint Housing, Inc.	Northpoint II Housing Associates	Northpoint Village Apartments II
Northside Senior Housing, Inc.	Northside Housing Associates	Mabuhay Court
BRIDGE Housing Corp - Southern California	Northwood Housing Associates, L.P.	Windrow
Crespi Drive, LLC	Oceanview Housing Associates, LP	Oceanview
Ohlone Housing, Inc.	Ohlone Housing Associates	Ohlone Court
Alto Station, Inc.	Pickleweed Housing, LLC	Pickleweed
BRIDGE Housing Corp - Southern California	Poinsettia Housing Associates	Poinsettia Station
Potrero Housing I, LLC	Potrero Housing Associates I, L.P.	Potrero Phase I
Potrero Housing II, LLC	Potrero Housing II Associates, L.P.	Potrero II
Pottery Court, LLC	Pottery Court Housing Associates, L.P.	Pottery Court
Harbour Way, LLC	Richmond Housing Associates, L.P.	Richmond City Center Apartments
RiverPlace 3, LLC	RiverPlace 3 Housing LP	RiverPlace
Roberts Avenue, Inc.	Roberts Avenue Senior Housing L.P.	Oak Circle
Alameda Senior, LLC	San Leandro Senior, L.P.	San Leandro Senior
Danville Senior Housing, Inc.	Sanraf Associates	San Rafael Commons
BRIDGE Housing Corp - Southern California	Santa Alicia Family Housing Associates	Santa Alicia
MCB Family Housing, Inc.	St. Joseph's Family Associates, L.P.	Terraza Palmera at St. Joseph's
BRIDGE Tower, LLC	St. Joseph's Senior, L.P.	St. Joseph's Senior Apartments
Strobridge Housing, Inc.	Strobridge Housing Associates	Strobridge Court
BRIDGE SC, LLC	Summerhouse Housing 3, L.P.	Madera Vista Phase 3
Summerhouse Housing, LLC	Summerhouse Housing Associates, L.P.	Madera Vista
BRIDGE Housing Ventures, Inc.	Susanne B. Wilson, LLC	Susanne B. Wilson Residence
San Marcos Family Housing, Inc.	Terra Cotta Housing Associates	Terra Cotta
MCB Family Housing, Inc.	Trestle Glen Associates	Trestle Glen

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

General Partner	Limited Partnerships	Marketing Name
BRIDGE Housing Corp - Southern California	White Dove Canyon Housing Associates, L.P.	Dove Canyon
BRIDGE SC, LLC	Woodbury Partners, L.P.	Woodbury Walk
Winfield Hill, Inc.	Woodland Hillsboro, LLC	Woodland
Woodland Park Associates Manager, LLC	Woodland Park Associates, L.P.	Woodland Park

Single-purpose not-for-profit corporations holding a co-general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing (BRIDGE's officers and/or board have a majority control over these entities):

General Partner	Limited Partnerships	Marketing Name
1950 Mission Housing Associates, LLC	1950 Mission Housing Associates, L.P.	1950 Mission
25 Sanchez, LLC	25 Sanchez Housing Associates, L.P.	25 Sanchez
255 Woodside, LLC	255 Woodside Housing Associates, L.P.	255 Woodside
462 Duboce, LLC	462 Duboce Housing Associates, L.P.	462 Duboce
490 SVN Housing Associates, LLC	490 SVN Housing Associates, L.P.	490 SVN
BRIDGE 500 Folsom, LLC	500 Folsom, L.P.	Transbay Block 9
3850 18 th Street, LLC	3850 18 th Street Housing Associates, L.P.	3850 18 th Street
Aleman Housing, LLC	Aleman Housing Associates, L.P.	Aleman Bernal
BRIDGE Housing Ventures, Inc.	Chestnut Linden Associates	Chestnut Linden Court
Holly Courts Housing, LLC	Holly Courts Housing Associates, L.P.	Holly Courts
BRIDGE Housing Corporation	Jordan Downs Community Partners, LLC	Jordan Downs
BRIDGE Housing Ventures, Inc.	Mandela Gateway Associates	Mandela Gateway Apartments
BRIDGE Housing Ventures, Inc.	Marina Annex Associates	Marina Tower Annex
Mission Dolores GP, LLC	Mission Dolores Housing Associates, L.P.	Mission Dolores
BRIDGE Housing Ventures, Inc.	North Beach Housing Associates	North Beach Place
Tressa Manager, LLC	Linden 143, LLC	Tressa Apartments
Silverado Creek Housing, Inc.	Silverado Creek Partners	Silverado Creek
Sierra Vista Housing Associates, LLC	Sierra Vista Housing Associates, L.P.	Sierra Vista Apartments
Suterview Housing Associates, LLC	Suterview Housing Associates, LP..	Suterview Apartments
Villages at Westview I, LLC	Villages at Westview I, L.P.	Villages at Westview I

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

Single-purpose not-for-profit corporations holding a general partner interest (ranging from .01% to 1%) and limited partner interest (ranging from 99% to 99.99%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partnerships	Marketing Name
Danville Senior Inc.	Danville Senior Housing Associates	Sycamore Place
Rotary Valley, Inc.	Rotary Valley Associates	Rotary Valley
Site K, Inc.	South Beach Family Associates	Steamboat Point Apartments
Winfield Hill, LLC	Winfield Hill Associates	Almaden Lake Apartments

Single-purpose not-for-profit corporations holding a co-general partner interest (ranging from .01% to 1%) and co-limited partner interest (ranging from 99% to 99.99%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partner	Limited Partnerships	Marketing Name
BRIDGE Housing Acquisitions, Inc.	BRIDGE Housing Acquisitions, Inc.	SR Fountains Limited Partnership	SanRaf
Centertown, Inc.	BRIDGE Housing Ventures, Inc.	Centertown Associates	Centertown
Hunt Avenue, Inc.	Calistoga Brannan Housing, Inc.	Hunt Avenue Associates	Hunt's Grove
Silverado Creek Housing, Inc.	Calistoga Brannon Housing, Inc.	Silverado Creek Partners	Silverado Creek Apartments
BRIDGE Housing Ventures, Inc.	BRIDGE Housing Ventures, Inc.	Pacific Oaks Associates	Pacific Oaks
BRIDGE Housing Ventures, Inc.	BRIDGE Housing Ventures, Inc.	South San Francisco Magnolia Plaza Associates	Magnolia Plaza
Calistoga Brannan Housing, Inc.	Hunt Avenue, Inc.	Calistoga Brannan Housing Associates	La Pradera

Owners and operators of affordable housing properties:

Not-for-Profit Corporation	Marketing Name
Alto Station, Inc.	Alto Station
Alto Station, Inc.	Casa Vista
Bayview Senior Housing, Inc.	Geraldine Johnson
BLP Partnership, Inc.	The Parkview
BOMH, Inc.	Acorn III
BRIDGE West Oakland Housing, Inc.	Acorn I and II
Brisbane Senior Housing, Inc.	Visitacion Gardens
Chestnut Creek, Inc.	Chestnut Creek
Emeryville Senior Housing, Inc.	Emery Villa
Metro Senior Homes, Inc.	Metro Center
Redwood Shores Senior Housing, Inc.	Redwood Shores

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Sole member of limited liability companies that predominantly hold general partner interests in limited partnerships providing affordable housing:

Not-for-Profit Corporation	Limited Liability Company
BRIDGE Economic Development Corporation	16th Street Station, LLC
BRIDGE Homes, Inc.	474 Natoma, LLC
MCB Family Housing, Inc.	88 Broadway Family BRIDGE, LLC
MCB Family Housing, Inc.	735 Davis Senior BRIDGE, LLC
Winfield Hill, Inc.	Abigail Manager, LLC
MCB Family Housing, Inc.	Alameda Housing, LLC
BRIDGE Economic Development Corporation	Alameda Parking, LLC
MCB Family Housing, Inc.	Alameda Senior, LLC
BRIDGE Homes, Inc.	Armstrong Townhomes, LLC
MCB Family Housing Inc.	AveVista Associates, LLC
BRIDGE Economic Development Corporation	AveVista Commercial, LLC
BRIDGE Homes, Inc.	Berry Street, LLC
MCB Family Housing, Inc.	BRIDGE 500 Folsom, LLC
BRIDGE Housing Corporation	BHC Balboa Builders, LLC
BRIDGE Housing Corp - Southern California	BHC College Park II, LLC
MCB Family Housing, Inc.	BRIDGE NORCAL, LLC
BRIDGE Housing Corp - Southern California	BRIDGE SC, LLC
Northpoint Housing, Inc.	BRIDGE Tower, LLC
BRIDGE NorCal Development, Inc.	BRIDGE Triangle, LLC
BRIDGE Housing Corp - Southern California	Broadway Upper Tower, LLC
Winfield Hill, Inc.	Crespi Drive, LLC
BRIDGE Northwest Development Inc.	Element 78 Housing, LLC
MCB Family Housing, Inc.	Foothill Farms Senior, LLC
Winfield Hill, Inc.	Harbour Way, LLC
BRIDGE Housing Corp - Southern California	Heritage Square Housing, LLC
MCB Family Housing, Inc.	JD Housing I, LLC
BRIDGE Economic Development Corporation	MacArthur Transit Community Partners, LLC
BRIDGE Economic Development Corporation	Mandela Gateway Commercial, LLC
BRIDGE Homes, Inc.	Mandela Gateway Townhomes, LLC
BRIDGE Northwest Development, Inc	Port City, LLC
MCB Family Housing, Inc.	Potrero Housing I, LLC
BRIDGE Housing Corp - Southern California	Pottery Court, LLC
BRIDGE Housing Corp - Southern California	Summerhouse Housing, LLC
BRIDGE Housing Corp - Southern California	Tobria Terrace, LLC
MCB Family Housing, Inc.	Tressa CM, LLC

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Co-member of limited liability companies that predominantly hold general partner interests in limited partnerships providing affordable housing:

Not-for-Profit Corporation	Limited Liability Company
Winfield Hill, Inc.	25 Sanchez, LLC
Winfield Hill, Inc.	255 Woodside, LLC
Winfield Hill, Inc.	462 Duboce, LLC
MCB Family Housing Inc.	490 SVN Housing Associates, LLC
MCB Family Housing Inc.	1950 Mission Housing Associates, LLC
Winfield Hill, Inc.	3850 18th Street, LLC
Winfield Hill, Inc.	Alemany Housing, LLC
BRIDGE Housing Corporation	COMM22 Housing GP, LLC
BRIDGE Economic Development Corporation	Comm22, LLC
BRIDGE Housing Corporation	COMM22 Senior GP, LLC
BRIDGE Northwest Development, Inc.	Coronado Housing Associates, LLC
Winfield Hill, Inc.	Doretha Mitchell Housing, LLC
Fell Street Housing, Inc.	Gough Street Housing, LLC
Winfield Hill, Inc.	Holly Courts Housing, LLC
Hercules Senior Housing, Inc.	John Street Housing, LLC
Winfield Hill, Inc.	Mission Dolores GP, LLC
BRIDGE Housing Corporation	North Beach Development Associates, LLC
Winfield Hill, Inc.	Sierra Vista Housing Associates, LLC
Winfield Hill, Inc.	Suterview Housing Associates, LLC
MCB Family Housing Inc.	Tressa Investment, LLC
MCB Family Housing Inc.	Tressa Manager, LLC
MCB Family Housing Inc.	Villages at Westview 1, LLC

The consolidated financial statements do not include single-purpose not-for-profit corporations and other entities holding a general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing for which BRIDGE's officers and/or board are deemed not to have a majority control, namely:

General Partner	Limited Partnerships	Marketing Name
Bernal Senior Housing Corp.	Bernal Senior Housing Partners	Coleridge Park
SR Senior Housing, Inc.	SR Senior Housing, Inc.	The Fountains

Note 2 - Significant accounting policies

Principles of consolidation

Not-for-profit corporations

The consolidated financial statements include the accounts of BRIDGE and other not-for-profit entities that are commonly controlled by BRIDGE's officers or board of directors, including those not-for-profit entities that are majority controlled by BRIDGE. Other not-for-profit entities, over

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

which BRIDGE does not exercise majority control, are not included in the consolidated financial statements. All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

Limited partnerships/limited liability companies ("LLCs")

Partnerships or LLCs that are controlled by BRIDGE or its affiliated not-for-profit entities are included in the consolidated financial statements.

BRIDGE and Affiliates' partnership interests generally range from .01% to 1.0% and are shown as controlling interests in unrestricted net assets. Partners' or members' capital interests generally range from 99% to 99.9% and are presented as non-controlling interests in unrestricted net assets. All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

Partnerships or LLCs over which BRIDGE or its Affiliates exercise significant influence are included in the consolidated financial statements using the equity method of accounting. Intercompany balances and transactions are not eliminated under the equity method.

Accounting method

BRIDGE and Affiliates use the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation

The consolidated financial statements are presented in accordance with generally accepted accounting principles, which require that financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets predicated on the existence of donor-imposed restrictions:

Unrestricted net assets consist of all resources of BRIDGE and Affiliates that have not been specifically restricted by a donor.

Temporarily restricted net assets consist of cash and other assets received with donor stipulations that limit their use. Donor restrictions are stipulated by either a time restriction or a purpose restriction. Upon expiration of a time restriction or completion of a purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Permanently restricted net assets consist of assets whose use has been restricted for investment in perpetuity.

The financial statements of one of the Affiliates have additionally been prepared in accordance with applicable provisions of the Audit and Accounting Guide, Health Care Organizations, issued by the AICPA, with respect to accounting for the long-term obligation to provide continuing care and the use of the facility to current residents.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Reclassifications

Prior period financial statement amounts have been reclassified to conform to the current period presentation.

Revenue recognition

Developer fees

BRIDGE earns fees for development of properties and generally recognizes the fees as earned over the development period as follows:

30% of each anticipated total developer fee is recorded when the predevelopment phase ends and the construction period begins; however, if BRIDGE receives payment of fees during the predevelopment phase, revenue will be recognized as fees are received but shall not exceed 30% of total anticipated developer fee; and

70% is recorded throughout the construction period based on the percentage of completion as gauged by the general contractor's progress billing.

An allowance of 5% of the fee is reserved until the Internal Revenue Service Form 8609 is obtained, or its equivalent, to signify completion of the development process.

Developer fees paid from cash flow are eliminated in consolidation and recognized when received.

Rental income

Revenue from resident fees, rents and services is recognized in the period rendered. Rental income is shown at its maximum gross potential. Vacancy loss and concessions are shown as a reduction of rental income. Rental units occupied by employees are included in rental income and as an expense of operations. Most of the rental income is received under short-term residential leases.

Revenue from long-term leases on land is recorded in the period earned, according to lease contract terms. In many situations, rental revenue is payable only from excess cash and is recorded when cash is received. Such intercompany revenue has been eliminated in the consolidated financial statements.

Contributions

Contributions are recognized as revenue when they are unconditionally promised. Noncash contributions are recorded at their estimated fair value when received. Contributions to be received after one year are discounted at an appropriate discount rate when material. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as unrestricted support, temporarily restricted support or permanently restricted support, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Contributions restricted for the purpose of long-lived assets are reported as unrestricted support when expended for that purpose in the individual financial statements of each affiliated entity, but may be reported as temporarily restricted net assets in the consolidated financial statements.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Cash and cash equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. BRIDGE and Affiliates consider all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. BRIDGE has designated certain cash and cash equivalents for the development of affordable homes and for operating and replacement reserves at one of the properties. Donor restricted cash represents amounts received with donor stipulations that limit the use of the donated assets. Not included as cash and cash equivalents are funds restricted as to their use, regardless of liquidity, such as reserves for replacements, operations, debt services, mortgage assistance programs and tenant security deposits. BRIDGE and Affiliates maintain cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted accounts, was approximately \$70,463,000 as of December 31, 2017. BRIDGE and Affiliates have not experienced any losses in such accounts.

Cash and cash equivalents composition amounts are as follows at December 31:

	<u>2017</u>	<u>2016</u>
Unrestricted	\$ 31,605,000	\$ 45,075,000
Designated	31,252,000	38,322,000
Donor designated	<u>2,175,000</u>	<u>2,429,000</u>
Total unrestricted cash and cash equivalents	65,032,000	85,826,000
Restricted (Note 8)	<u>74,964,000</u>	<u>66,100,000</u>
Total cash and cash equivalents	<u><u>\$ 139,996,000</u></u>	<u><u>\$ 151,926,000</u></u>

Fair value of financial assets and liabilities

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments. It is not practicable for management to estimate the fair value of accounts and notes receivable, notes payable, equity investments and financial guarantees because of the nature of such instruments and lack of readily available market information for financial instruments with similar terms.

Investments

Investments are stated at fair value in the statement of financial position. Investment sales and purchases are recorded on a trade-date basis. The realized gains and losses are included in the BRIDGE and Affiliates' statement of activities. Dividend income is recorded based upon the ex-dividend date and interest income is recorded as earned on an accrual basis.

BRIDGE and Affiliates shall be invested in a diversified portfolio, consisting primarily of marketable securities and alternative investments, which may reflect varying rates of return. The asset allocation for the investment portfolio is determined by the trustees with the advice of their investment consultant.

Fair value measurements

Under generally accepted accounting principles, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Generally accepted accounting principles establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of BRIDGE and Affiliates. Unobservable inputs, if any, reflect BRIDGE and Affiliates' assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at measurement date. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 - Valuations based on significant inputs that are observable, either directly or indirectly, or quoted prices in markets that are not active, that is, markets in which there are few transactions, the prices are not current or price quotations vary substantially either over time or among market makers.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

Fair value measurements at December 31, 2017

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measures at NAV	Total
Marketable securities BRIDGE's investment in Housing Partnership Insurance Exchange (Note 12)	\$ 685,000	\$ -	\$ -	\$ -	\$ 685,000
Multi asset funds	-	2,475,000	-	-	2,475,000
Derivative financial instrument (liability) (Note 16)	-	-	(8,765,000)	-	(8,765,000)
Total	\$ 685,000	\$ 2,475,000	\$ (8,765,000)	\$ 12,942,000	\$ 7,337,000

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Fair value measurements at December 31, 2016					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments measures at NAV	Total
Marketable securities	\$ 653,000	\$ -	\$ -	\$ -	\$ 653,000
BRIDGE's investment in Housing Partnership Insurance Exchange (Note 12)	-	1,841,000	-	-	1,841,000
Multi asset funds	-	-	-	10,946,000	10,946,000
Derivative financial instrument (liability) (Note 16)	-	-	(7,883,000)	-	(7,883,000)
Total	<u>\$ 653,000</u>	<u>\$ 1,841,000</u>	<u>\$ (7,883,000)</u>	<u>\$ 10,946,000</u>	<u>\$ 5,557,000</u>

In May 2015, the FASB issued ASU No. 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value ("NAV") per Share (or Its Equivalent), which eliminates the requirement to categorize investments in the fair value hierarchy if their fair value is measured using NAV per share (or its equivalent) as a practical expedient under FASB ASC Topic 820, Fair Value Measurement. The amendments within ASU 2015-07 are effective for the BRIDGE and Affiliates for its fiscal years beginning after December 15, 2016. BRIDGE and Affiliates have adopted ASU 2015-17 and, as such, investments using NAV per share are not categorized within the fair value hierarchy in accordance with ASU 2015-07.

The multi-asset funds are measured at NAV per share at December 31, 2017 and 2016:

Investment strategy	2017 Fair value	2016 Fair value	Redemption terms	Redemption restrictions	Redemption restriction in place at year- end
Multi-strategy	\$ 12,942,000	\$ 10,946,000	Daily with 2 days notice	None	None

Management revenue and related accounts

BRIDGE and Affiliates provide property management, bookkeeping and asset management services. BRIDGE also provides investment management, marketing and other services. Income is earned in accordance with the terms of the agreements and recorded as revenue. Such intercompany revenue has been eliminated in the consolidated financial statements.

Notes receivable

Notes receivable represent financial assistance provided to qualified home buyers. Loans are stated at unpaid principal balances, less an allowance for loan losses. The loans are collateralized by the properties.

Allowances for uncollectible accounts receivable

The allowances for uncollectible accounts are determined on specific identification basis, based upon management's assessment. Based on an assessment of the customer's current credit worthiness, an estimate of the balance that may not be collected is made. In addition, an amount of estimated credit losses on the aggregate remaining accounts receivable is made based on past collection experience. Once all efforts to collect have been undertaken, the unpaid balance is

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

written off as a charge to the allowance for doubtful accounts or loan losses. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful collections was \$487,000 and \$391,000 as of December 31, 2017 and 2016, respectively.

Land

Purchased land is carried at cost. Donated land is carried at estimated fair market value at the date of donation. BRIDGE leases most of its land to affiliated affordable housing developments under long-term leases.

Property and equipment, leasehold improvements, ground lease and deferred costs

Property and equipment are stated at cost of acquisition, construction or rehabilitation, or fair value if donated. Acquisitions among entities under common control are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance, repair, and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred.

BRIDGE and Affiliates incur costs during the development phase of the affordable housing project undertaken. Such costs include governmental fees, legal and consulting fees, as well as construction costs. BRIDGE and Affiliates record these costs as assets (development in progress) until the housing project is placed in service. Any funds expended on a project that does not pass beyond the development stage are recorded as expenses when activity on the project ceases. Management believes that no material portion of the development in progress is unrealizable at December 31, 2017 and 2016. Development in progress is not depreciated until the completion of the development.

Deferred costs are incurred in order to obtain permanent financing and tax credits for the affordable housing projects. Deferred costs are incurred in order to obtain tax credits for affordable housing projects. Organization costs are expensed as incurred.

The useful lives of the assets are estimated as follows:

Buildings and improvements	15 to 55 years
Furniture, fixtures and equipment	3 to 12 years
Tax credit costs	10 years

BRIDGE and Affiliates review their investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no material impairment losses recorded in 2017 and 2016.

Capitalized interest

BRIDGE and Affiliates capitalize interest incurred during construction as a component of development in progress and building and improvements costs. BRIDGE and Affiliates capitalized interest of approximately \$1,638,000 and \$1,305,000 in 2017 and 2016, respectively.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Other investments

Other investments in for-profit entities, taxable not-for-profit entities, and other not-for-profit organizations are recorded using the fair value, cost or equity method of accounting, depending on the level of ownership and control. Investments in affiliated entities that are 100% or majority controlled by BRIDGE are eliminated in the consolidated financial statements.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Accounting for leases

Leasehold interests of several consolidated entities are not subject to capitalization and thus are accounted for as operating leases. Prepaid ground leases are an allocation of the total cost of the property, which is amortized over the respective lease terms.

Income taxes

BRIDGE is a not-for-profit corporation pursuant to the Internal Revenue Code Section 501(c)(3) and related California code sections and, accordingly, is exempt from federal and state income taxes on related business income. BID, BPI, PHC, BCDI Subsidiary CDE III, LLC and BCDI Subsidiary CDE IV, LLC are the only Affiliates that are not tax-exempt. Deferred income taxes do not arise from the operations of these entities in a material amount. The income or loss from the partnerships is reported by the partners on their income tax returns.

No income tax provision has been included in the consolidated financial statements for the single member LLCs, which are generally considered disregarded entities. The income and loss of the LLCs are included in the tax returns of their respective sole members. Only the annual California limited liability company minimum tax and the annual fee appear as expense in the consolidated financial statements.

BRIDGE and Affiliates believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements. BRIDGE and Affiliates' federal and state income tax returns for the years 2013 through 2016 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively. While no income tax returns are currently being examined by the Internal Revenue Service, tax years after 2013 remain open. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Guarantees

Generally accepted accounting principles require a liability to be recorded for the fair value of the stand-ready obligation associated with a guarantee issued after December 31, 2002. Guarantees issued between entities under common control or on behalf of an entity under common control are excluded. Consequently, no liabilities have been recorded as all guarantees are considered to be issued to entities under common control (see Note 21).

Allocation of partnership income/loss and tax credits

The affiliated partnerships are generally expected to generate low-income housing tax credits, which will be allocated in the same manner as the income or loss of each affiliated partnership. Because the limited partners' losses are limited to their investments, except when BRIDGE and

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Affiliates are also the co-general partner and co-limited partner, the limited partners' equity will not be reduced below zero unless future capital contributions will be made in amounts sufficient to absorb the losses. All remaining losses are allocated to the general partners. Any subsequent income allocable to the limited partners is allocated to the general partners first until the general partners' share of that income offsets the losses not previously recognized by the limited partners.

Functional expense allocation

The costs of providing program services and supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

Program services include all expenses relating to development, management of properties, and resident services. Supporting services consist of management and general expenses.

Related party transactions

Material related party transactions and balances between controlled entities have been eliminated in the consolidated financial statements.

Note 3 - Accounts receivable

Accounts receivable consist of the following at December 31:

	2017	2016
Reimbursable costs	\$ 3,220,000	\$ 2,429,000
Rent	5,314,000	1,876,000
Developer fees	80,000	14,000
Management and consulting fees	1,900,000	2,071,000
	10,514,000	6,390,000
Less allowance for uncollectible accounts	(487,000)	(391,000)
	10,027,000	5,999,000
Less current portion	(10,027,000)	(5,999,000)
Non-current portion	\$ -	\$ -

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

Note 4 - Contributions receivable

Contributions receivable are comprised of the following as of December 31:

	2017	2016
Project-related	\$ 155,000	\$ 441,000
Resident programs and services	1,393,000	912,000
Stein Educational Assistance	21,000	7,000
Other	13,000	9,000
	<u>1,582,000</u>	<u>1,369,000</u>
Less current portion	<u>(1,376,000)</u>	<u>(1,369,000)</u>
Non-current portion	<u>\$ 206,000</u>	<u>\$ -</u>

Note 5 - Notes receivable

Notes receivable, including accrued interest, consist of the following as of December 31:

	2017	2016
Mortgage assistance program	\$ 2,923,000	\$ 3,348,000
Related party	-	64,000
QLICI loan	17,301,000	17,301,000
NMTC leveraged loan	6,445,000	6,445,000
Other	473,000	424,000
	<u>27,142,000</u>	<u>27,582,000</u>
Less allowance for uncollectible accounts	<u>(3,525,000)</u>	<u>(3,525,000)</u>
	<u>23,617,000</u>	<u>24,057,000</u>
Less current portion	<u>(542,000)</u>	<u>(577,000)</u>
Non-current portion	<u>\$ 23,075,000</u>	<u>\$ 23,480,000</u>

Mortgage assistance program

BRIDGE and Affiliates established a mortgage assistance program for revolving loan funds to provide financial assistance in the form of subordinated mortgages to qualified homebuyers in low- and moderate-income households in California. The loans bear interest at 4% and mature through 2032.

BRIDGE and Affiliates hold various second mortgage loans associated with a development project in Pinole, California. The loans bear no interest but share in the appreciation of the property. BRIDGE and Affiliates may receive proceeds from the mortgage loans when the property is sold.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Qualified Low-Income Community Investment ("QLICI") Loans

During 2014, a related party of BRIDGE, Chestnut Campus, Inc., a QLICI, entered into a loan with BCDI Subsidiary CDE II, LLC for \$9,120,000 that is to be paid in equal monthly installments of \$20,710 at an interest rate of 2.725% and is due in full by November 20, 2022. Chestnut Campus, Inc. is an owner of land in West Oakland, California on which a charter school was built and is currently operating. During 2015, another non-affiliate of BRIDGE, Loma Linda University, entered into a loan with BCDI Subsidiary CDE I, LLC for \$8,160,000 that is paid in equal monthly installments of \$6,800 at an interest rate of 1% and is due in full by June 22, 2022.

NMTC leveraged loan

During 2014, BRIDGE Housing Ventures, Inc. ("BHVI"), acting as the leveraged lender, loaned \$6,424,850 as part of a New Markets Tax Credit ("NMTC") transaction to the non-affiliate investment fund of the NMTC transaction. BRIDGE Community Development, Inc. and the non-affiliate investment fund, are the members of BCDI Subsidiary CDE II, LLC. BHVI funded the leveraged loan by a fundraising campaign of \$2,139,850, land of \$1,335,000 that BHVI held since 2000, an NCCLF grant of \$50,000, and by borrowing funds from Low Income Investment Fund ("LIIF") of \$2,900,000. The leveraged loan is due in equal monthly installment of \$20,613 at an interest rate of 3.85% and is due in full by November 20, 2022.

BRIDGE and Affiliates evaluate notes receivable based on the following credit quality indicators: collateral and related versus non-related borrowers. These credit quality indicators are updated at least annually. Details about the notes receivable follow:

	2017				
	Collateralized	Uncollateralized	Past Due	Allowance	Net
Related party	\$ 6,445,000	\$ -	\$ -	\$ (3,525,000)	\$ 2,920,000
Non-related party	20,697,000	-	-	-	20,697,000
Total	\$ 27,142,000	\$ -	\$ -	\$ (3,525,000)	\$ 23,617,000

	2016				
	Collateralized	Uncollateralized	Past Due	Allowance	Net
Related party	\$ 6,445,000	\$ 64,000	\$ -	\$ (3,525,000)	\$ 2,984,000
Non-related party	21,073,000	-	-	-	21,073,000
Total	\$ 27,518,000	\$ 64,000	\$ -	\$ (3,525,000)	\$ 24,057,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Estimated principal payments under these notes to be received for each of the next five years and thereafter subsequent to December 31, 2017 are as follows:

2018	\$	542,000
2019		296,000
2020		296,000
2021		296,000
2022		296,000
Thereafter		<u>21,891,000</u>
Total	\$	<u><u>23,617,000</u></u>

Note 6 - Prepaid expenses and deposits

Prepaid expenses and deposits consist of the following as of December 31:

	<u>2017</u>	<u>2016</u>
Deposits	\$ 2,563,000	\$ 2,235,000
Ground leases	6,011,000	6,043,000
Insurance	1,797,000	2,158,000
Predevelopment costs	652,000	802,000
Property taxes	287,000	336,000
Prepaid BART transit benefit tax	-	4,202,000
Other	<u>532,000</u>	<u>803,000</u>
	11,842,000	16,579,000
Less current portion	<u>(5,491,000)</u>	<u>(10,233,000)</u>
Non-current portion	<u><u>\$ 6,351,000</u></u>	<u><u>\$ 6,346,000</u></u>

Prepaid BART transit benefit tax

In 2010, MacArthur Transit Community Partners ("MTCP"), an affiliate of BRIDGE, entered into an agreement with BART to build the master plan development of the MacArthur BART Station in Oakland, California. Under the agreement, MTCP would build the BART garage for the benefit of BART in exchange for five land parcels valued at \$13,202,000. The difference of the value of the garage and the land parcels would result in a prepaid BART transit benefit tax that would be used to offset future appreciation sale proceeds of the land parcels stipulated by the agreement. During 2014, the BART garage was given to BART at an estimated completed value of \$31,325,000, resulting in an estimated prepaid transit benefit tax of \$14,458,000. As of December 31, 2017 all land parcels had been sold or transferred, and the corresponding prepaid transit benefit tax transferred to the purchaser for a loss in the transaction. The remaining balance was \$0 and \$4,202,000 as of December 31, 2017 and 2016, respectively.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

Note 7 - Impounds

Certain properties are required to make deposits to impound accounts to cover property tax and insurance premiums in accordance with the lenders' regulatory agreements. Impound balances as of December 31, 2017 and 2016 were \$2,132,000 and \$1,656,000, respectively.

Note 8 - Restricted cash and deposits

Restricted cash and deposits consist of the following as of December 31:

	<u>2017</u>	<u>2016</u>
Operating reserves	\$ 34,833,000	\$ 30,698,000
Replacement reserves	27,736,000	24,831,000
Mortgage Assistance Program	23,000	28,000
Tenant security deposits	6,285,000	5,866,000
Debt service accounts	2,129,000	3,252,000
Residual receipts and other	3,958,000	1,425,000
	<u>\$ 74,964,000</u>	<u>\$ 66,100,000</u>
Total		

Operating and replacement reserves

BRIDGE and Affiliates are required to maintain operating reserves as well as replacement and repair reserves for property and equipment in accordance with partnership and other lenders' regulatory agreements.

Mortgage assistance program ("MAP")

MAP provides second mortgages to low- to moderate-income first-time home buyers.

Tenant security deposits

BRIDGE and Affiliates are required to hold security deposits in separate bank accounts in the name of the properties.

Debt service accounts

Certain properties are required to make deposits to debt service accounts to cover mortgage payments.

Residual receipts

BRIDGE and Affiliates are required to deposit excess cash, as generally defined by HUD, into separate bank accounts in accordance with the HUD regulatory agreements.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Note 9 - Property and equipment

Property and equipment consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
Land	\$ 180,263,000	\$ 139,855,000
Buildings and improvements	1,957,117,000	1,725,772,000
On-site and off-site improvements	123,487,000	123,524,000
Furniture, fixtures and equipment	36,534,000	44,773,000
Rehabilitation in progress	87,769,000	117,495,000
Development in progress	<u>127,252,000</u>	<u>129,849,000</u>
	2,512,422,000	2,281,268,000
Less accumulated depreciation and amortization	<u>(489,485,000)</u>	<u>(429,809,000)</u>
Total	<u><u>\$ 2,022,937,000</u></u>	<u><u>\$ 1,851,459,000</u></u>

Depreciation and amortization of property and equipment totaled \$54,079,000 and \$49,710,000 for the years ended December 31, 2017 and 2016, respectively.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Development in progress is summarized as follows as of December 31:

Property name	2017	2016
MacArthur Transit Community Partners LLC	\$ -	\$ 4,504,000
Mural Apartments	-	154,000
Ivy at College Park Phase II	-	27,669,000
Bay Area Senior Services	-	224,000
16th Street Station	841,000	660,000
MacArthur Apartments Development	2,961,000	2,746,000
San Leandro BART Garage	-	7,332,000
Madera Vista (Summerhouse) Phase III	-	1,542,000
Marea Alta	-	51,931,000
Potrero Project X	21,008,000	-
Jordan Downs Phase I	17,933,000	-
Villages at Westview I	25,725,000	-
La Vereda (San Leandro Senior)	18,324,000	-
Other	1,396,000	762,000
Construction expected to be completed in one year following year end	88,188,000	97,524,000
Potrero Hill Affordable	9,130,000	7,831,000
RiverPlace Parcel 3	8,660,000	2,832,000
Berkeley Way	1,397,000	423,000
Bay Meadows	842,000	166,000
1950 Mission	2,439,000	673,000
4840 Mission	1,081,000	146,000
Jordan Downs	3,190,000	5,637,000
Element 78	1,756,000	1,394,000
490 South Van Ness	1,158,000	-
Cornelius Place	2,092,000	-
88 Broadway	1,314,000	-
735 Davis	809,000	-
North Williams	306,000	-
Balboa Reservoir	334,000	-
RiverPlace Phase 2	461,000	-
Parcel 3 LLC	3,335,000	-
San Leandro Senior	-	1,547,000
Westview Village	-	6,503,000
Comm 22, LLC	-	749,000
Potrero Project X	-	4,424,000
Other	760,000	-
Construction expected to be completed in two or more years following year end	39,064,000	32,325,000
Total	\$ 127,252,000	\$ 129,849,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

Note 10 - Deferred costs

Deferred costs are summarized as follows as of December 31:

	<u>2017</u>	<u>2016</u>
Tax credit fees	\$ 3,222,000	\$ 2,715,000
City fees	3,638,000	3,638,000
Other	<u>2,619,000</u>	<u>2,541,000</u>
	9,479,000	8,894,000
Less accumulated amortization	<u>(4,400,000)</u>	<u>(3,699,000)</u>
Total	<u>\$ 5,079,000</u>	<u>\$ 5,195,000</u>

Amortization of deferred cost totaled \$555,000 and \$544,000 for the years ended December 31, 2017 and 2016, respectively.

Note 11 - Land under lease, held for development and assets held for sale

BRIDGE leases all of the below land under various long-term leases to affiliates. Terms of the leases range from 55 to 90 years. The land is pledged as security under deeds of trust for the related notes payable or is pledged as security for certain liabilities of the lessees.

Land under lease and assets held for sale are summarized as follows as of December 31:

	<u>2017</u>	<u>2016</u>
Livermore, California, donated (1986)	\$ 1,660,000	\$ 1,660,000
San Diego, California, donated (2000)	1,428,000	1,428,000
Foster City, California (1995)	804,000	804,000
Richmond, California (1992)	<u>327,000</u>	<u>327,000</u>
Total	<u>\$ 4,219,000</u>	<u>\$ 4,219,000</u>

On December 31, 2014, BHVI purchased the 98% CalPERS majority ownership position in BUILD. Upon this purchase, BRIDGE and Affiliates own 100% of BUILD's assets. BRIDGE expects the final remaining land parcel to be sold by December 31, 2018. Land held for sale is summarized as follows as of December 31:

	<u>2017</u>	<u>2016</u>
Oakland, California, held for sale	<u>\$ 3,517,000</u>	<u>\$ 2,830,000</u>

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

Note 12 - Other investments

Other investments consist of the following as of December 31:

	<u>2017</u>	<u>2016</u>
Housing Partnership Insurance Exchange ⁽¹⁾	\$ 2,475,000	\$ 1,841,000
Preservation Investment Fund - Coronado Springs, LLC ⁽²⁾	1,070,000	1,267,000
Other ⁽³⁾	<u>322,000</u>	<u>333,000</u>
	3,867,000	3,441,000
General and limited partner capital (deficit) interests and membership interests accounted for under the equity method	<u>(1,417,000)</u>	<u>(621,000)</u>
Total	<u>\$ 2,450,000</u>	<u>\$ 2,820,000</u>

(1) BRIDGE invested in Housing Partnership Insurance Exchange ("HPIEx") for the purpose of gaining access to property and liability insurance for its various development properties from a captive insurance company. BRIDGE invested funds into HPIEx for the purpose of gaining access to worker's compensation insurance from a captive insurance company. The investment is stated at estimated fair value using quoted purchase prices determined by HPIEx (Level 2 input) and represents 13% of the capital of HPIEx as of December 31, 2017 and 2016.

(2) In 2016, BRIDGE Regional Partners, Inc. invested in Preservation Investment Fund - Coronado Springs, LLC, in connection with the acquisition of Coronado Springs Apartments located in unincorporated King County, Washington.

(3) In 2013, BRIDGE invested in Housing Partnership Equity Trust, LLC and Subsidiaries ("HPET") for the purpose of gaining access to social equity for its various development properties. HPET is a real estate investment trust ("REIT") that is specifically authorized to own membership interests in the subsidiaries that acquire ownership interests in various development projects. As of 2017 and 2016, none of BRIDGE's development properties utilized the REIT funding. The investment is stated at cost as of December 31, 2017 and 2016. BRIDGE's share of equity represents 1.2% of the capital in HPET.

In 2015 and 2016, BRIDGE invested in Housing Partnership Select ("Select") for the purpose of gaining access to an industry procurement platform. BRIDGE invested funds into Select for the purpose of combining its purchasing power with other not-for-profit affordable housing developers and owners. The investment is stated at cost as of December 31, 2017 and 2016. BRIDGE's share of equity represents 2.8% of the capital in select.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

Summarized financial information for unconsolidated entities accounted for under the equity method consist of the following as of December 31:

	Unaudited	
	2017	2016
Total assets	\$ 32,831,000	\$ 34,119,000
Total liabilities	91,129,000	92,591,000
Partners' deficit ⁽⁴⁾	(58,298,000)	(58,472,000)
Income	13,909,000	13,337,000
Expenses	13,000,000	13,233,000
Results of operations	909,000	104,000

⁽⁴⁾ BRIDGE's share of the equity as of December 31, 2017 and 2016 was \$(1,417,000) and \$(621,000), respectively.

In addition, the following financial position and activity summarize the entities that are not included in the consolidated financial statements based on BRIDGE's board participation as of December 31:

	Unaudited	
	2017	2016
Total assets	\$ 15,244,000	\$ 16,018,000
Total liabilities	20,466,000	20,016,000
Net assets (deficit)	(5,222,000)	(3,998,000)
Support and revenue	1,727,000	1,157,000
Expenses	2,531,000	632,000
Change in net assets	(804,000)	525,000

Note 13 - Notes payable

Notes payable are generally secured by the respective properties and consist of the following at December 31:

	2017		2016	
	Interest payable	Principal	Interest payable	Principal
<u>Notes Payable with Regular Payments</u>				
Permanent loans, bearing interest from 0% to 9%, generally with principal and interest due monthly, to be repaid in full through 2057. Interest expense was \$15,992,000 and \$13,750,000 for 2017 and 2016, respectively.	\$ 1,326,000	\$ 334,504,000	\$ 1,282,000	\$ 288,980,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

	2017		2016	
	Interest payable	Principal	Interest payable	Principal
Construction loans, bearing variable interest, generally with interest only payments due monthly, to be repaid in full or partially converted to permanent loans maturing through 2077. Interest expense net of capitalized amount was \$7,937,000 and \$7,510,000 for 2017 and 2016, respectively.	8,732,000	472,517,000	3,721,000	402,174,000
Bonds, bearing interest from 2% to 14%, generally with principal and interest paid monthly, to be repaid in full through 2045. Principal payments are generally accumulated in a principal fund held by a trustee. Interest expense was \$2,523,000 and \$2,632,000 for 2017 and 2016, respectively.	1,607,000	49,370,000	1,740,000	51,054,000
Other loans, bearing interest from 0% to 8%, generally with principal and interest due monthly, to be repaid in full through 2059. Interest expense was \$941,000 and \$493,000 for 2017 and 2016, respectively.	798,000	13,103,000	765,000	13,231,000
	<u>12,463,000</u>	<u>869,494,000</u>	<u>7,508,000</u>	<u>755,439,000</u>

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

	2017		2016	
	Interest payable	Principal	Interest payable	Principal
<u>Notes Payable with Annual Payments from Available Excess Cash</u>				
Local loans, bearing interest from 0% to 6%, generally payable out of excess cash annually in arrears, to be repaid in full through 2072. Interest expense was \$8,378,000 and \$6,872,000 for 2017 and 2016, respectively.	60,406,000	370,707,000	55,024,000	347,139,000
County loans, bearing interest from 0% to 6.5%, generally with principal and interest due annually out of excess cash in arrears, to be repaid in full through 2075. Interest expense was \$1,932,000 and \$1,982,000 for 2017 and 2016, respectively.	16,214,000	57,373,000	14,914,000	60,394,000
State loans, bearing interest from 0% to 4%, generally with principal and interest due annually out of excess cash in arrears, to be repaid in full through 2072. Interest expense was \$4,143,000 and \$3,492,000 for 2017 and 2016, respectively.	30,663,000	157,081,000	27,487,000	153,759,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

	2017		2016	
	Interest payable	Principal	Interest payable	Principal
Ground leases, bearing interest from 0% to 7.5%, generally payable out of excess cash annually in arrears, to be repaid in full through 2086. Interest expense was \$179,000 and \$171,000 for 2017 and 2016, respectively.	643,000	9,234,000	608,000	9,382,000
Developer Fees, bearing interest at 0%, generally payable out of excess cash annually in arrears, to be paid in full through 2020.	-	171,000	-	663,000
	<u>107,926,000</u>	<u>594,566,000</u>	<u>98,033,000</u>	<u>571,337,000</u>
<i>Notes Payable with Repayments Due at Maturity</i>				
Federal loans, bearing interest from 0% to 1%, with principal payments generally deferred through 2071, at which time outstanding principal may be forgiven at the lenders' discretion. Interest expense was \$67,000 and \$68,000 for 2017 and 2016, respectively.	378,000	21,586,000	318,000	23,321,000
Total, gross	120,767,000	1,485,646,000	105,859,000	1,350,097,000
Debt issuance costs, net	-	9,534,000	-	8,975,000
Total, net	120,767,000	1,476,112,000	105,859,000	1,341,122,000
Less current portion	5,091,000	48,739,000	5,572,000	11,264,000
Non-current portion	<u>\$ 115,676,000</u>	<u>\$ 1,427,373,000</u>	<u>\$ 100,287,000</u>	<u>\$ 1,329,858,000</u>

Total interest expense was \$43,226,000 and \$38,795,000 for 2017 and 2016, respectively, and includes \$1,134,000 and \$1,825,000 of permanent loan cost amortization.

Construction loans are refinanced with permanent debt or repaid from investor capital contributions. BRIDGE and Affiliates obtained written commitments from refinance lenders and/or investors, and represented the balances as part of the long-term debt accordingly.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

Principal payments toward notes payable for the next five years are subject to changes in net cash flow, which is a contingency that cannot be reasonably estimated. Estimated minimum required payments for each of the next five years and thereafter subsequent to December 31, 2017 are as follows:

2018	\$ 48,739,000
2019	10,674,000
2020	47,486,000
2021	11,653,000
2022	7,876,000
Thereafter	<u>1,359,218,000</u>
Total gross	<u><u>1,485,646,000</u></u>

Note 14 - Lines of credit

In 2001, BRIDGE entered into an unsecured line of credit with Wells Fargo Bank for \$2,000,000, which was increased to \$5,000,000 in 2012. The line of credit bears interest at LIBOR plus 3% (4% floor) with a modified expiration date of July 18, 2018. At December 31, 2017 and 2016, \$0 and \$2,000,000 were drawn on the line of credit, respectively.

In 2012, BRIDGE entered into an unsecured line of credit with US Bank for \$5,000,000, which was increased to \$8,100,000 in 2014. The line of credit bears interest at LIBOR plus 1.8% with an expiration date of December 31, 2019. At December 31, 2017 and 2016, no amounts were drawn on the line of credit.

Note 15 - Deferred revenues

Deferred revenues consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
Development proceeds	\$ 16,544,000	\$ 17,311,000
Other	<u>4,844,000</u>	<u>4,089,000</u>
	21,388,000	21,400,000
Less current portion	<u>(19,867,000)</u>	<u>(19,322,000)</u>
Non-current portion	<u><u>\$ 1,521,000</u></u>	<u><u>\$ 2,078,000</u></u>

In connection with the development of certain affordable housing projects, BRIDGE and Affiliates received financing proceeds to pay for related development costs. If all conditions specified in the financing agreements are met, no payments are required. Until then, BRIDGE and Affiliates recorded these proceeds as deferred revenue.

Note 16 - Derivative financial instrument

BRIDGE and Affiliates entered into various interest rate cap/swap master agreements to potentially minimize the effect of changes in the variable interest rate of the loans.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

The following table for the years ended December 31, 2017 and 2016 sets forth the detailed changes in fair value for BRIDGE and Affiliates' Level 3 derivative financial instruments:

	<u>2017</u>	<u>2016</u>
Beginning balance	\$ (7,883,000)	\$ (9,850,000)
New derivatives	(1,963,000)	52,000
Unrealized (loss) gain on derivative financial instrument	<u>1,081,000</u>	<u>1,915,000</u>
Ending balance	<u>\$ (8,765,000)</u>	<u>\$ (7,883,000)</u>

The derivative financial instruments held by BRIDGE and Affiliates are stated at fair value using a quoted price provided by the counterparty banks. Counterparty banks' valuation uses various approaches that involve using quoted prices for economically equivalent instruments, or valuation methodologies, assumptions and inputs, which in the case of projected future cash flows, discount such cash flows to a single net present value amount. The valuation is either based on Level 1 inputs directly, or based on the application of valuation models, which may be proprietary, that take into account Level 1, Level 2 and Level 3 inputs. Level 1 and Level 2 inputs are market-based, utilizing observable market data including swap rates, basis rates and currency exchange rates from sources believed to be reliable but which counterparty banks have not independently verified. Level 3 inputs may be used if counterparty banks determine that Level 1 and Level 2 inputs are unavailable, or in illiquid or dislocated markets, unreliable. In general, those inputs are used to construct interest rate, currency exchange rate, commodity price or other curves that are placed into proprietary valuation models to compute fair value.

Management reviews the reasonableness of counterparty banks' valuations by calculating the net present value of projected future cash flows using the US Daily Interest Rate Data for interest rate swaps as of the valuation date.

Significant assumptions follow:

Term of swap arrangements	13 to 38 years
Average projected variable rate through 2026	1.14% to 3.23%
Discount rate	1.00%

Note 17 - Temporarily restricted net assets and net assets released from restrictions

The major programs for which BRIDGE has received restricted contributions are as follows:

Project-related Restricted Proceeds - Various companies, agencies and individuals have awarded grants and donations to specific properties for the development of affordable housing. These grants are not to be secured and do not bear interest. These grants are released as the restricted use is met.

Educational Assistance Programs - Provides scholarships or awards to qualified residents in BRIDGE developments.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

Resident Programs and Services - Programs at BRIDGE properties expand residents' educational opportunities and financial security, provide access to health and wellness resources and services, build community and connect residents to social safety net resources.

Temporarily restricted net assets were available for the following purposes:

	<u>December 31, 2016</u>	<u>Contributions/ Interest income/ Unrealized gain</u>	<u>Releases</u>	<u>December 31, 2017</u>
Project-related Restricted Proceeds	\$ 368,000	\$ 21,641,000	\$ (21,836,000)	\$ 173,000
Educational Assistance Programs	2,140,000	503,000	(204,000)	2,439,000
Resident Programs & Services	256,000	55,000	(311,000)	-
Other	229,000	85,000	(85,000)	229,000
Total	<u>\$ 2,993,000</u>	<u>\$ 22,284,000</u>	<u>\$ (22,436,000)</u>	<u>\$ 2,841,000</u>
	<u>December 31, 2015</u>	<u>Contributions/ Interest income/ Unrealized gain</u>	<u>Releases</u>	<u>December 31, 2016</u>
Project-related Restricted Proceeds	\$ 1,003,000	\$ 20,174,000	\$ (20,809,000)	\$ 368,000
Educational Assistance Programs	1,998,000	308,000	(166,000)	2,140,000
Resident Programs & Services	306,000	623,000	(673,000)	256,000
Other	229,000	86,000	(86,000)	229,000
Total	<u>\$ 3,536,000</u>	<u>\$ 21,191,000</u>	<u>\$ (21,734,000)</u>	<u>\$ 2,993,000</u>

Note 18 - Permanently restricted net assets

Permanently restricted net assets as of December 31, 2017 and 2016 consist of land required to be used for low-income housing of \$1,660,000.

Note 19 - Employee benefit plans

BRIDGE has employee 403(b) plans, established effective July 1, 1998, covering eligible employees. BRIDGE contributions to the plans consist of a percentage based on eligible employees' compensation plus a discretionary amount to match voluntary employee contributions. Contributions and plan costs totaled approximately \$1,234,000 and \$1,252,000 for 2017 and 2016, respectively.

BRIDGE has an employee 457(b) plan, established effective July 1, 2004, covering eligible employees. BRIDGE's contributions are discretionary. Contributions and plan costs totaled approximately \$154,000 and \$72,000 for 2017 and 2016, respectively.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2017 and 2016**

Note 20 - Commitments and contingencies

Rental payments under non-cancelable operating leases:

Office space

BRIDGE has leases for office space in San Francisco, Irvine, and San Diego, California, Portland, Oregon, and Seattle, Washington, which expire through June 2023.

Future minimum rental payments under the office space leases for each of the next three years subsequent to December 31, 2017 are as follows:

2018	\$ 1,546,000
2019	509,000
2020	101,000
2021	104,000
2022	107,000
Thereafter	<u>55,000</u>
Total	<u>\$ 2,422,000</u>

Rent costs totaled approximately \$1,436,000 and \$1,201,000 for 2017 and 2016, respectively.

Property-related leases

BRIDGE and Affiliates lease property, land, facilities, and commercial space under leases ranging from 30 to 55 years. Rent expense totaled approximately \$1,887,000 and \$3,611,000 for 2017 and 2016, respectively.

Certain ground lease payments are subject to changes in net cash flow, which is a contingency that cannot be reasonably estimated.

Minimum future lease payments under the foregoing leases for each of the next five years and thereafter subsequent to December 31, 2017 are as follows:

2018	\$ 462,000
2019	463,000
2020	464,000
2021	465,000
2022	467,000
Thereafter	<u>18,290,000</u>
Total	<u>\$ 20,611,000</u>

Litigation

BRIDGE and Affiliates are named in various claims and legal actions in the normal course of their activities. Based upon counsel and management's opinion, the outcomes of such matters are not expected to have a material adverse effect on BRIDGE and Affiliates' financial position or changes in net assets.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Letters of credit

As of December 31, 2017, BRIDGE has a standby letter of credit with Wells Fargo totaling approximately \$3,871,000 for the La Vereda project, and a standby letter of credit from US Bank totaling \$3,329,000 and \$3,400,000 for the Marea Alta project and for the Westview project, respectively.

Surety bonds

In connection with certain project developments, BRIDGE enters into surety bond agreements, which bind BRIDGE to repay the surety company if the contractor is unable to successfully perform on the contract. As of December 31, 2017 and 2016, BRIDGE has outstanding a maximum of \$20,978,000 and \$8,737,000, respectively, in surety bonds.

Property management

Property management on certain properties is contracted with non-affiliated entities for annual amounts subject to yearly increases.

Grants and loans receivable

In connection with various federal, state and city grants and loan programs, BRIDGE and Affiliates are obligated to operate in accordance with those grant and loan requirements and are subject to audit by those agencies. In cases of noncompliance, the agencies involved may require that BRIDGE and Affiliates refund payment of program funds. The amount, if any, of expenditures that may be disallowed by the agencies cannot be determined at this time, although BRIDGE and Affiliates expect such amounts, if any, to be immaterial.

Other

As general partners in various partnerships, BRIDGE and Affiliates may be subject to other liabilities, should the affected partnerships' assets become insufficient to meet their obligations. In the opinion of management, future revenues and the value of the underlying assets of each of these partnerships will be sufficient to meet ongoing and future partnership obligations.

Note 21 - Guarantees

BRIDGE issues a variety of guarantees in the course of developing properties. The guarantees are generally issued in favor of limited partner investors or lenders. Guarantees, as of December 31, 2017 and 2016 (except for tax benefits, which are one year in arrears), consist of the following:

	2017	2016
Operating deficits	\$ 22,531,000	\$ 21,569,000
Construction loan repayment and completion	553,548,000	482,039,000
Tax benefits	422,857,000	275,350,000
Equity contribution	71,000	71,000
Total	<u>\$ 999,007,000</u>	<u>\$ 779,029,000</u>

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2017 and 2016

Operating deficit guarantees

Operating deficit guarantees are commitments to fund future operating deficits of partnerships. The guarantees are issued in favor of limited tax credit partnerships, and generally are for the fifteen-year period when the investor is expected to hold its limited partner interest, or for shorter periods (for example, until certain debt ratios are achieved). A payment under a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate, resulting in an obligation to repay the advance, usually from future operating cash flow. To date, BRIDGE has not experienced any calls on these guarantees.

Construction loan repayment and completion guarantees

BRIDGE provides repayment guarantees for construction loans used for the development of properties. BRIDGE has also provided construction completion guarantees in favor of certain lenders for the development of properties and lease-up of a project, should the project not receive expected permanent financing, or should the cost of the development exceed permanent financing received. A payment under such a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate that is obligated to complete a development, resulting in an obligation to repay the advance, usually from future operating cash flow. There are no significant completion delays in BRIDGE current developments. To date, BRIDGE has not experienced non-completion of a project, nor has it been called on for any loan repayment guarantee.

Tax benefits guarantees

As the sponsor or the developer of certain properties financed in part by federal and/or state tax credit allocations, BRIDGE has made certain guarantees to investors as to the tax credits and other benefits to be derived from the properties. These guarantees generally cover the tax compliance periods of fifteen years after initial lease-up. A payment under such a guarantee could result in a cash distribution from an affiliate's operating cash flow to the investor limited partner. In the opinion of management, compliance with tax regulations and careful monitoring of the properties should preclude these contingent liabilities from materializing. To date, BRIDGE has not experienced any calls on these guarantees.

Equity contribution guarantee

BRIDGE and affiliated not-for-profit organizations are the general partners, co-general partners, members, or co-managing members of various limited partnerships or limited liability companies as disclosed in Note 1. BRIDGE and Affiliates executed various performance guarantees in connection with those limited partnerships or limited liability companies. BRIDGE is obligated to fund various affiliated not-for-profit organizations with equity contributions in the event such guarantees are being called upon. To date, BRIDGE has not experienced any calls on these guarantees and considers the occurrence of such events remote.

No stand ready liability has been recorded in connection with the operating deficit, construction loan repayment and completion, tax benefit, or equity contribution guarantees as these are guarantees to entities under common control.

Note 22 - Subsequent events

Management evaluated the activity of BRIDGE and Affiliates through April 27, 2018, the date the consolidated financial statements were available to be issued.

Supplementary Information

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Financial Position
December 31, 2017**

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Assets										
Current assets										
Cash and cash equivalents	\$ 16,725,000	\$ 2,359,000	\$ 435,000	\$ 747,000	\$ 12,533,000	\$ 28,741,000	\$ 3,492,000	\$ 65,032,000	\$ -	\$ 65,032,000
Accounts receivable - net	22,592,000	654,000	281,000	-	-	9,134,000	5,669,000	38,330,000	(28,303,000)	10,027,000
Contributions receivable - current portion	-	1,275,000	-	-	-	101,000	-	1,376,000	-	1,376,000
Notes receivable - current portion	3,482,000	-	-	301,000	137,000	125,000	2,739,000	6,784,000	(6,242,000)	542,000
Prepaid expenses and deposits - current portion	2,132,000	16,000	15,000	-	-	3,372,000	4,000	5,539,000	(48,000)	5,491,000
Impounds	-	-	-	-	-	2,132,000	-	2,132,000	-	2,132,000
Total current assets	44,931,000	4,304,000	731,000	1,048,000	12,670,000	43,605,000	11,904,000	119,193,000	(34,593,000)	84,600,000
Non-current assets										
Restricted cash and deposits	-	-	-	49,000	-	74,509,000	406,000	74,964,000	-	74,964,000
Investments	-	1,888,000	-	-	11,739,000	-	-	13,627,000	-	13,627,000
Accounts receivable - net of current portion	18,278,000	-	-	-	-	-	1,844,000	20,122,000	(20,122,000)	-
Notes receivable - net of current portion	21,338,000	-	-	8,964,000	932,000	4,992,000	76,803,000	113,029,000	(89,954,000)	23,075,000
Contributions receivable - net of current portion	-	206,000	-	-	-	-	-	206,000	-	206,000
Prepaid expenses and deposits - net of current portion	339,000	-	-	-	-	7,968,000	91,000	8,398,000	(2,047,000)	6,351,000
Property and equipment - net	3,970,000	63,000	-	-	-	2,018,225,000	19,130,000	2,041,388,000	(18,451,000)	2,022,937,000
Deferred costs - net	-	-	-	-	-	4,945,000	431,000	5,376,000	(297,000)	5,079,000
Land under lease and held for development	2,464,000	-	-	-	-	-	1,755,000	4,219,000	-	4,219,000
Asset held for sale	-	-	-	-	-	-	3,517,000	3,517,000	-	3,517,000
Other investments	4,009,000	-	-	-	-	-	71,713,000	75,722,000	(73,272,000)	2,450,000
Total non-current assets	50,398,000	2,157,000	-	9,013,000	12,671,000	2,110,639,000	175,690,000	2,360,568,000	(204,143,000)	2,156,425,000
Total assets	\$ 95,329,000	\$ 6,461,000	\$ 731,000	\$ 10,061,000	\$ 25,341,000	\$ 2,154,244,000	\$ 187,594,000	\$ 2,479,761,000	\$ (238,736,000)	\$ 2,241,025,000
Liabilities and Net Assets										
Current liabilities										
Accounts payable and accrued expenses	\$ 3,322,000	\$ 2,609,000	\$ 551,000	\$ 284,000	\$ 643,000	\$ 60,075,000	\$ 16,601,000	\$ 84,085,000	\$ (39,794,000)	\$ 44,291,000
Notes payable - current portion	11,599,000	-	-	625,000	-	45,848,000	2,094,000	60,166,000	(11,427,000)	48,739,000
Interest payable - current portion	74,000	-	-	112,000	-	8,306,000	106,000	8,598,000	(3,507,000)	5,091,000
Deferred revenues - current portion	57,000	-	-	-	-	17,643,000	5,082,000	22,782,000	(2,915,000)	19,867,000
Security and other deposits	325,000	-	-	-	-	-	23,000	348,000	-	348,000
Total current liabilities	15,377,000	2,609,000	551,000	1,021,000	643,000	131,872,000	23,906,000	175,979,000	(57,643,000)	118,336,000
Non-current liabilities										
Accounts payable and accrued expenses - net of current portion	2,813,000	-	-	-	-	17,573,000	-	20,386,000	(19,345,000)	1,041,000
Notes payable - net of current portion	7,917,000	2,000,000	-	6,626,000	-	1,463,449,000	29,572,000	1,509,564,000	(82,191,000)	1,427,373,000
Interest payable - net of current portion	13,000	45,000	-	349,000	-	116,981,000	2,602,000	119,990,000	(4,314,000)	115,676,000
Deferred revenues - net of current portion	-	-	-	-	-	1,612,000	-	1,612,000	(91,000)	1,521,000
Derivative financial instrument	-	-	-	-	-	8,765,000	-	8,765,000	-	8,765,000
Security and other deposits - net of current portion	-	-	-	-	-	6,431,000	-	6,431,000	-	6,431,000
Total non-current liabilities	10,743,000	2,045,000	-	6,975,000	-	1,614,811,000	32,174,000	1,666,748,000	(105,941,000)	1,560,807,000
Total liabilities	26,120,000	4,654,000	551,000	7,996,000	643,000	1,746,683,000	56,080,000	1,842,727,000	(163,584,000)	1,679,143,000
Net assets										
Unrestricted										
Controlling interests	67,549,000	(837,000)	180,000	2,065,000	24,698,000	40,537,000	106,992,000	241,184,000	(75,157,000)	166,027,000
Non-controlling interests	-	-	-	-	-	366,827,000	24,522,000	391,349,000	5,000	391,354,000
Total unrestricted	67,549,000	(837,000)	180,000	2,065,000	24,698,000	407,364,000	131,514,000	632,533,000	(75,152,000)	557,381,000
Temporarily restricted	-	2,644,000	-	-	-	197,000	-	2,841,000	-	2,841,000
Permanently restricted	1,660,000	-	-	-	-	-	-	1,660,000	-	1,660,000
Total net assets	69,209,000	1,807,000	180,000	2,065,000	24,698,000	407,561,000	131,514,000	637,034,000	(75,152,000)	561,882,000
Total liabilities and net assets	\$ 95,329,000	\$ 6,461,000	\$ 731,000	\$ 10,061,000	\$ 25,341,000	\$ 2,154,244,000	\$ 187,594,000	\$ 2,479,761,000	\$ (238,736,000)	\$ 2,241,025,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Financial Position
December 31, 2016**

	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Assets											
Current assets											
Cash and cash equivalents	\$ 30,085,000	\$ 2,299,000	\$ 6,563,000	\$ 472,000	\$ 256,000	\$ 13,022,000	\$ 31,195,000	\$ 1,934,000	\$ 85,826,000	\$ -	\$ 85,826,000
Accounts receivable - net	20,275,000	150,000	88,000	21,000	305,000	-	5,990,000	4,717,000	31,546,000	(25,547,000)	5,999,000
Contributions receivable - current portion	-	1,328,000	-	-	-	-	41,000	-	1,369,000	-	1,369,000
Notes receivable - current portion	718,000	-	94,000	-	298,000	1,006,000	149,000	2,737,000	5,002,000	(4,425,000)	577,000
Prepaid expenses and deposits - current portion	2,373,000	6,000	229,000	17,000	16,000	-	7,463,000	193,000	10,297,000	(64,000)	10,233,000
Impounds	-	-	-	-	-	-	1,656,000	-	1,656,000	-	1,656,000
Total current assets	53,451,000	3,783,000	6,974,000	510,000	875,000	14,028,000	46,494,000	9,581,000	135,696,000	(30,036,000)	105,660,000
Non-current assets											
Restricted cash and deposits	-	-	-	-	44,000	-	65,973,000	83,000	66,100,000	-	66,100,000
Investments	-	1,670,000	-	-	-	9,929,000	-	-	11,599,000	-	11,599,000
Accounts receivable - net of current portion	11,068,000	-	-	-	-	-	-	192,000	11,260,000	(11,260,000)	-
Notes receivable - net of current portion	11,889,000	-	-	-	6,099,000	-	4,992,000	67,762,000	90,742,000	(67,262,000)	23,480,000
Prepaid expenses and deposits - net of current portion	303,000	-	-	-	-	-	8,060,000	92,000	8,455,000	(2,109,000)	6,346,000
Property and equipment - net	9,019,000	71,000	3,922,000	-	-	-	1,844,167,000	10,481,000	1,867,660,000	(16,201,000)	1,851,459,000
Deferred costs - net	-	-	-	-	-	-	4,661,000	534,000	5,195,000	-	5,195,000
Land under lease and held for development	2,464,000	-	-	-	-	-	-	1,755,000	4,219,000	-	4,219,000
Asset held for sale	-	-	-	-	-	-	-	2,830,000	2,830,000	-	2,830,000
Other investments	3,281,000	-	-	-	-	-	-	57,382,000	60,663,000	(57,843,000)	2,820,000
Total non-current assets	38,024,000	1,741,000	3,922,000	-	6,143,000	9,929,000	1,927,853,000	141,111,000	2,128,723,000	(154,675,000)	1,974,048,000
Total assets	\$ 91,475,000	\$ 5,524,000	\$ 10,896,000	\$ 510,000	\$ 7,018,000	\$ 23,957,000	\$ 1,974,347,000	\$ 150,692,000	\$ 2,264,419,000	\$ (184,711,000)	\$ 2,079,708,000
Liabilities and Net Assets											
Current liabilities											
Accounts payable and accrued expenses	\$ 5,053,000	\$ 579,000	\$ 1,850,000	\$ 331,000	\$ 189,000	\$ -	\$ 74,521,000	\$ 8,817,000	\$ 91,340,000	\$ (33,212,000)	\$ 58,128,000
Notes payable - current portion	4,100,000	-	-	-	375,000	-	15,014,000	89,000	19,578,000	(8,314,000)	11,264,000
Interest payable - current portion	101,000	43,000	-	-	-	-	8,114,000	-	8,258,000	(2,686,000)	5,572,000
Deferred revenues - current portion	214,000	-	67,000	-	-	-	14,932,000	6,848,000	22,061,000	(2,739,000)	19,322,000
Security and other deposits	226,000	-	-	-	-	-	-	23,000	249,000	-	249,000
Total current liabilities	9,694,000	622,000	1,917,000	331,000	564,000	-	112,581,000	15,777,000	141,486,000	(46,951,000)	94,535,000
Non-current liabilities											
Accounts payable and accrued expenses - net of current portion	192,000	-	-	-	-	-	10,250,000	-	10,442,000	(10,442,000)	-
Notes payable - net of current portion	16,826,000	2,000,000	-	-	4,324,000	-	1,346,280,000	24,283,000	1,393,713,000	(63,855,000)	1,329,858,000
Interest payable - net of current portion	-	-	-	-	311,000	-	101,349,000	2,371,000	104,031,000	(3,744,000)	100,287,000
Deferred revenues - net of current portion	39,000	-	-	-	-	-	1,703,000	428,000	2,170,000	(92,000)	2,078,000
Derivative financial instrument	-	-	-	-	-	-	7,883,000	-	7,883,000	-	7,883,000
Security and other deposits - net of current portion	325,000	-	122,000	-	-	-	5,974,000	-	6,421,000	-	6,421,000
Total non-current liabilities	17,382,000	2,000,000	122,000	-	4,635,000	-	1,473,439,000	27,082,000	1,524,660,000	(78,133,000)	1,446,527,000
Total liabilities	27,076,000	2,622,000	2,039,000	331,000	5,199,000	-	1,586,020,000	42,859,000	1,666,146,000	(125,084,000)	1,541,062,000
Net assets											
Unrestricted											
Controlling interests	62,739,000	106,000	8,857,000	179,000	1,819,000	23,957,000	45,500,000	83,161,000	226,318,000	(59,632,000)	166,686,000
Non-controlling interests	-	-	-	-	-	-	342,630,000	24,672,000	367,302,000	5,000	367,307,000
Total unrestricted	62,739,000	106,000	8,857,000	179,000	1,819,000	23,957,000	388,130,000	107,833,000	593,620,000	(59,627,000)	533,993,000
Temporarily restricted	-	2,796,000	-	-	-	-	197,000	-	2,993,000	-	2,993,000
Permanently restricted	1,660,000	-	-	-	-	-	-	-	1,660,000	-	1,660,000
Total net assets	64,399,000	2,902,000	8,857,000	179,000	1,819,000	23,957,000	388,327,000	107,833,000	598,273,000	(59,627,000)	538,646,000
Total liabilities and net assets	\$ 91,475,000	\$ 5,524,000	\$ 10,896,000	\$ 510,000	\$ 7,018,000	\$ 23,957,000	\$ 1,974,347,000	\$ 150,692,000	\$ 2,264,419,000	\$ (184,711,000)	\$ 2,079,708,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Activities
Year Ended December 31, 2017**

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Support and revenue										
Developer fees	\$ 16,460,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,971,000	\$ 19,431,000	\$ (8,050,000)	\$ 11,381,000
Rental income - net of vacancies and concessions	217,000	-	-	-	-	135,123,000	511,000	135,851,000	(357,000)	135,494,000
Management revenue	9,148,000	710,000	6,858,000	558,000	-	48,000	(2,107,000)	15,215,000	(12,488,000)	2,727,000
Contributions	-	2,328,000	-	-	-	791,000	20,093,000	23,212,000	-	23,212,000
Interest income	1,836,000	197,000	-	345,000	1,648,000	267,000	1,842,000	6,135,000	(3,376,000)	2,759,000
Other property related	-	-	-	-	-	8,810,000	-	8,810,000	(3,428,000)	5,382,000
Other	837,000	57,000	-	1,000	239,000	-	832,000	1,966,000	-	1,966,000
Total support and revenue	28,498,000	3,292,000	6,858,000	904,000	1,887,000	145,039,000	24,142,000	210,620,000	(27,699,000)	182,921,000
Expenses										
Program services	17,842,000	3,703,000	6,258,000	648,000	1,144,000	202,078,000	7,622,000	239,295,000	(30,334,000)	208,961,000
Supporting services	5,846,000	10,000	599,000	10,000	2,000	826,000	102,000	7,395,000	-	7,395,000
Fundraising	-	674,000	-	-	-	-	-	674,000	-	674,000
Total expenses	23,688,000	4,387,000	6,857,000	658,000	1,146,000	202,904,000	7,724,000	247,364,000	(30,334,000)	217,030,000
Changes in net assets before assigning net assets	4,810,000	(1,095,000)	1,000	246,000	741,000	(57,865,000)	16,418,000	(36,744,000)	2,635,000	(34,109,000)
Assigning net assets to affiliates	-	-	-	-	-	(50,000)	50,000	-	-	-
Changes in net assets	4,810,000	(1,095,000)	1,000	246,000	741,000	(57,915,000)	16,468,000	(36,744,000)	2,635,000	(34,109,000)
Net assets, beginning	64,399,000	2,902,000	179,000	1,819,000	23,957,000	388,327,000	116,690,000	598,273,000	(59,627,000)	538,646,000
Net capital contributions	-	-	-	-	-	77,149,000	(1,644,000)	75,505,000	(18,160,000)	57,345,000
Net assets, end	\$ 69,209,000	\$ 1,807,000	\$ 180,000	\$ 2,065,000	\$ 24,698,000	\$ 407,561,000	\$ 131,514,000	\$ 637,034,000	\$ (75,152,000)	\$ 561,882,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Activities
Year Ended December 31, 2016**

	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Support and revenue											
Developer fees	\$ 19,035,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ (95,000)	\$ 18,982,000	\$ (6,232,000)	\$ 12,750,000
Rental income - net of vacancies and concessions	218,000	-	11,608,000	-	-	-	114,665,000	511,000	127,002,000	(345,000)	126,657,000
Management revenue	17,445,000	965,000	1,924,000	5,852,000	414,000	-	28,000	(184,000)	26,444,000	(23,638,000)	2,806,000
Contributions	-	2,552,000	-	-	-	61,000	4,769,000	14,895,000	22,277,000	-	22,277,000
Interest income	1,476,000	52,000	9,000	-	482,000	697,000	159,000	1,754,000	4,629,000	(2,987,000)	1,642,000
Other property related	-	-	-	1,000	1,000	-	3,591,000	119,000	3,712,000	-	3,712,000
Other	441,000	-	-	-	-	-	-	-	441,000	-	441,000
Total support and revenue	38,615,000	3,569,000	13,541,000	5,853,000	897,000	758,000	123,254,000	17,000,000	203,487,000	(33,202,000)	170,285,000
Expenses											
Program services	12,337,000	3,072,000	13,696,000	6,501,000	880,000	1,023,000	199,378,000	5,700,000	242,587,000	(34,967,000)	207,620,000
Supporting services	5,550,000	-	456,000	466,000	16,000	2,000	683,000	112,000	7,285,000	-	7,285,000
Fundraising	-	625,000	-	-	-	-	-	-	625,000	-	625,000
Total expenses	17,887,000	3,697,000	14,152,000	6,967,000	896,000	1,025,000	200,061,000	5,812,000	250,497,000	(34,967,000)	215,530,000
Changes in net assets before assigning net assets to affiliates	20,728,000	(128,000)	(611,000)	(1,114,000)	1,000	(267,000)	(76,807,000)	11,188,000	(47,010,000)	1,765,000	(45,245,000)
Assigning net assets to affiliates	-	-	-	-	-	-	-	-	-	-	-
Changes in net assets	20,728,000	(128,000)	(611,000)	(1,114,000)	1,000	(267,000)	(76,807,000)	11,188,000	(47,010,000)	1,765,000	(45,245,000)
Net assets, beginning	43,671,000	3,030,000	9,468,000	1,293,000	1,818,000	24,224,000	362,046,000	92,675,000	538,225,000	(48,485,000)	489,740,000
Net capital contributions	-	-	-	-	-	-	103,088,000	3,970,000	107,058,000	(12,907,000)	94,151,000
Net assets, end	\$ 64,399,000	\$ 2,902,000	\$ 8,857,000	\$ 179,000	\$ 1,819,000	\$ 23,957,000	\$ 388,327,000	\$ 107,833,000	\$ 598,273,000	\$ (59,627,000)	\$ 538,646,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Cash Flows
Year Ended December 31, 2017**

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Cash flows from operating activities										
Change in net assets	\$ 4,810,000	\$ (1,095,000)	\$ 1,000	\$ 246,000	\$ 741,000	\$ (57,915,000)	\$ 16,468,000	\$ (36,744,000)	\$ 2,635,000	\$ (34,109,000)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities										
Depreciation and amortization	471,000	(26,000)	-	-	-	54,638,000	147,000	55,230,000	(596,000)	54,634,000
Amortization of permanent loans costs	41,000	-	-	-	-	1,074,000	19,000	1,134,000	-	1,134,000
(Gain) loss on disposal of fixed assets	-	-	-	-	-	2,643,000	-	2,643,000	-	2,643,000
Unrealized gain (loss) and (income) loss from other	(833,000)	(214,000)	-	-	(238,000)	(1,364,000)	-	(2,649,000)	-	(2,649,000)
Bad debt	2,230,000	-	-	-	-	272,000	-	2,502,000	(2,230,000)	272,000
Assigning equity investments to affiliates	-	-	-	-	-	50,000	(50,000)	-	-	-
(Increase) decrease in assets										
Accounts receivable	(10,173,000)	(543,000)	(261,000)	303,000	(63,000)	(3,451,000)	(2,604,000)	(16,792,000)	12,266,000	(4,526,000)
Contributions receivable	-	(152,000)	1,000	-	-	(60,000)	-	(211,000)	-	(211,000)
Prepaid expenses and deposits	(21,000)	13,000	-	16,000	-	(319,000)	189,000	(122,000)	(81,000)	(203,000)
Impounds	-	-	-	-	-	(667,000)	-	(667,000)	-	(667,000)
Increase (decrease) in liabilities										
Accounts payable and accrued expenses	1,467,000	2,047,000	222,000	97,000	643,000	5,172,000	7,784,000	17,432,000	(15,485,000)	1,947,000
Deferred revenues	(196,000)	-	-	-	-	2,594,000	(5,990,000)	(3,592,000)	(175,000)	(3,767,000)
Interest payable	(14,000)	1,000	-	150,000	-	16,442,000	524,000	17,103,000	(1,391,000)	15,712,000
Net cash provided by (used in) operating activities	(2,218,000)	31,000	(37,000)	812,000	1,083,000	19,109,000	16,487,000	35,267,000	(5,057,000)	30,210,000
Cash flows from investing activities										
(Additions to) collections of notes receivable	(13,797,000)	-	-	(2,868,000)	-	24,000	(12,854,000)	(29,495,000)	26,093,000	(3,402,000)
Net (increase) decrease in other investments	105,000	-	-	-	(1,572,000)	-	(16,592,000)	(18,059,000)	15,429,000	(2,630,000)
Net (increase) decrease in restricted cash and deposits	-	-	-	(5,000)	-	(6,512,000)	(323,000)	(6,840,000)	-	(6,840,000)
(Purchase) sale of marketable securities and investments	-	(4,000)	-	-	-	(8,000)	-	(12,000)	-	(12,000)
Purchase of property and equipment	4,001,000	33,000	-	-	-	(234,823,000)	(9,379,000)	(240,168,000)	2,846,000	(237,322,000)
Sale and retirement of property and equipment	-	-	-	-	-	9,944,000	-	9,944,000	-	9,944,000
Net (increase) decrease in deferred costs	-	-	-	-	-	(2,108,000)	(1,000)	(2,109,000)	297,000	(1,812,000)
Net cash provided by (used in) investing activities	(9,691,000)	29,000	-	(2,873,000)	(1,572,000)	(233,483,000)	(39,149,000)	(286,739,000)	44,665,000	(242,074,000)
Cash flows from financing activities										
Proceeds from notes payable	(3,451,000)	-	-	3,056,000	-	271,531,000	12,025,000	283,161,000	(21,449,000)	261,712,000
Payment of notes payable	2,000,000	-	-	(504,000)	-	(150,081,000)	(1,125,000)	(149,710,000)	-	(149,710,000)
Proceeds from deferred revenue earmarked for development	-	-	-	-	-	1,308,000	3,796,000	5,104,000	-	5,104,000
Payment of syndication costs	-	-	-	-	-	(556,000)	-	(556,000)	-	(556,000)
Proceeds from (distribution of) capital contributions	-	-	-	-	-	89,718,000	2,961,000	92,679,000	(18,159,000)	74,520,000
Net cash provided by (used in) financing activities	(1,451,000)	-	-	2,552,000	-	211,920,000	17,657,000	230,678,000	(39,608,000)	191,070,000
Increase (decrease) in cash and cash equivalents	(13,360,000)	60,000	(37,000)	491,000	(489,000)	(2,454,000)	(5,005,000)	(20,794,000)	-	(20,794,000)
Cash and cash equivalents, beginning	30,085,000	2,299,000	472,000	256,000	13,022,000	31,195,000	8,497,000	85,826,000	-	85,826,000
Cash and cash equivalents, end	\$ 16,725,000	\$ 2,359,000	\$ 435,000	\$ 747,000	\$ 12,533,000	\$ 28,741,000	\$ 3,492,000	\$ 65,032,000	\$ -	\$ 65,032,000
Supplementary information										
Cash paid for interest (net of capitalized portion)	\$ 417,000	\$ -	\$ -	\$ 6,000	\$ -	\$ 26,170,000	\$ -	\$ 26,593,000	\$ -	\$ 26,593,000
Noncash investing and financing activities										
Property and equipment acquired and recorded in accounts payable and accrued expenses	\$ 577,000	\$ -	\$ -	\$ -	\$ -	\$ 12,672,000	\$ -	\$ 13,249,000	\$ -	\$ 13,249,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Cash Flows
Year Ended December 31, 2016**

	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Cash flows from operating activities											
Change in net assets	\$ 20,728,000	\$ (128,000)	\$ (611,000)	\$ (1,114,000)	\$ 1,000	\$ (267,000)	\$ (76,807,000)	\$ 11,188,000	\$ (47,010,000)	\$ 1,765,000	\$ (45,245,000)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating											
Depreciation and amortization	458,000	11,000	519,000	-	-	-	49,623,000	147,000	50,758,000	(504,000)	50,254,000
Amortization of permanent loan costs	26,000	-	-	-	-	-	1,794,000	5,000	1,825,000	-	1,825,000
(Gain) loss on disposal of fixed assets	(18,000)	-	-	-	-	-	13,546,000	-	13,528,000	-	13,528,000
Unrealized gain (loss) and (income) loss from other investments	924,000	(4,000)	-	-	-	-	(1,915,000)	-	(995,000)	-	(995,000)
Bad debt	(333,000)	-	-	-	43,000	-	234,000	-	(56,000)	431,000	375,000
Assigning equity investments to affiliates	29,000	-	-	-	-	-	(29,000)	-	-	-	-
(Increase) decrease in assets											
Accounts receivable	(2,208,000)	(109,000)	(22,000)	151,000	(29,000)	185,000	(373,000)	2,219,000	(186,000)	1,073,000	887,000
Contributions receivable	-	(358,000)	-	(1,000)	-	-	(41,000)	-	(400,000)	-	(400,000)
Prepaid expenses and deposits	(836,000)	13,000	(42,000)	-	(2,000)	-	9,018,000	(192,000)	7,959,000	3,000	7,962,000
Impounds	-	-	-	-	-	-	(342,000)	-	(342,000)	-	(342,000)
Increase (decrease) in liabilities											
Accounts payable and accrued expenses	(3,536,000)	(84,000)	1,218,000	114,000	40,000	(112,000)	5,254,000	(1,648,000)	1,246,000	(496,000)	750,000
Deferred revenues	(744,000)	-	-	-	-	-	(24,121,000)	3,829,000	(21,036,000)	(2,000)	(21,038,000)
Interest payable	(328,000)	44,000	-	-	(99,000)	-	13,431,000	318,000	13,366,000	(735,000)	12,631,000
Net cash provided by (used in) operating activities	14,162,000	(615,000)	1,062,000	(850,000)	(46,000)	(194,000)	(10,728,000)	15,866,000	18,657,000	1,535,000	20,192,000
Cash flows from investing activities											
(Additions to) collections of notes receivable	(6,900,000)	-	-	-	10,875,000	-	(149,000)	(12,330,000)	(8,504,000)	8,499,000	(5,000)
Net (increase) decrease in other investments	(1,359,000)	-	-	-	-	(422,000)	-	(8,945,000)	(10,726,000)	7,651,000	(3,075,000)
Net (increase) decrease in restricted cash and deposits	-	-	-	-	-	-	(1,832,000)	(81,000)	(1,913,000)	-	(1,913,000)
(Purchase) sale of marketable securities and investments	-	500,000	-	-	-	-	(52,000)	-	448,000	-	448,000
Purchase of property and equipment	7,622,000	(69,000)	(622,000)	-	-	-	(300,604,000)	(1,301,000)	(294,974,000)	2,813,000	(292,161,000)
Sale and retirement of property and equipment	-	-	-	-	-	-	23,327,000	-	23,327,000	-	23,327,000
Net (increase) decrease in deferred costs	(25,000)	-	-	-	-	-	(1,679,000)	(5,000)	(1,709,000)	-	(1,709,000)
Net cash provided by (used in) investing activities	(662,000)	431,000	(622,000)	-	10,875,000	(422,000)	(280,989,000)	(22,662,000)	(294,051,000)	18,963,000	(275,088,000)
Cash flows from financing activities											
Proceeds from notes payable	11,172,000	2,000,000	-	-	4,000	-	188,740,000	6,992,000	208,908,000	(7,562,000)	201,346,000
Payment of notes payable	(10,947,000)	-	-	-	(11,023,000)	-	-	(3,972,000)	(25,942,000)	-	(25,942,000)
Proceeds from deferred revenue earmarked for development	-	-	-	-	-	-	9,320,000	-	9,320,000	-	9,320,000
Proceeds from (distribution of) capital contributions	-	-	-	-	-	-	103,117,000	3,970,000	107,087,000	(12,936,000)	94,151,000
Net cash provided by (used in) financing activities	225,000	2,000,000	-	-	(11,019,000)	-	301,177,000	6,990,000	299,373,000	(20,498,000)	278,875,000
Increase (decrease) in cash and cash equivalents	13,725,000	1,816,000	440,000	(850,000)	(190,000)	(616,000)	9,460,000	194,000	23,979,000	-	23,979,000
Cash and cash equivalents, beginning	16,360,000	483,000	6,123,000	1,322,000	446,000	13,638,000	21,735,000	1,740,000	61,847,000	-	61,847,000
Cash and cash equivalents, end	\$ 30,085,000	\$ 2,299,000	\$ 6,563,000	\$ 472,000	\$ 256,000	\$ 13,022,000	\$ 31,195,000	\$ 1,934,000	\$ 85,826,000	\$ -	\$ 85,826,000
Supplementary information											
Cash paid for interest (net of capitalized portion)	\$ 884,000	\$ -	\$ -	\$ -	\$ 76,000	\$ -	\$ 26,170,000	\$ -	\$ 27,130,000	\$ -	\$ 27,130,000
Noncash investing and financing activities											
Property and equipment acquired and recorded in accounts payable and accrued expenses	\$ 977,000	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,093,000	\$ -	\$ 10,079,000	\$ -	\$ 10,079,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Cash Composition
Years Ended December 31, 2017 and 2016**

2017	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp. (3)	Housing properties (1)	Other entities (2)	Total
Unrestricted	\$ 15,578,000	\$ 386,000	\$ -	\$ 435,000	\$ 747,000	\$ 12,533,000	\$ -	\$ 1,926,000	\$ 31,605,000
Designated	1,147,000	-	-	-	-	-	28,741,000	1,364,000	31,252,000
Donor designated	-	1,973,000	-	-	-	-	-	202,000	2,175,000
Total unrestricted cash and cash equivalents	16,725,000	2,359,000	-	435,000	747,000	12,533,000	28,741,000	3,492,000	65,032,000
Restricted cash and deposits	-	-	-	-	49,000	-	74,509,000	406,000	74,964,000
Total cash and cash equivalents	\$ 16,725,000	\$ 2,359,000	\$ -	\$ 435,000	\$ 796,000	\$ 12,533,000	\$ 103,250,000	\$ 3,898,000	\$ 139,996,000
2016									
Unrestricted	\$ 28,940,000	\$ 67,000	\$ 1,849,000	\$ 472,000	\$ 256,000	\$ 13,022,000	\$ -	\$ 469,000	\$ 45,075,000
Designated	1,145,000	-	4,714,000	-	-	-	31,195,000	1,268,000	38,322,000
Donor designated	-	2,232,000	-	-	-	-	-	197,000	2,429,000
Total unrestricted cash and cash equivalents	30,085,000	2,299,000	6,563,000	472,000	256,000	13,022,000	31,195,000	1,934,000	85,826,000
Restricted cash and deposits	-	-	-	-	44,000	-	65,973,000	83,000	66,100,000
Total cash and cash equivalents	\$ 30,085,000	\$ 2,299,000	\$ 6,563,000	\$ 472,000	\$ 300,000	\$ 13,022,000	\$ 97,168,000	\$ 2,017,000	\$ 151,926,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes entities that control certain housing property entities.

(3) In addition, BRIDGE affiliates held marketable securities of \$13,627,000 and \$11,599,000 as of December 31, 2017 and 2016, respectively.

BRIDGE Housing Corporation

Schedules of Financial Position Year Ended December 31, 2017

2017	Corporate	Predevelopment	Subtotal	Eliminations	BRIDGE Housing Corporation
<u>Assets</u>					
Current assets					
Cash and cash equivalents	\$ 16,720,000	\$ 5,000	\$ 16,725,000	\$ -	\$ 16,725,000
Accounts receivable - net	23,917,000	(1,410,000)	22,507,000	85,000	22,592,000
Notes receivable	3,482,000	-	3,482,000	-	3,482,000
Prepaid expenses and deposits	2,113,000	19,000	2,132,000	-	2,132,000
Total current assets	46,232,000	(1,386,000)	44,846,000	85,000	44,931,000
Non-current assets					
Accounts receivable - net of current portion	18,278,000	-	18,278,000	-	18,278,000
Notes receivable - net of current portion	21,338,000	-	21,338,000	-	21,338,000
Prepaid expenses and deposits - net of current portion	339,000	-	339,000	-	339,000
Property and equipment - net	1,152,000	2,818,000	3,970,000	-	3,970,000
Land under lease and held for development	2,464,000	-	2,464,000	-	2,464,000
Other investments	4,009,000	-	4,009,000	-	4,009,000
Total non-current assets	47,580,000	2,818,000	50,398,000	-	50,398,000
Total assets	\$ 93,812,000	\$ 1,432,000	\$ 95,244,000	\$ 85,000	\$ 95,329,000
<u>Liabilities and Net Assets</u>					
Current liabilities					
Accounts payable and accrued expenses	\$ 2,660,000	\$ 577,000	\$ 3,237,000	\$ 85,000	3,322,000
Notes payable	11,599,000	-	11,599,000	-	11,599,000
Interest payable	74,000	-	74,000	-	74,000
Deferred revenues	57,000	-	57,000	-	57,000
Security and other deposits	325,000	-	325,000	-	325,000
Total current liabilities	14,715,000	577,000	15,292,000	85,000	15,377,000
Non-current liabilities					
Accounts payable and accrued interest - net of current portion	2,813,000	-	2,813,000	-	2,813,000
Notes payable - net of current portion	7,075,000	842,000	7,917,000	-	7,917,000
Interest payable - net of current portion	-	13,000	13,000	-	13,000
Security and other deposits - net of current portion	-	-	-	-	-
Total non-current liabilities	9,888,000	855,000	10,743,000	-	10,743,000
Total liabilities	24,603,000	1,432,000	26,035,000	85,000	26,120,000
Net assets					
Unrestricted: Controlling interests	67,549,000	-	67,549,000	-	67,549,000
Temporarily restricted	-	-	-	-	-
Permanently restricted	1,660,000	-	1,660,000	-	1,660,000
Total net assets	69,209,000	-	69,209,000	-	69,209,000
Total liabilities and net assets	\$ 93,812,000	\$ 1,432,000	\$ 95,244,000	\$ 85,000	\$ 95,329,000

BRIDGE Housing Corporation

Schedules of Financial Position Year Ended December 31, 2016

2016	Corporate	Predevelopment	Subtotal	Eliminations	BRIDGE Housing Corporation
<u>Assets</u>					
Current assets					
Cash and cash equivalents	\$ 30,080,000	\$ 5,000	\$ 30,085,000	\$ -	\$ 30,085,000
Accounts receivable - net	27,572,000	(7,504,000)	20,068,000	207,000	20,275,000
Notes receivable	718,000	-	718,000	-	718,000
Prepaid expenses and deposits	1,604,000	769,000	2,373,000	-	2,373,000
Total current assets	59,974,000	(6,730,000)	53,244,000	207,000	53,451,000
Non-current assets					
Accounts receivable - net of current portion	11,068,000	-	11,068,000	-	11,068,000
Notes receivable - net of current portion	11,889,000	-	11,889,000	-	11,889,000
Prepaid expenses and deposits - net of current portion	303,000	-	303,000	-	303,000
Property and equipment - net	1,171,000	7,848,000	9,019,000	-	9,019,000
Land under lease and held for development	2,464,000	-	2,464,000	-	2,464,000
Other investments	3,281,000	-	3,281,000	-	3,281,000
Total non-current assets	30,176,000	7,848,000	38,024,000	-	38,024,000
Total assets	\$ 90,150,000	\$ 1,118,000	\$ 91,268,000	\$ 207,000	\$ 91,475,000
<u>Liabilities and Net Assets</u>					
Current liabilities					
Accounts payable and accrued expenses	\$ 3,764,000	\$ 1,082,000	\$ 4,846,000	\$ 207,000	\$ 5,053,000
Notes payable	4,067,000	33,000	4,100,000	-	4,100,000
Interest payable	101,000	-	101,000	-	101,000
Deferred revenues	214,000	-	214,000	-	214,000
Security and other deposits	226,000	-	226,000	-	226,000
Total current liabilities	8,372,000	1,115,000	9,487,000	207,000	9,694,000
Non-current liabilities					
Accounts payable and accrued interest - net of current portion	192,000	-	192,000	-	192,000
Notes payable - net of current portion	16,826,000	-	16,826,000	-	16,826,000
Interest payable - net of current portion	-	-	-	-	-
Security and other deposits - net of current portion	364,000	-	364,000	-	364,000
Total non-current liabilities	17,382,000	-	17,382,000	-	17,382,000
Total liabilities	25,754,000	1,115,000	26,869,000	207,000	27,076,000
Net assets					
Unrestricted: Controlling interests	62,736,000	3,000	62,739,000	-	62,739,000
Temporarily restricted	-	-	-	-	-
Permanently restricted	1,660,000	-	1,660,000	-	1,660,000
Total net assets	64,396,000	3,000	64,399,000	-	64,399,000
Total liabilities and net assets	\$ 90,150,000	\$ 1,118,000	\$ 91,268,000	\$ 207,000	\$ 91,475,000

See Independent Auditor's Report.

BRIDGE Housing Corporation

**Schedules of Notes Payable
December 31, 2017 and 2016**

	2017		2016	
	Interest payable	Principal	Interest payable	Principal
Low Income Investment Fund, with interest of 2% per annum payable annually, secured by a promissory note, due December 1, 2025.	\$ 5,000	\$ 2,000,000	\$ 5,000	\$ 2,000,000
The Ford Foundation, unsecured, due in annual installments of \$1,000,000 beginning July 16, 2020, with 1% interest payable quarterly. Loan proceeds are designated to be used in home ownership developments.	-	3,000,000	-	3,000,000
The Ford Foundation, unsecured, due in annual installments of \$1,000,000 beginning September 20, 2018, with 1% interest payable quarterly. Loan proceeds are designated to be lent to BRIC for the Mortgage Assistance Program.	-	1,499,000	4,000	1,760,000
Calvert Social Investment Foundation, unsecured, due December 31, 2018, with 4% interest payable semi-annually with interest payments commencing December 2003.	-	1,500,000	31,000	1,500,000
Community Development Agency of the City of Foster City, non-interest-bearing, secured primarily by a deed of trust. Principal payments are due annually in an amount equal to rental payments received. The note is due in June 2050, with unpaid balance to be forgiven under certain circumstances.	-	616,000	-	616,000
US Bank, unsecured, due October 1, 2022, with interest of 3.25% per annum payable monthly.	4,000	1,500,000	4,000	1,500,000
Wells Fargo Bank, unsecured line of credit, due April 18, 2018, with interest of 1.99% per annum payable monthly.	-	-	6,000	2,000,000
Wells Fargo Bank, unsecured, due October 16, 2018, with interest of 2% per annum payable monthly.	5,000	1,000,000	5,000	1,000,000
Wells Fargo Bank, unsecured, due July 10, 2018, with interest of 2% per annum payable monthly.	5,000	1,000,000	5,000	1,000,000

BRIDGE Housing Corporation

**Schedules of Notes Payable
December 31, 2017 and 2016**

	2017		2016	
	Interest payable	Principal	Interest payable	Principal
Wells Fargo Bank, due May 1, 2018, with interest of 2% per annum payable quarterly.	20,000	4,000,000	20,000	4,000,000
BHAI, affiliate loan, with interest of 2% per annum payable monthly.	35,000	2,600,000	21,000	2,600,000
Predevelopment notes payable	-	843,000	-	33,000
Total, gross	74,000	19,558,000	101,000	21,009,000
Debt issuance costs, net	-	42,000	-	83,000
Total, net	74,000	19,516,000	101,000	20,926,000
Less current portion	74,000	11,599,000	101,000	4,100,000
Non-current portion	\$ -	\$ 7,917,000	\$ -	\$ 16,826,000

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

To the Board of Directors
BRIDGE Housing Corporation and Affiliates

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of BRIDGE Housing Corporation and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2017 and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 27, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered BRIDGE Housing Corporation and Affiliates' internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether BRIDGE Housing Corporation and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Los Angeles, California
April 27, 2018

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BRIDGE Housing Corporation and Affiliates

**Consolidated Financial Statements
(With Supplementary Information) and
Independent Auditor's Report**

December 31, 2016 and 2015

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BRIDGE Housing Corporation and Affiliates

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Independent Auditor's Report

To the Board of Directors
BRIDGE Housing Corporation and Affiliates

Report on Financial Statements

We have audited the accompanying consolidated financial statements of BRIDGE Housing Corporation and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BRIDGE Housing Corporation and Affiliates as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Guidance

As discussed in Note 2 to the financial statements, in 2016, BRIDGE Housing Corporation and Affiliates adopted new accounting guidance related to the presentation of debt issuance costs. Our report is not modified with respect to this matter.

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 46 to 56 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2017, on our consideration of BRIDGE Housing Corporation and Affiliates' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BRIDGE Housing Corporation and Affiliates' internal control over financial reporting and compliance.



Los Angeles, California
April 26, 2017

BRIDGE Housing Corporation and Affiliates
Consolidated Statements of Financial Position
December 31, 2016 and 2015

	<u>Assets</u>	
	2016	2015
Current assets		
Cash and cash equivalents	\$ 85,826,000	\$ 61,847,000
Accounts receivable - net	5,999,000	7,099,000
Contributions receivable	1,369,000	60,000
Notes receivable	577,000	579,000
Prepaid expenses and deposits	10,233,000	4,116,000
Impounds	1,656,000	1,314,000
	<u>105,660,000</u>	<u>75,015,000</u>
Non-current assets		
Restricted cash and deposits	66,100,000	64,204,000
Investments	11,599,000	11,673,000
Contributions receivable - net of current portion	-	911,000
Notes receivable - net of current portion	23,480,000	23,650,000
Prepaid expenses and deposits - net of current portion	6,346,000	20,190,000
Property and equipment - net	1,851,459,000	1,636,150,000
Deferred costs - net	5,195,000	5,853,000
Land under lease and held for development	4,219,000	4,219,000
Assets held for sale	2,830,000	2,476,000
Other investments	2,820,000	1,120,000
	<u>1,974,048,000</u>	<u>1,770,446,000</u>
Total non-current assets	<u>1,974,048,000</u>	<u>1,770,446,000</u>
Total assets	<u>\$ 2,079,708,000</u>	<u>\$ 1,845,461,000</u>

BRIDGE Housing Corporation and Affiliates
Consolidated Statements of Financial Position
December 31, 2016 and 2015

Liabilities and Net Assets

	2016	2015
Current liabilities		
Accounts payable and accrued expenses	\$ 58,128,000	\$ 47,155,000
Notes payable	11,264,000	10,457,000
Interest payable	5,572,000	5,266,000
Deferred revenues	19,322,000	30,873,000
Security and other deposits	249,000	194,000
	94,535,000	93,945,000
Non-current liabilities		
Accounts payable and accrued expenses - net of current portion	-	311,000
Notes payable - net of current portion	1,329,858,000	1,155,257,000
Interest payable - net of current portion	100,287,000	87,968,000
Deferred revenues - net of current portion	2,078,000	2,177,000
Derivative financial instrument	7,883,000	9,850,000
Security and other deposits - net of current portion	6,421,000	6,213,000
	1,446,527,000	1,261,776,000
Total non-current liabilities	1,446,527,000	1,261,776,000
Total liabilities	1,541,062,000	1,355,721,000
Net assets		
Unrestricted		
Controlling interests	166,686,000	165,888,000
Non-controlling interests	367,307,000	318,656,000
	533,993,000	484,544,000
Temporarily restricted	2,993,000	3,536,000
Permanently restricted	1,660,000	1,660,000
	538,646,000	489,740,000
Total net assets	538,646,000	489,740,000
Total liabilities and net assets	\$ 2,079,708,000	\$ 1,845,461,000

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Activities
Year Ended December 31, 2016**

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Developer fees	\$ 12,750,000	\$ -	\$ -	\$ 12,750,000
Rental income - net of vacancies and concessions	126,657,000	-	-	126,657,000
Management revenue	2,806,000	-	-	2,806,000
Contributions	1,129,000	21,148,000	-	22,277,000
Interest income	1,599,000	43,000	-	1,642,000
Other property related	3,712,000	-	-	3,712,000
Other	441,000	-	-	441,000
Net assets released from restrictions	21,734,000	(21,734,000)	-	-
Total support and revenue	170,828,000	(543,000)	-	170,285,000
Expenses				
Program services	207,620,000	-	-	207,620,000
Supporting services	7,285,000	-	-	7,285,000
Fundraising	625,000	-	-	625,000
Total expenses	215,530,000	-	-	215,530,000
Change in net assets	(44,702,000)	(543,000)	-	(45,245,000)
Net assets, beginning of year	484,544,000	3,536,000	1,660,000	489,740,000
Net capital contribution - non-controlling interest	94,151,000	-	-	94,151,000
Net assets, end of year	\$ 533,993,000	\$ 2,993,000	\$ 1,660,000	\$ 538,646,000
Reconciliation of net assets				
Controlling interest				
Beginning of year				\$ 171,084,000
Change in net assets				255,000
End of year				171,339,000
Non-controlling interest				
Beginning of year				318,656,000
Capital contributions				94,151,000
Non-controlling interests in limited partnership earnings				(45,500,000)
End of year				367,307,000
Net assets, end of year				\$ 538,646,000

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Activities
Year Ended December 31, 2015**

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Developer fees	\$ 11,083,000	\$ -	\$ -	\$ 11,083,000
Rental income - net of vacancies and concessions	112,571,000	-	-	112,571,000
Management revenue	3,206,000	-	-	3,206,000
Contributions	795,000	22,965,000	-	23,760,000
Interest income	1,363,000	99,000	-	1,462,000
Other property related	5,226,000	-	-	5,226,000
Other	1,480,000	-	-	1,480,000
Net assets released from restrictions	22,686,000	(22,686,000)	-	-
Total support and revenue	158,410,000	378,000	-	158,788,000
Expenses				
Program services	177,344,000	-	-	177,344,000
Supporting services	7,930,000	-	-	7,930,000
Fundraising	408,000	-	-	408,000
Total expenses	185,682,000	-	-	185,682,000
Change in net assets	(27,272,000)	378,000	-	(26,894,000)
Net assets, beginning	417,301,000	3,158,000	1,660,000	422,119,000
Net capital contribution - non-controlling interest	94,515,000	-	-	94,515,000
Net assets, end	\$ 484,544,000	\$ 3,536,000	\$ 1,660,000	\$ 489,740,000
Reconciliation of net assets				
Controlling interest				
Beginning				\$ 156,853,000
Change in net assets				14,231,000
End				171,084,000
Non-controlling interest				
Beginning				265,266,000
Capital contributions				94,515,000
Non-controlling interests in limited partnership earnings				(41,125,000)
End				318,656,000
Net assets, end				\$ 489,740,000

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ (45,245,000)	\$ (26,894,000)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	50,254,000	46,564,000
Amortization of permanent loan costs	1,825,000	529,000
(Gain) loss on disposal of property and equipment	13,528,000	(60,000)
Unrealized (gain) loss from other investments	(995,000)	2,561,000
Bad debt	375,000	1,177,000
(Increase) decrease in assets		
Accounts receivable	887,000	(12,818,000)
Contributions receivable	(400,000)	(727,000)
Prepaid expenses and deposits	7,962,000	112,000
Impounds	(342,000)	(43,000)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	750,000	3,463,000
Deferred revenues	(21,038,000)	(11,881,000)
Interest payable	12,631,000	10,858,000
	<u>20,192,000</u>	<u>12,841,000</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Decrease of notes receivable	(5,000)	(40,000)
Net change in other investments	(3,075,000)	(1,290,000)
Net increase in restricted cash and deposits	(1,913,000)	(12,123,000)
Sales of marketable securities and investments	448,000	-
Purchase of property and equipment	(268,834,000)	(257,987,000)
Net decrease (increase) in deferred costs	(1,709,000)	(338,000)
	<u>(275,088,000)</u>	<u>(271,778,000)</u>
Net cash used in investing activities		

BRIDGE Housing Corporation and Affiliates

**Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from financing activities		
Proceeds from notes payable	201,346,000	161,815,000
Payment of notes payable	(25,942,000)	(3,960,000)
Increase from deferred revenue earmarked for development	9,320,000	11,466,000
Proceeds from capital contributions	<u>94,151,000</u>	<u>94,515,000</u>
Net cash provided by financing activities	<u>278,875,000</u>	<u>263,836,000</u>
Net increase in cash and cash equivalents	23,979,000	4,899,000
Cash and cash equivalents, beginning	<u>61,847,000</u>	<u>56,948,000</u>
Cash and cash equivalents, end	<u>\$ 85,826,000</u>	<u>\$ 61,847,000</u>
Supplementary information		
Cash paid for interest (net of capitalized portion)	<u>\$ 27,130,000</u>	<u>\$ 22,153,000</u>
Noncash investing and financing activities		
Property and equipment acquired and recorded in accounts payable and accrued expenses	<u>\$ 10,078,685</u>	<u>\$ 4,942,000</u>
Prepayments for assets acquired	<u>\$ -</u>	<u>\$ 1,344,000</u>

See Notes to Consolidated Financial Statements.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2016 and 2015

Note 1 - Organization and nature of activities

BRIDGE Housing Corporation ("BRIDGE") creates high-quality, affordable homes for working families and seniors. With over 17,000 homes placed in service and over 5,500 units currently in progress, BRIDGE is among the largest affordable housing developers. BRIDGE builds a range of housing types that not only fit comfortably into their surroundings but also act as a catalyst for revitalizing and strengthening neighborhoods.

BRIDGE is also affiliated with and under common board control with other not-for-profit corporations ("Affiliates") which have been formed either as supporting entities to BRIDGE, or as instruments to further BRIDGE's organizational objectives. These entities, which are included in the consolidated financial statements of BRIDGE and Affiliates in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), are:

BRIDGE Community Impact ("BCI") was formed to fund and provide services to support programs that assist the low- and moderate-income, elderly and disabled households who reside in BRIDGE-related housing developments, and to lessen the burden of local government, combat community deterioration and lessen neighborhood tensions in communities associated with BRIDGE-related housing developments through programs that provide service to the communities.

Bay Area Senior Services, Inc. ("BASS") is the licensee operating The Peninsula Regent ("TPR"), a senior assisted living facility in San Mateo, California.

BRIDGE Property Management Company ("BPMC") is the provider of property and marketing services to rental properties developed by BRIDGE or acquired by Affiliates.

BRIDGE Impact Capital, Inc. ("BRIC") (formerly known as HomeBricks, Inc.) is a Community Development Financial Institution ("CDFI") as designated by the U.S. Department of Treasury. BRIC provides lending for affordable housing development, mortgage assistance programs for low-income families, arranges New Markets Tax Credit funding and is the sole member of HomeBricks NSP LLC and operator of Pacific Home Connection ("PHC"), a taxable not-for-profit entity.

BRIDGE Support Corporation ("BSC") is a not-for-profit established as a support corporation to BRIDGE.

BRIDGE Community Development, Inc. ("BCDI") is a not-for-profit established as a support corporation to BRIDGE. BCDI is the sole managing member of BCDI Subsidiary CDE III, LLC and BCDI Subsidiary CDE IV, LLC which are providers of community lending for affordable housing. BCDI is the co-managing member of BCDI Subsidiary CDE I, LLC and BCDI Subsidiary CDE II, LLC.

BRIDGE Infill Development, Inc. ("BID"), a taxable not-for-profit entity, is a managing member and 2% owner of BRIDGE Urban Infill Land Development, LLC ("BUILD"). BUILD was formed as a partnership with the State of California Public Employees' Retirement System ("CalPERS"). In 2014, a BRIDGE affiliate purchased CalPERS's interest in BUILD, and BUILD is in the process of winding down.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2016 and 2015

Single-purpose not-for-profit corporations holding a controlling general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partnerships	Marketing Name
BRIDGE Tower, LLC	14th Street Associates	Ironhorse at Central Station
Abigail Manager LLC	Abigail Housing Associates LP	The Abigail
Alameda Housing, LLC	Alameda Housing Associates, L.P.	Marea Alta
BRIDGE SC, LLC	Area F1 Housing Associates, L.P.	Sage Canyon
Site K, Inc.	Armstrong Place Associates	Armstrong Place Senior Housing
AveVista Associates LLC	AveVista Associates LP	AveVista
BHC College Park II LLC	BHC College Park II LP	Ivy at College Park Phase 2
BRIDGE SC, LLC	BHC Sage Park, L.P.	Sage Park
Church Street Housing, Inc.	BRIDGE Grayson Creek Associates	Grayson Creek
BRIDGE Regional Partners, Inc.	BRIDGE Potrero Community Associates LLC	Potrero Hill Affordable
BRIDGE NorCal Development, Inc.	BRIDGE Triangle Associates, L.P.	The Rivermark
Broadway Tower, Inc.	Broadway Tower Associates, L.P.	Celadon at 9th & Broadway 9%
Broadway Upper Tower LLC	Broadway Upper Tower Associates, LP	Celadon at 9th & Broadway 4%
Northpoint Housing, Inc.	Canal Housing Associates	Belvedere Place
BRIDGE Housing Corp - Southern California	Carmel Valley Housing Associates	Torrey del Mar
BRIDGE Tower, LLC	Carquinez Associates, L.P.	The Carquinez
Northpoint Housing, Inc.	Chelsea Gardens Associates	Chelsea Gardens
Church Street Housing, Inc.	Church Street Housing Associates	One Church Street
Coggins Square Inc.	Coggins Square Associates	Coggins Square
COMM22 Housing GP, LLC	COMM22 Family Housing, L.P.	Paseo at COMM22
COMM22 Senior GP, LLC	COMM22 Senior Housing, L.P.	Victoria at COMM22
BRIDGE Housing Corp - Southern California	Copper Creek 4% Housing Associates, L.P.	Copper Creek 4%
BRIDGE Housing Corp - Southern California	Copper Creek 9% Housing Associates, L.P.	Copper Creek 9%
BRIDGE Tower, LLC	Cottonwood Creek Housing Associates, L.P.	Cottonwood Creek
Doretha Mitchell Housing, LLC	Doretha Housing, LP	Doretha Mitchell Housing LP
BRIDGE Housing Corporation	Drake Marin Associates	Doretha Mitchell
Element 78 Housing LLC	Element 78 Housing Associates LP	Element 78
Northpoint Housing, Inc.	Fabian Way Associates	Alta Torre
Foothill Farms Senior, LLC	Foothill Farms Associates, L.P.	Foothill Farms
Northpoint Housing, Inc.	Geary Housing Partners, L.P.	The Coronet

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

General Partner	Limited Partnerships	Marketing Name
Gough Street Housing, LLC	Gough Street Housing Associates, L.P.	Fell Street Apartments
BRIDGE Tower, LLC	Grand Oak Associates	Grand Oak
Hercules Senior, Inc.	Hercules Senior Housing Associates	The Arbors
Heritage Square Housing, LLC	Heritage Square Housing Partners, LP	Heritage Square
BRIDGE Tower, LLC	Irvington Development Group, L.P.	Irvington Terrace
Fell Street Housing, Inc.	Ivy at College Park, L.P.	Ivy at College Park
BRIDGE Tower, LLC	Jennings Avenue Associates	Arroyo Point
John Street Housing, LLC	John Street Housing Associates, L.P.	Pinole Grove Senior Housing
JD Housing 1A LLC	Jordan Downs 1A LP	Jordan Downs Phase I
BRIDGE Tower, LLC	Kentfield Associates	Kentfield
BRIDGE Housing Corp - Southern California	Laguna Canyon Housing Associates	Laguna Canyon
BRIDGE Tower, LLC	Leland Housing Associates	dormant
Tressa CM LLC	Linden 143 LLC	Tressa Apartments
BRIDGE NORCAL, LLC	MacArthur Telegraph Associates, L.P.	Mural Apartments
BRIDGE Tower, LLC	Marina Tower Associates	Marina Tower Apartments
Milpitas Housing, Inc.	Milpitas Housing Associates	Montevista Apartments
Nairobi Housing, Inc.	Nairobi Housing Associates	Peninsula Park
474 Natoma, LLC	Natoma Family Housing LP	Natoma
Armstrong Place, Inc.	None as of December 31, 2016 and 2015	None as of December 31, 2016 and 2015
BRIDGE Bissell, Inc.	None as of December 31, 2016 and 2015	None as of December 31, 2016 and 2015
BRIDGE Terraza, Inc.	None as of December 31, 2016 and 2015	None as of December 31, 2016 and 2015
BRIDGE Third Street, Inc.	None as of December 31, 2016 and 2015	None as of December 31, 2016 and 2015
Chestnut Linden, Inc.	None as of December 31, 2016 and 2015	None as of December 31, 2016 and 2015
Westpark Housing Corporation	None as of December 31, 2016 and 2015	None as of December 31, 2016 and 2015
BRIDGE Northwest Development Inc.	None as of December 31, 2016 and 2015	None as of December 31, 2016 and 2015
North Beach Housing, Inc.	None as of December 31, 2016 and 2015	None as of December 31, 2016 and 2015
BRIDGE Housing Corporation	North Beach Retail Associates, LLC	North Beach Retail Associates, Inc. (NBRA)
Northpoint Housing, Inc.	Northpoint Housing Associates	Northpoint Village Apartments I
Northpoint Housing, Inc.	Northpoint II Housing Associates	Northpoint Village Apartments II
Northside Senior Housing, Inc.	Northside Housing Associates	Mabuhay Court

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

General Partner	Limited Partnerships	Marketing Name
BRIDGE Housing Corp - Southern California	Northwood Housing Associates, L.P.	Windrow
Crespi Drive LLC	Oceanview Housing Associates, LP	Oceanview
Ohlone Housing Inc.	Ohlone Housing Associates	Ohlone Court
Alto Station, Inc.	Pickleweed Housing LLC	Pickleweed
BRIDGE Housing Corp - Southern California	Poinsettia Housing Associates	Poinsettia Station
Potrero Housing I LLC	Potrero Housing Associates I LP	Potrero Phase I
Pottery Court LLC	Pottery Court Housing Associates, L.P.	Pottery Court
Harbour Way LLC	Richmond Housing Associates, L.P.	Richmond City Center Apartments
Roberts Avenue, Inc.	Roberts Avenue Senior Housing L.P.	Oak Circle
Alameda Senior, LLC	San Leandro Senior LP	San Leandro Senior
Danville Senior Housing, Inc.	Sanraf Associates	San Rafael Commons
BRIDGE Housing Corp - Southern California	Santa Alicia Family Housing Associates	Santa Alicia
MCB Family Housing, Inc.	St. Joseph's Family Associates, L.P.	Terraza Palmera at St. Joseph's
BRIDGE Tower, LLC	St. Joseph's Senior, L.P.	St. Joseph's Senior Apartments
Strobridge Housing, Inc.	Strobridge Housing Associates	Strobridge Court
BRIDGE SC, LLC	Summerhouse Housing 3, L.P.	Madera Vista Phase 3
Summerhouse Housing, LLC	Summerhouse Housing Associates, L.P.	Madera Vista
BRIDGE Housing Ventures, Inc.	Susanne B. Wilson LLC	Susanne B. Wilson Residence
San Marcos Family Housing, Inc.	Terra Cotta Housing Associates	Terra Cotta
MCB Family Housing, Inc.	Trestle Glen Associates	Trestle Glen
BRIDGE Housing Corp - Southern California	White Dove Canyon Housing Associates, L.P.	Dove Canyon
BRIDGE SC, LLC	Woodbury Partners, LP	Woodbury Walk
Winfield Hill, Inc.	Woodland Hillsboro LLC	Woodland
Woodland Park Associates Manager LLC	Woodland Park Associates LP	Woodland Park

Single-purpose not-for-profit corporations holding a co-general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing (BRIDGE's officers and/or board have a majority control over these entities):

General Partner	Limited Partnerships	Marketing Name
1950 Mission Housing Associates LLC	1950 Mission Housing Associates LP	1950 Mission
25 Sanchez LLC	25 Sanchez Housing Associates	25 Sanchez

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

General Partner	Limited Partnerships	Marketing Name
	LP	
255 Woodside LLC	255 Woodside Housing Associates LP	255 Woodside
462 Duboce LLC	462 Duboce Housing Associates LP	462 Duboce
BRIDGE 500 Folsom LLC	500 Folsom LP	Transbay Block 9
3850 18 th Street LLC	3850 18 th Street Housing Associates LP	3850 18 th Street
Aleman Housing LLC	Aleman Housing Associates LP	Aleman Bernal
BRIDGE Housing Ventures, Inc.	Chestnut Linden Associates	Chestnut Linden Court
Holly Courts Housing LLC	Holly Courts Housing Associates LP	Holly Courts
BRIDGE Housing Corporation	Jordan Downs Community Partners LLC	Jordan Downs
BRIDGE Housing Ventures, Inc.	Mandela Gateway Associates	Mandela Gateway Apartments
BRIDGE Housing Ventures, Inc.	Marina Annex Associates	Marina Tower Annex
Mission Dolores GP LLC	Mission Dolores Housing Associates LP	Mission Dolores
BRIDGE Housing Ventures, Inc.	North Beach Housing Associates	North Beach Place
Tressa Manager LLC	Linden 143 LLC	Tressa Apartments
Silverado Creek Housing, Inc.	Silverado Creek Partners	Silverado Creek
Sierra Vista Housing Associates, LLC	Sierra Vista Housing Associates, LP	Sierra Vista Apartments
Suterview Housing Associates, LLC	Suterview Housing Associates, LP	Suterview Apartments
Villages at Westview I LLC	Villages at Westview I LP	Villages at Westview I

Single-purpose not-for-profit corporations holding a general partner interest (ranging from .01% to 1%) and limited partner interest (ranging from 99% to 99.99%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partnerships	Marketing Name
Danville Senior Inc.	Danville Senior Housing Associates	Sycamore Place
Rotary Valley, Inc.	Rotary Valley Associates	Rotary Valley
Site K, Inc.	South Beach Family Associates	Steamboat Point Apartments
Winfield Hill, LLC	Winfield Hill Associates	Almaden Lake Apartments

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

Single-purpose not-for-profit corporations holding a co-general partner interest (ranging from .01% to 1%) and co-limited partner interest (ranging from 99% to 99.99%) in their respective limited partnerships providing affordable housing:

General Partner	Limited Partner	Limited Partnerships	Marketing Name
BRIDGE Housing Acquisitions, Inc.	BRIDGE Housing Acquisitions, Inc.	SR Fountains Limited Partnership	SanRaf
Centertown, Inc.	BRIDGE Housing Ventures, Inc.	Centertown Associates	Centertown
Hunt Avenue, Inc.	Calistoga Brannan Housing, Inc.	Hunt Avenue Associates	Hunt's Grove
Silverado Creek Housing, Inc.	Calistoga Brannon Housing, Inc.	Silverado Creek Partners	Silverado Creek Apartments
BRIDGE Housing Ventures, Inc.	BRIDGE Housing Ventures, Inc.	Pacific Oaks Associates	Pacific Oaks
BRIDGE Housing Ventures, Inc.	BRIDGE Housing Ventures, Inc.	South San Francisco Magnolia Plaza Associates	Magnolia Plaza
Calistoga Brannan Housing, Inc.	Hunt Avenue, Inc.	Calistoga Brannan Housing Associates	La Pradera

Owners and operators of affordable housing properties:

Not-for-Profit Corporation	Marketing Name
Alto Station, Inc.	Alto Station
Alto Station, Inc.	Casa Vista
Bayview Senior Housing, Inc.	Geraldine Johnson
BLP Partnership, Inc.	The Parkview
BOMH, Inc.	Acorn III
BRIDGE West Oakland Housing, Inc.	Acorn I and II
Brisbane Senior Housing, Inc.	Visitacion Gardens
Chestnut Creek, Inc.	Chestnut Creek
Emeryville Senior Housing, Inc.	Emery Villa
Metro Senior Homes, Inc.	Metro Center
Redwood Shores Senior Housing, Inc.	Redwood Shores

Sole member of limited liability companies which predominantly hold general partner interests in limited partnerships providing affordable housing:

Not-for-Profit Corporation	Limited Liability Company
BRIDGE Economic Development Corporation	16th Street Station LLC
BRIDGE Homes, Inc.	474 Natoma, LLC
MCB Family Housing Inc.	88 Broadway Family BRIDGE LLC
MCB Family Housing Inc.	735 Davis Senior BRIDGE LLC

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

Not-for-Profit Corporation	Limited Liability Company
Winfield Hill, Inc.	Abigail Manager LLC
MCB Family Housing Inc.	Alameda Housing, LLC
BRIDGE Economic Development Corporation	Alameda Parking LLC
MCB Family Housing Inc.	Alameda Senior, LLC
BRIDGE Homes, Inc.	Armstrong Townhomes, LLC
MCB Family Housing Inc.	AveVista Associates LLC
BRIDGE Homes, Inc.	Berry Street, LLC
MCB Family Housing Inc.	BRIDGE 500 Folsom LLC
BRIDGE Housing Corp - Southern California	BHC College Park II LLC
MCB Family Housing Inc.	BRIDGE NORCAL, LLC
BRIDGE Housing Corp - Southern California	BRIDGE SC, LLC
Northpoint Housing, Inc.	BRIDGE Tower, LLC
BRIDGE NorCal Development, Inc.	BRIDGE Triangle LLC
BRIDGE Housing Corp - Southern California	Broadway Upper Tower LLC
Winfield Hill, Inc.	Crespi Drive LLC
BRIDGE Northwest Development Inc.	Element 78 Housing LLC
MCB Family Housing Inc.	Foothill Farms Senior, LLC
Winfield Hill, Inc.	Harbour Way LLC
BRIDGE Housing Corp - Southern California	Heritage Square Housing, LLC
MCB Family Housing Inc.	JD Housing I LLC
BRIDGE Economic Development Corporation	MacArthur Transit Community Partners, LLC
BRIDGE Economic Development Corporation	Mandela Gateway Commercial, LLC
BRIDGE Homes, Inc.	Mandela Gateway Townhomes, LLC
MCB Family Housing Inc.	Potrero Housing I LLC
BRIDGE Housing Corp - Southern California	Pottery Court LLC
BRIDGE Housing Corp - Southern California	Summerhouse Housing, LLC
BRIDGE Housing Corp - Southern California	Tobria Terrace, LLC
MCB Family Housing Inc.	Tressa CM LLC

Co-member of limited liability companies which predominantly hold general partner interests in limited partnerships providing affordable housing:

Not-for-Profit Corporation	Limited Liability Company
Winfield Hill, Inc.	25 Sanchez LLC
Winfield Hill, Inc.	255 Woodside LLC
Winfield Hill, Inc.	462 Duboce LLC
MCB Family Housing Inc.	1950 Mission Housing Associates LLC
Winfield Hill, Inc.	3850 18th Street LLC
Winfield Hill, Inc.	Aleman Housing LLC

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

BRIDGE Housing Corporation	COMM22 Housing GP, LLC
BRIDGE Economic Development Corporation	Comm22 LLC
BRIDGE Housing Corporation	COMM22 Senior GP, LLC
BRIDGE Northwest Development, Inc.	Coronado Housing Associates LLC
Winfield Hill, Inc.	Doretha Mitchell Housing, LLC
Fell Street Housing, Inc.	Gough Street Housing, LLC
Winfield Hill, Inc.	Holly Courts Housing LLC
Hercules Senior Housing, Inc.	John Street Housing, LLC
Winfield Hill, Inc.	Mission Dolores GP LLC
BRIDGE Housing Corporation	North Beach Development Associates LLC
Winfield Hill, Inc.	Sierra Vista Housing Associates, LLC
Winfield Hill, Inc.	Suterview Housing Associates, LLC
MCB Family Housing Inc.	Tressa Investment LLC
MCB Family Housing Inc.	Tressa Manager LLC
MCB Family Housing Inc.	Villages at Westview 1 LLC

The consolidated financial statements do not include single-purpose not-for-profit corporations and other entities holding a general partner interest (ranging from .01% to 1%) in their respective limited partnerships providing affordable housing for which BRIDGE's officers and/or board are deemed not to have a majority control, namely:

General Partner	Limited Partnerships	Marketing Name
Bernal Senior Housing Corp.	Bernal Senior Housing Partners	Coleridge Park
SR Senior Housing Inc.	SR Senior Housing, Inc.	The Fountains

Note 2 - Significant accounting policies

Principles of consolidation

Not-for-profit corporations

The consolidated financial statements include the accounts of BRIDGE and other not-for-profit entities that are commonly controlled by BRIDGE's officers or board of directors, including those not-for-profit entities that are majority controlled by BRIDGE. Other not-for-profit entities, over which BRIDGE does not exercise majority control, are not included in the consolidated financial statements. All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

Limited partnerships/limited liability companies ("LLCs")

Partnerships or LLCs that are controlled by BRIDGE or its affiliated not-for-profit entities are included in the consolidated financial statements.

BRIDGE and Affiliates' partnership interests generally range from .01% to 1.0% and are shown as controlling interests in unrestricted net assets. Partners' or members' capital interests generally range from 99% to 99.9% are presented as non-controlling interests in unrestricted net assets. All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

BRIDGE Housing Corporation and Affiliates

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Partnerships or LLCs over which BRIDGE or its Affiliates exercise significant influence are included in the consolidated financial statements using the equity method of accounting. Intercompany balances and transactions are not eliminated under the equity method.

Accounting method

BRIDGE and Affiliates use the accrual method of accounting which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation

The consolidated financial statements are presented in accordance with generally accepted accounting principles, which require that financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets predicated on the existence of donor-imposed restrictions:

Unrestricted net assets consist of all resources of BRIDGE and Affiliates which have not been specifically restricted by a donor.

Temporarily restricted net assets consist of cash and other assets received with donor stipulations that limit their use. Donor restrictions are stipulated by either a time restriction or a purpose restriction. Upon expiration of a time restriction or completion of a purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Permanently restricted net assets consist of assets whose use has been restricted for investment in perpetuity.

The financial statements of one of the Affiliates have additionally been prepared in accordance with applicable provisions of the Audit and Accounting Guide, Health Care Organizations, issued by the AICPA, with respect to accounting for the long-term obligation to provide continuing care and the use of the facility to current residents.

Reclassifications

Prior period financial statement amounts have been reclassified to conform to the current period presentation.

Revenue recognition

Developer fees

BRIDGE earns fees for development of properties and generally recognizes the fees as earned over the development period as follows:

30% of each anticipated total developer fee is recorded when the predevelopment phase ends and the construction period begins; however, if BRIDGE receives payment of fees during the predevelopment phase, revenue will be recognized as fees are received but shall not exceed 30% of total anticipated developer fee; and

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Notes to Consolidated Financial Statements December 31, 2016 and 2015

70% is recorded throughout the construction period based on the percentage of completion as gauged by the general contractor's progress billing.

An allowance of 5% of the fee is reserved until the Internal Revenue Service Form 8609 is obtained, or its equivalent, to signify completion of the development process.

Developer fees paid from cash flow are eliminated in consolidation and recognized when received.

Rental income

Revenue from resident fees, rents and services is recognized in the period rendered. Rental income is shown at its maximum gross potential. Vacancy loss and concessions are shown as a reduction of rental income. Rental units occupied by employees are included in rental income and as an expense of operations. Most of the rental income is received under short-term residential leases.

Revenue from long-term leases on land is recorded in the period earned, according to lease contract terms. In many situations, rental revenue is payable only from excess cash and is recorded when cash is received. Such intercompany revenue has been eliminated in the consolidated financial statements.

Contributions

Contributions are recognized as revenue when they are unconditionally promised. Noncash contributions are recorded at their estimated fair value when received. Contributions to be received after one year are discounted at an appropriate discount rate when material. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as unrestricted support, temporarily restricted support or permanently restricted support, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Contributions restricted for the purpose of long-lived assets are reported as unrestricted support when expended for that purpose in the individual financial statements of each affiliated entity, but may be reported as temporarily restricted net assets in the consolidated financial statements.

Cash and cash equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. BRIDGE and Affiliates consider all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. BRIDGE has designated certain cash and cash equivalents for the development of affordable homes and for operating and replacement reserves at one of the properties. Donor restricted cash represents amounts received with donor stipulations that limit the use of the donated assets. Not included as cash and cash equivalents are funds restricted as to their use, regardless of liquidity, such as reserves for replacements, operations, debt services, mortgage assistance programs and tenant security deposits. BRIDGE and Affiliates maintain cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted accounts, was approximately \$76,254,000 as of December 31, 2016. BRIDGE and Affiliates have not experienced any losses in such accounts.

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Cash and cash equivalents composition amounts are as follows at December 31:

	<u>2016</u>	<u>2015</u>
Unrestricted	\$ 45,075,000	\$ 32,711,000
Designated	38,322,000	28,481,000
Donor designated	<u>2,429,000</u>	<u>655,000</u>
Total unrestricted cash and cash equivalents	85,826,000	61,847,000
Restricted (Note 8)	<u>66,100,000</u>	<u>64,204,000</u>
Total cash and cash equivalents	<u>\$ 151,926,000</u>	<u>\$ 126,051,000</u>

Fair value of financial assets and liabilities

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments. It is not practicable for management to estimate the fair value of accounts and notes receivable, notes payable, equity investments and financial guarantees because of the nature of such instruments and lack of readily available market information for financial instruments with similar terms.

Investments

Investments are stated at fair value in the statement of financial position. Investment sales and purchases are recorded on a trade-date basis. The realized gains and losses are included in the BRIDGE and Affiliates' statement of activities. Dividend income is recorded based upon the ex-dividend date and interest income is recorded as earned on an accrual basis.

BRIDGE and Affiliates shall be invested in a diversified portfolio, consisting primarily of marketable securities and alternative investments, which may reflect varying rates of return. The asset allocation for the investment portfolio is determined by the trustees with the advice of their investment consultant.

Fair value measurements

Under generally accepted accounting principles, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

Generally accepted accounting principles establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of BRIDGE and Affiliates. Unobservable inputs, if any, reflect BRIDGE and Affiliates' assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at measurement date. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

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- Level 2 - Valuations based on significant inputs that are observable, either directly or indirectly, or quoted prices in markets that are not active, that is, markets in which there are few transactions, the prices are not current or price quotations vary substantially either over time or among market makers.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

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Not included below is BID's investment in BUILD which accounts for its investments using the fair value method of accounting (see Note 13).

Fair value measurements at December 31, 2016				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Marketable securities	\$ 653,000	\$ -	\$ -	\$ 653,000
BRIDGE's investment in Housing Partnership Insurance Exchange (Note 12)	-	1,841,000	-	1,841,000
Multi asset funds	-	-	10,946,000	10,946,000
Derivative financial instrument (liability) (Note 16)	-	-	(7,883,000)	(7,883,000)
Total	\$ 653,000	\$ 1,841,000	\$ 3,063,000	\$ 5,557,000

Fair value measurements at December 31, 2015				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Marketable securities	\$ 945,000	\$ -	\$ -	\$ 945,000
BRIDGE's investment in Housing Partnership Insurance Exchange (Note 12)	-	1,532,000	-	1,532,000
Multi asset funds	-	-	10,728,000	10,728,000
Derivative financial instrument (liability) (Note 16)	-	-	(9,850,000)	(9,850,000)
Total	\$ 945,000	\$ 1,532,000	\$ 878,000	\$ 3,355,000

At December 31, 2016 and 2015, BRIDGE and Affiliates have the following investments in entities that calculate net asset value ("NAV") per share:

Investment strategy	2016		2015		Redemption restriction in place at year end
	Fair value	Fair value	Redemption terms	Redemption restrictions	
Multi-strategy	\$ 10,946,000	\$ 10,728,000	Daily with 2 days notice	None	None

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Notes to Consolidated Financial Statements December 31, 2016 and 2015

The multi-asset funds are measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	2016	2015
Beginning balance	\$ 10,728,000	\$ 10,916,000
Realized and unrealized gains, net	218,000	(188,000)
Purchases	-	-
Redemptions	-	-
Ending balance	<u>\$ 10,946,000</u>	<u>\$ 10,728,000</u>

Management revenue and related accounts

BRIDGE and Affiliates provide property management, bookkeeping and asset management services. BRIDGE also provides investment management, marketing and other services. Income is earned in accordance with the terms of the agreements and recorded as revenue. Such intercompany revenue has been eliminated in the consolidated financial statements.

Notes receivable

Notes receivable represent financial assistance provided to qualified home buyers. Loans are stated at unpaid principal balances, less an allowance for loan losses. The loans are collateralized by the properties.

Allowances for uncollectible accounts receivable

The allowances for uncollectible accounts are determined on specific identification basis, based upon management's assessment. Based on an assessment of the customer's current credit worthiness, an estimate of the balance that may not be collected is made. In addition, an amount of estimated credit losses on the aggregate remaining accounts receivable is made based on past collection experience. Once all efforts to collect have been undertaken, the unpaid balance is written off as a charge to the allowance for doubtful accounts or loan losses. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful collections was \$391,000 and \$272,000 as of December 31, 2016 and 2015, respectively.

Land

Purchased land is carried at cost. Donated land is carried at estimated fair market value at the date of donation. BRIDGE leases most of its land to affiliated affordable housing developments under long-term leases.

Property and equipment, leasehold improvements, ground lease and deferred costs

Property and equipment are stated at cost of acquisition, construction or rehabilitation, or fair value if donated. Acquisitions among entities under common control are recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance, repair, and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred.

BRIDGE and Affiliates incur costs during the development phase of the affordable housing project undertaken. Such costs include governmental fees, legal and consulting fees, as well as construction costs. BRIDGE and Affiliates record these costs as assets (development in progress) until the housing project is placed in service. Any funds expended on a project that do not pass beyond the development stage are recorded as expenses when activity on the project ceases. Management believes that no material portion of the development in progress is unrealizable at

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December 31, 2016 and 2015. Development in progress is not depreciated until the completion of the development.

Deferred costs are incurred in order to obtain permanent financing and tax credits for the affordable housing projects. Deferred costs are incurred in order to obtain tax credits for affordable housing projects. Organization costs are expensed as incurred.

The useful lives of the assets are estimated as follows:

Buildings and improvements	15 to 55 years
Furniture, fixtures and equipment	3 to 12 years
Tax credit costs	10 years

BRIDGE and Affiliates review their investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no material impairment losses recorded in 2016 and 2015, respectively.

Capitalized interest

BRIDGE and Affiliates capitalize interest incurred during construction as a component of development in progress and building and improvements costs. BRIDGE and Affiliates capitalized interest of approximately \$1,305,000 and \$1,743,000 in 2016 and 2015, respectively.

Other investments

Other investments in for-profit entities, taxable not-for-profit entities, and other not-for-profit organizations are recorded using the fair value, cost or equity method of accounting, depending on the level of ownership and control. Investments in affiliated entities which are 100% or majority controlled by BRIDGE are eliminated in the consolidated financial statements.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Accounting for leases

Leasehold interests of several consolidated entities are not subject to capitalization and thus are accounted for as operating leases. Prepaid ground leases are an allocation of the total cost of the property which is amortized over the respective lease terms.

Income taxes

BRIDGE is a not-for-profit corporation pursuant to the Internal Revenue Code Section 501(c)(3) and related California code sections and, accordingly, is exempt from federal and state income taxes on related business income. BID, BPI, PHC, BCDI Subsidiary CDE III, LLC and BCDI Subsidiary CDE IV, LLC are the only Affiliates which are not tax-exempt. Deferred income taxes do not arise from the operations of these entities in a material amount. The income or loss from the partnerships is reported by the partners on their income tax returns.

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No income tax provision has been included in the consolidated financial statements for the single member LLCs which are generally considered disregarded entities. The income and loss of the LLCs is included in the tax returns of their respective sole members. Only the annual California limited liability company minimum tax and the annual fee appear as expense in the consolidated financial statements.

BRIDGE and Affiliates believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements. BRIDGE and Affiliates' federal and state income tax returns for the years 2012 through 2015 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively. While no income tax returns are currently being examined by the Internal Revenue Service, tax years after 2012 remain open.

Guarantees

Generally accepted accounting principles require a liability to be recorded for the fair value of the stand-ready obligation associated with a guarantee issued after December 31, 2002. Guarantees issued between entities under common control or on behalf of an entity under common control are excluded. Consequently, no liabilities have been recorded as all guarantees are considered to be issued to entities under common control (see Note 21).

Allocation of partnership income/loss and tax credits

The affiliated partnerships are generally expected to generate low-income housing tax credits, which will be allocated in the same manner as the income or loss of each affiliated partnership. Because the limited partners' losses are limited to their investments, except when BRIDGE and Affiliates are also the co-general partner and co-limited partner, the limited partners' equity will not be reduced below zero unless future capital contributions will be made in amounts sufficient to absorb the losses. All remaining losses are allocated to the general partners. Any subsequent income allocable to the limited partners is allocated to the general partners first until the general partners' share of that income offsets the losses not previously recognized by the limited partners.

Functional expense allocation

The costs of providing program services and supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

Program services include all expenses relating to development, management of properties, and resident services. Supporting services consist of management and general expenses.

Related party transactions

Material related party transactions and balances between controlled entities have been eliminated in the consolidated financial statements.

Change in accounting principle

During 2016, BRIDGE and Affiliates adopted the provisions of Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"), which modifies the presentation of debt issuance costs and the related amortization. The change in accounting under ASU 2015-03 improves the reporting of debt issuance costs by no longer reporting them as assets. It also improves the reporting of the related amortization by including it as a component of interest expense. ASU 2015-03 has been adopted by the Partnership on a retrospective basis. As a result, total assets as well as mortgage payable for the year ended December 31, 2016 and 2015 have

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been reduced by the effect of the reclassification of debt issuance costs, net of accumulated amortization, of \$8,975,000 and \$9,654,000, respectively.

Note 3 - Accounts receivable

Accounts receivable consist of the following at December 31:

	<u>2016</u>	<u>2015</u>
Reimbursable costs	\$ 2,429,000	\$ 5,368,000
Rent	1,876,000	1,281,000
Developer fees	14,000	207,000
Management and consulting fees	<u>2,071,000</u>	<u>515,000</u>
	6,390,000	7,371,000
Less allowance for uncollectible accounts	<u>(391,000)</u>	<u>(272,000)</u>
	5,999,000	7,099,000
Less current portion	<u>(5,999,000)</u>	<u>(7,099,000)</u>
Non-current portion	<u>\$ -</u>	<u>\$ -</u>

Note 4 - Contributions receivable

Contributions receivable are comprised of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Project-related	\$ 980,000	\$ 913,000
Resident programs and services	373,000	57,000
Stein Educational Assistance	7,000	1,000
Other	<u>9,000</u>	<u>-</u>
	1,369,000	971,000
Less: current portion	<u>(1,369,000)</u>	<u>(60,000)</u>
Non-current portion	<u>\$ -</u>	<u>\$ 911,000</u>

BRIDGE Housing Corporation and Affiliates

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Note 5 - Notes receivable

Notes receivable, including accrued interest, consist of the following as of December 31:

	2016	2015
Mortgage assistance program	\$ 3,348,000	\$ 3,745,000
Related party	64,000	124,000
QLICI loan	17,301,000	17,301,000
NMTC leveraged loan	6,445,000	6,520,000
Other	424,000	64,000
	27,582,000	27,754,000
Less allowance for uncollectible accounts	(3,525,000)	(3,525,000)
	24,057,000	24,229,000
Less current portion	(577,000)	(579,000)
Non-current portion	\$ 23,480,000	\$ 23,650,000

BRIDGE and Affiliates established a mortgage assistance program for revolving loan funds to provide financial assistance in the form of subordinated mortgages to qualified homebuyers in low- and moderate-income households in California. The loans bear interest at 4% and mature through 2032.

BRIDGE and Affiliates hold various second mortgage loans associated with a development project in Pinole, California. The loans bear no interest but share in the appreciation of the property. BRIDGE and Affiliates may receive proceeds from the mortgage loans when the property is sold.

NMTC leveraged loan

During 2014, BRIDGE Housing Ventures, Inc. ("BHVI"), acting as the leveraged lender, loaned \$6,424,850 as part of a New Markets Tax Credit ("NMTC") transaction. The leveraged loan is to BCDE II, LLC which is the investment fund of the NMTC transaction. Chase and BRIDGE Community Development, Inc. are the members of BCDE II, LLC. BHVI funded the leveraged loan by a fundraising campaign of \$2,139,850, land of \$1,335,000 that BHVI held since 2000, an NCCLF grant of \$50,000, and by borrowing funds from Low Income Investment Fund ("LIIF") of \$2,900,000. The leveraged loan is due in equal monthly installment of \$20,613 at an interest rate of 3.85% and is due in full by November 20, 2022.

Qualified Low-Income Community Investment ("QLICI") Loans

During 2014, a non-affiliate of BRIDGE, Chestnut Campus, Inc., a QLICI, entered into a loan with BCDE II, LLC ("sub-CDE") for \$9,120,000 that is to be paid in equal monthly installments of \$20,710 at an interest rate of 2.725% and is due in full by November 20, 2022. Chestnut Campus, Inc. is an owner of land in West Oakland, California on which a charter school was built and is currently operating. During 2015, another non-affiliate of BRIDGE, Loma Linda University, entered into a loan with BCDE I, LLC ("sub-CDE") for \$8,160,000 that is paid in equal monthly installments of \$6,800 at an interest rate of 1% and is due in full by June 22, 2022.

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BRIDGE and Affiliates evaluates notes receivable based on the following credit quality indicators: collateral and related versus non-related borrowers. These credit quality indicators are updated at least annually. Details about the notes receivable follow:

	2016				
	Collateralized	Uncollateralized	Past Due	Allowance	Net
Related party	\$ 6,445,000	\$ 64,000	\$ -	\$ 3,525,000	\$ 2,984,000
Non-related party	21,073,000	-	-	-	21,073,000
Total	\$ 27,518,000	\$ 64,000	\$ -	\$ 3,525,000	\$ 24,057,000

	2015				
	Collateralized	Uncollateralized	Past Due	Allowance	Net
Related party	\$ 6,520,000	\$ 124,000	\$ -	\$ 3,525,000	\$ 3,119,000
Non-related party	21,110,000	-	-	-	21,110,000
Total	\$ 27,630,000	\$ 124,000	\$ -	\$ 3,525,000	\$ 24,229,000

Estimated principal payments under these notes to be received for each of the next five years and thereafter subsequent to December 31, 2016 are as follows:

2017	\$ 577,000
2018	296,000
2019	296,000
2020	296,000
2021	296,000
Thereafter	<u>25,821,000</u>
Total	\$ <u>27,582,000</u>

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Note 6 - Prepaid expenses and deposits

Prepaid expenses and deposits consist of the following as of December 31:

	2016	2015
Deposits	\$ 2,235,000	\$ 1,289,000
Ground leases	6,043,000	4,582,000
Insurance	2,158,000	1,313,000
Predevelopment costs	802,000	1,300,000
Property taxes	336,000	173,000
Prepaid BART transit benefit tax	4,202,000	15,025,000
Other	803,000	624,000
	16,579,000	24,306,000
Less current portion	(10,233,000)	(4,116,000)
Non-current portion	\$ 6,346,000	\$ 20,190,000

Prepaid BART transit benefit tax

In 2010, MacArthur Transit Community Partners ("MTCP"), an affiliate of BRIDGE, entered into an agreement with BART to build the master plan development of the MacArthur BART Station in Oakland, California. Under the agreement, MTCP would build the BART garage for the benefit of BART in exchange for five land parcels valued at \$13,202,000. The difference of the value of the garage and the land parcels would result in a prepaid BART transit benefit tax that would be used to offset future appreciation sale proceeds of the land parcels stipulated by the agreement. During 2014, the BART garage was given to BART at an estimated completed value of \$31,325,000, resulting in an estimated prepaid transit benefit tax of \$14,458,000. In 2016, two of the five land parcels were sold, and the corresponding prepaid transit benefit tax transferred to the purchaser for a loss in the transaction. The remaining balance was \$4,202,000 and \$15,025,000 as of December 31, 2016 and 2015, respectively.

Note 7 - Impounds

Certain properties are required to make deposits to impound accounts to cover property tax and insurance premiums in accordance with the lenders' regulatory agreements. Impound balances as of December 31, 2016 and 2015 were \$1,656,000 and \$1,314,000, respectively.

BRIDGE Housing Corporation and Affiliates

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Note 8 - Restricted cash and deposits

Restricted cash and deposits consist of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Operating reserves	\$ 30,698,000	\$ 26,312,000
Replacement reserves	24,831,000	21,036,000
Mortgage Assistance Program	28,000	31,000
Tenant security deposits	5,866,000	5,498,000
Debt service accounts	3,252,000	10,917,000
Residual receipts and other	<u>1,425,000</u>	<u>410,000</u>
Total	<u>\$ 66,100,000</u>	<u>\$ 64,204,000</u>

Operating and replacement reserves

BRIDGE and Affiliates are required to maintain operating reserves as well as replacement and repair reserves for property and equipment in accordance with partnership and other lenders' regulatory agreements.

Tenant security deposits

BRIDGE and Affiliates are required to hold security deposits in separate bank accounts in the name of the properties.

Debt service accounts

Certain properties are required to make deposits to debt service accounts to cover mortgage payments.

Residual receipts

BRIDGE and Affiliates are required to deposit excess cash, as generally defined by HUD, into separate bank accounts in accordance with the HUD regulatory agreements.

Mortgage assistance program ("MAP")

MAP provides second mortgages to low- to moderate-income first-time home buyers.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
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Note 9 - Property and equipment

Property and equipment consist of the following at December 31:

	<u>2016</u>	<u>2015</u>
Land	\$ 139,855,000	\$ 141,386,000
Buildings and improvements	1,725,772,000	1,549,441,000
On-site and off-site improvements	123,524,000	131,456,000
Furniture, fixtures and equipment	44,773,000	42,942,000
Rehabilitation in progress	117,495,000	24,288,000
Development in progress	<u>129,849,000</u>	<u>127,366,000</u>
	2,281,268,000	2,016,879,000
Less accumulated depreciation and amortization	<u>(429,809,000)</u>	<u>(380,729,000)</u>
Total	<u><u>\$ 1,851,459,000</u></u>	<u><u>\$ 1,636,150,000</u></u>

Depreciation and amortization of property and equipment totaled \$49,710,000 and \$46,062,000 for the years ended December 31, 2016 and 2015, respectively.

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Development in progress is summarized as follows as of December 31:

Property name	2016	2015
MacArthur Transit Community Partners LLC	\$ 4,504,000	\$ -
Mural Apartments	154,000	-
Ivy at College Park Phase II	27,669,000	6,128,000
Celadon at 9th & Broadway 9%	-	524,000
MacArthur Master Plan	-	7,465,000
Bay Area Senior Services	224,000	132,000
The Abigail	-	33,817,000
16th Street Station	660,000	463,000
MacArthur Apartments Development	2,746,000	3,440,000
San Leandro BART Garage	7,332,000	6,362,000
Heritage Square	-	11,366,000
MacArthur Transit Community Partners, LLC	-	11,422,000
Sunrise Napa	-	2,497,000
Madera Vista (Summerhouse) Phase III	1,542,000	175,000
Marea Alta	51,931,000	31,883,000
Other	762,000	298,000
Construction expected to be completed in one year following year end	97,524,000	115,972,000
Potrero Hill Affordable	7,831,000	6,993,000
RiverPlace Parcel 3	2,832,000	-
Berkeley Way	423,000	-
Bay Meadows	166,000	-
1950 Mission	673,000	-
4840 Mission	146,000	-
Jordan Downs	5,637,000	1,498,000
Element 78	1,394,000	947,000
San Leandro Senior	1,547,000	936,000
Westview Village	6,503,000	404,000
Comm 22, LLC	749,000	325,000
Potrero Project X	4,424,000	291,000
Construction expected to be completed in two or more years following year end	32,325,000	11,394,000
Total	\$ 129,849,000	\$ 127,366,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

Note 10 - Deferred costs

Deferred costs are summarized as follows as of December 31:

	<u>2016</u>	<u>2015</u>
Tax credit fees	\$ 2,715,000	\$ 2,647,000
City fees	3,638,000	3,638,000
Other	<u>2,541,000</u>	<u>2,723,000</u>
	8,894,000	9,008,000
Less accumulated amortization	<u>(3,699,000)</u>	<u>(3,155,000)</u>
Total	<u>\$ 5,195,000</u>	<u>\$ 5,853,000</u>

Amortization of deferred cost totaled \$544,000 and \$502,000 for the years ended December 31, 2016 and 2015, respectively.

Note 11 - Land under lease, held for development and assets held for sale

BRIDGE leases all of the below land under various long-term leases to affiliates. Terms of the leases range from 55 to 90 years. The land is pledged as security under deeds of trust for the related notes payable or is pledged as security for certain liabilities of the lessees.

Land under lease and assets held for sale are summarized as follows as of December 31:

	<u>2016</u>	<u>2015</u>
Livermore, California, donated (1986)	\$ 1,660,000	\$ 1,660,000
San Diego, California, donated (2000)	1,428,000	1,428,000
Foster City, California (1995)	804,000	804,000
Richmond, California (1992)	<u>327,000</u>	<u>327,000</u>
Total	<u>\$ 4,219,000</u>	<u>\$ 4,219,000</u>

On December 31, 2014, BHVI purchased the 98% CalPERs majority ownership position in BUILD. Upon this purchase, BRIDGE and Affiliates own 100% of BUILD's assets. BRIDGE expects the final remaining land parcel to be sold by December 31, 2017. Land held for sale is summarized as follows as of December 31:

	<u>2016</u>	<u>2015</u>
Oakland, California, held for sale	<u>\$ 2,830,000</u>	<u>\$ 2,476,000</u>

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

Note 12 - Other investments

Other investments consist of the following as of December 31:

	2016	2015
Housing Partnership Insurance Exchange ⁽¹⁾	\$ 1,841,000	\$ 1,532,000
Preservation Investment Fund - Coronado Springs, LLC ⁽²⁾	1,267,000	-
Other ⁽³⁾	333,000	272,000
	3,441,000	1,804,000
General and limited partner capital (deficit) interests and membership interests accounted for under the equity method	(621,000)	(684,000)
Total	\$ 2,820,000	\$ 1,120,000

⁽¹⁾ BRIDGE invested in Housing Partnership Insurance Exchange ("HPIEx") for the purpose of gaining access to property and liability insurance for its various development properties from a captive insurance company. BRIDGE invested funds into HPIEx for the purpose of gaining access to workers compensation insurance from a captive insurance company. The investment is stated at estimated fair value using quoted purchase prices determined by HPIEx (Level 2 input) and represents 13% of the capital of HPIEx as of December 31, 2016 and 2015.

⁽²⁾ In 2016, BRIDGE Regional Partners, Inc. invested in Preservation Investment Fund – Coronado Springs, LLC, in connection with the acquisition of Coronado Springs Apartments located in unincorporated King County, Washington.

⁽³⁾ In 2013, BRIDGE invested in Housing Partnership Equity Trust, LLC and Subsidiaries ("HPET") for the purpose of gaining access to social equity for its various development properties. HPET is a real estate investment trust ("REIT") that is specifically authorized to own membership interests in the subsidiaries that acquire ownership interest in various development projects. As of 2016 and 2015, none of BRIDGE's development properties utilized the REIT funding. The investment is stated at cost as of December 31, 2016 and 2015. BRIDGE's share of equity represents 1.2% of the capital in HPET.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

Summarized financial information for unconsolidated entities accounted for under the equity method consist of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Total assets	\$ 34,119,000	\$ 36,044,000
Total liabilities	92,591,000	68,550,000
Partners' deficit ⁽⁴⁾	(58,472,000)	(32,506,000)
Income	13,337,000	12,931,000
Expenses	13,233,000	11,961,000
Results of operations	104,000	970,000

⁽⁴⁾ BRIDGE's share of the equity as of December 31, 2016 and 2015 was \$(621,000) and \$(684,000), respectively.

In addition, the following financial position and activity summarize the entities that are not included in the consolidated financial statements based on BRIDGE's board participation as of December 31:

	<u>2016</u>	<u>2015</u>
Total assets	\$ 16,018,000	\$ 55,211,000
Total liabilities	20,016,000	40,639,000
Net assets	(3,998,000)	14,572,000
Support and revenue	1,157,000	3,065,000
Expenses	632,000	5,052,000
Change in net assets	525,000	(1,987,000)

Note 13 - Notes payable

Notes payable are generally secured by the respective properties and consist of the following at December 31:

	<u>2016</u>		<u>2015</u>	
	<u>Interest payable</u>	<u>Principal</u>	<u>Interest payable</u>	<u>Principal</u>
<u>Notes Payable with Regular Payments</u>				
Permanent loans, bearing interest from 0% to 9%, generally with principal and interest due monthly, to be repaid in full through 2049. Interest expense was \$13,750,000 and \$13,081,000 for 2016 and 2015, respectively.	\$ 1,282,000	\$ 288,980,000	\$ 1,170,000	\$ 253,694,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

	2016		2015	
	Interest payable	Principal	Interest payable	Principal
Construction loans, bearing variable interest, generally with interest only payments due monthly, to be repaid in full or partially converted to permanent loans maturing through 2071. Interest expense net of capitalized amount was \$7,510,000 and \$4,751,000 for 2016 and 2015, respectively.	3,721,000	402,174,000	4,997,000	386,451,000
Bonds, bearing interest from 2% to 14%, generally with principal and interest paid monthly, to be repaid in full through 2055. Principal payments are generally accumulated in a principal fund held by a trustee. Interest expense was \$2,632,000 and \$2,642,000 for 2016 and 2015, respectively.	1,740,000	51,054,000	1,564,000	52,661,000
Other loans, bearing interest from 0% to 8%, generally with principal and interest due monthly, to be repaid in full through 2059. Interest expense was \$493,000 and \$101,000 for 2016 and 2015, respectively.	765,000	13,231,000	605,000	4,835,000
	<u>7,508,000</u>	<u>755,439,000</u>	<u>8,336,000</u>	<u>697,641,000</u>

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

	2016		2015	
	Interest payable	Principal	Interest payable	Principal
<u>Notes Payable with Annual Payments from Available Excess Cash</u>				
Local loans, bearing interest from 0% to 6%, generally payable out of excess cash annually in arrears, to be repaid in full through 2068. Interest expense was \$6,872,000 and \$6,076,000 for 2016 and 2015, respectively.	55,024,000	347,139,000	46,131,000	267,032,000
County loans, bearing interest from 0% to 6.5%, generally with principal and interest due annually out of excess cash in arrears, to be repaid in full through 2075. Interest expense was \$1,982,000 and \$1,895,000 for 2016 and 2015, respectively.	14,914,000	60,394,000	13,633,000	60,342,000
State loans, bearing interest from 0% to 3%, generally with principal and interest due annually out of excess cash in arrears, to be repaid in full through 2066. Interest expense was \$3,492,000 and \$3,014,000 for 2016 and 2015, respectively.	27,487,000	153,759,000	24,331,000	124,110,000

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

	2016		2015	
	Interest payable	Principal	Interest payable	Principal
Ground leases, bearing interest from 0% to 7.5%, generally payable out of excess cash annually in arrears, to be repaid in full through 2080. Interest expense was \$171,000 and \$166,000 for 2016 and 2015, respectively.	608,000	9,382,000	547,000	9,209,000
Developer Fees, bearing interest at 0%, generally payable out of excess cash annually in arrears, to be paid in full through 2027.	-	663,000	-	-
	<u>98,033,000</u>	<u>571,337,000</u>	<u>84,642,000</u>	<u>460,693,000</u>
<i>Notes Payable with Repayments Due at Maturity</i>				
Federal loans, bearing interest from 0% to 1%, with principal payments generally deferred through 2068, at which time outstanding principal may be forgiven at the lenders' discretion. Interest expense was \$68,000 for both 2016 and 2015, respectively.	318,000	23,321,000	256,000	17,034,000
Total, gross	105,859,000	1,350,097,000	93,234,000	1,175,368,000
Debt issuance costs, net	-	8,975,000	-	9,654,000
Total, net	105,859,000	1,341,122,000	93,234,000	1,165,714,000
Less: current portion	5,572,000	11,264,000	5,266,000	10,457,000
Non-current portion	<u>\$ 100,287,000</u>	<u>1,329,858,000</u>	<u>\$ 87,968,000</u>	<u>1,155,257,000</u>

Total interest expense was \$38,795,000 and \$32,322,000 for 2016 and 2015, respectively, and includes \$1,825,000 and \$529,000 of permanent loan cost amortization.

Construction loans are generally refinanced with permanent debt or repaid from investor capital contributions. BRIDGE and Affiliates obtained written commitments from refinance lenders and/or investors, and represented the balances as part of the long-term debt accordingly.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2016 and 2015

Principal payments toward notes payable for the next five years are subject to changes in net cash flow which is a contingency that cannot be reasonably estimated. Estimated minimum required payments for each of the next five years and thereafter subsequent to December 31, 2016 are as follows:

2017	\$ 11,264,000
2018	13,182,000
2019	20,198,000
2020	12,860,000
2021	24,476,000
Thereafter	<u>1,268,117,000</u>
Total	<u>\$ 1,350,097,000</u>

Note 14 - Lines of credit

In 2001, BRIDGE entered into an unsecured line of credit with Wells Fargo Bank for 2,000,000 which was increased to \$5,000,000 in 2012. The line of credit bears interest at LIBOR plus 3% (4% floor) with a modified expiration date of July 18, 2018. At December 31, 2016 and 2015, \$2,000,000 was drawn and outstanding and included in notes payable.

In 2012, BRIDGE entered into an unsecured line of credit with US Bank for \$5,000,000 which was increased to \$8,100,000 in 2014. The line of credit bears interest at LIBOR plus 1.8% with an expiration date of December 31, 2019. At December 31, 2016 and 2015, no amounts were drawn on the line of credit.

Note 15 - Deferred revenues

Deferred revenues consist of the following at December 31:

	<u>2016</u>	<u>2015</u>
Development proceeds	\$ 17,311,000	\$ 29,671,000
Other	<u>4,089,000</u>	<u>3,379,000</u>
	21,400,000	33,050,000
Less current portion	<u>(19,322,000)</u>	<u>(30,873,000)</u>
Non-current portion	<u>\$ 2,078,000</u>	<u>\$ 2,177,000</u>

In connection with the development of certain affordable housing projects, BRIDGE and Affiliates received financing proceeds to pay for related development costs. If all conditions specified in the financing agreements are met, no payments are required. Until then, BRIDGE and Affiliates recorded these proceeds as deferred revenue.

Note 16 - Derivative financial instrument

BRIDGE and Affiliates entered into various interest rate cap/swap master agreements to potentially minimize the effect of changes in the variable interest rate of the loans.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

The following table for the years ended December 31, 2016 and 2015 sets forth the detailed changes in fair value for BRIDGE and Affiliates' Level 3 derivative financial instruments:

	<u>2016</u>	<u>2015</u>
Beginning balance	\$ (9,850,000)	\$ (8,665,000)
New derivatives	52,000	-
Unrealized (loss) gain on derivative financial instrument	<u>1,915,000</u>	<u>(1,185,000)</u>
Ending balance	<u>\$ (7,883,000)</u>	<u>\$ (9,850,000)</u>

The derivative financial instruments held by BRIDGE and Affiliates are stated at fair value using a quoted price provided by the counterparty banks. Counterparty banks' valuation uses various approaches which involve using quoted prices for economically equivalent instruments, or valuation methodologies, assumptions and inputs, which in the case of projected future cash flows, discount such cash flows to a single net present value amount. The valuation is either based on Level 1 inputs directly, or based on the application of valuation models, which may be proprietary, that take into account Level 1, Level 2 and Level 3 inputs. Level 1 and Level 2 inputs are market-based, utilizing observable market data including swap rates, basis rates and currency exchange rates from sources believed to be reliable but which counterparty banks have not independently verified. Level 3 inputs may be used if counterparty banks determine that Level 1 and Level 2 inputs are unavailable, or in illiquid or dislocated markets, unreliable. In general, those inputs are used to construct interest rate, currency exchange rate, commodity price or other curves that are placed into proprietary valuation models to compute for fair value.

Management reviews reasonableness of counterparty banks' valuations by calculating the net present value of projected future cash flows using the US Daily Interest Rate Data for interest rate swaps as of the valuation date.

Significant assumptions follow:

Term of swap arrangements	13 to 38 years
Average projected variable rate through 2026	1.14% to 3.23%
Discount rate	1.00%

Note 17 - Temporarily restricted net assets and net assets released from restrictions

The major programs for which BRIDGE has received restricted contributions are as follows:

Project-related Restricted Proceeds - Various companies, agencies and individuals have awarded grants and donations to specific properties for the development of affordable housing. These grants are not to be secured and do not bear interest. These grants are released as the restricted use is met.

Educational Assistance Programs - Provides scholarships or awards to qualified residents in BRIDGE developments.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

Resident Programs and Services - Programs at BRIDGE properties expand residents' educational opportunities and financial security, provide access to health and wellness resources and services, build community and connect residents to social safety net resources.

Temporarily restricted net assets were available for the following purposes:

	December 31, 2015	Contributions/ Interest income/ Unrealized gain	Releases	December 31, 2016
Project-related Restricted Proceeds	\$ 1,003,000	\$ 20,174,000	\$ (20,809,000)	\$ 368,000
Educational Assistance Programs	1,998,000	308,000	(166,000)	2,140,000
Resident Programs & Services	306,000	623,000	(673,000)	256,000
Other	229,000	86,000	(86,000)	229,000
Total	\$ 3,536,000	\$ 21,191,000	\$ (21,734,000)	\$ 2,993,000
	December 31, 2014	Contributions/ Interest income/ Unrealized gain	Releases	December 31, 2015
Project-related Restricted Proceeds	\$ 250,000	\$ 22,821,000	\$ (22,068,000)	\$ 1,003,000
Educational Assistance Programs	2,037,000	51,000	(90,000)	1,998,000
Resident Programs & Services	636,000	192,000	(522,000)	306,000
Other	235,000	-	(6,000)	229,000
Total	\$ 3,158,000	\$ 23,064,000	\$ (22,686,000)	\$ 3,536,000

Note 18 - Permanently restricted net assets

Permanently restricted net assets as of December 31, 2016 and 2015 consist of land required to be used for low-income housing of \$1,660,000.

Note 19 - Employee benefit plans

BRIDGE has employee 403(b) plans, established effective July 1, 1998, covering eligible employees. BRIDGE contributions to the plans consist of a percentage based on eligible employees' compensation plus a discretionary amount to match voluntary employee contributions. Contributions and plan costs totaled approximately \$1,252,000 and \$1,050,000 for 2016 and 2015, respectively.

BRIDGE has an employee 457(b) plan, established effective July 1, 2004, covering eligible employees. BRIDGE's contributions are discretionary. Contributions and plan costs totaled approximately \$72,000 and \$69,000 for 2016 and 2015, respectively.

BRIDGE Housing Corporation and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2016 and 2015**

Note 20 - Commitments and contingencies

Rental payments under non-cancelable operating leases:

Office space

BRIDGE has leases for office space in San Francisco, Irvine, and San Diego, California, and Portland, Oregon, which expire through March 2019.

Future minimum rental payments under the office space leases for each of the next three years subsequent to December 31, 2016 are as follows:

2017	\$	1,187,000
2018		1,133,000
2019		<u>281,000</u>
Total	\$	<u>2,601,000</u>

Rent costs totaled approximately \$1,201,000 and \$1,137,000 for 2016 and 2015, respectively.

Property-related leases

BRIDGE and Affiliates lease property, land, facilities, and commercial space under leases ranging from 30 to 55 years. Rent expense totaled approximately \$3,611,000 and \$4,193,000 for 2016 and 2015, respectively.

Certain ground lease payments are subject to changes in net cash flow, which is a contingency that cannot be reasonably estimated.

Minimum future lease payments under the foregoing leases for each of the next five years and thereafter subsequent to December 31, 2016 are as follows:

2017	\$	555,000
2018		556,000
2019		558,000
2020		559,000
2021		560,000
Thereafter		<u>24,298,000</u>
Total	\$	<u>27,086,000</u>

Litigation

BRIDGE and Affiliates are named in various claims and legal actions in the normal course of their activities. Based upon counsel and management's opinion, the outcomes of such matters are not expected to have a material adverse effect on BRIDGE and Affiliates' financial position or changes in net assets.

Letters of credit

As of December 31, 2016, BRIDGE has a standby letter of credit with US Bank totaling approximately \$831,000 and \$3,000,000 for the Abigail project and for the Marea Alta project, respectively, and a standby letter of credit from Wells Fargo Bank totaling \$2,875,000 for the Ivy at College Park II project.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2016 and 2015

Surety bonds

In connection with certain project developments, BRIDGE enters into surety bond agreements which bind BRIDGE to repay the surety company if the contractor is unable to successfully perform on the contract. As of December 31, 2016 and 2015, BRIDGE has outstanding a maximum of \$8,737,000 and \$9,419,000, respectively, in surety bonds.

Property management

Property management on certain properties is contracted with non-affiliated entities for annual amounts subject to yearly increases.

Grants and loans receivable

In connection with various federal, state and city grants and loan programs, BRIDGE and Affiliates are obligated to operate in accordance with those grant and loan requirements and is subject to audit by those agencies. In cases of noncompliance, the agencies involved may require that BRIDGE and Affiliates refund payment of program funds. The amount, if any, of expenditures which may be disallowed by the agencies cannot be determined at this time, although BRIDGE and Affiliates expect such amounts, if any, to be immaterial.

Other

As general partners in various partnerships, BRIDGE and Affiliates may be subject to other liabilities, should the affected partnerships' assets become insufficient to meet their obligations. In the opinion of management, future revenues and the value of the underlying assets of each of these partnerships will be sufficient to meet ongoing and future partnership obligations.

Note 21 - Guarantees

BRIDGE issues a variety of guarantees in the course of developing properties. The guarantees are generally issued in favor of limited partner investors or lenders. Guarantees, as of December 31, 2016 and 2015 (except for tax benefits which are one year in arrears), consist of the following:

	<u>2016</u>	<u>2015</u>
Operating deficits	\$ 21,569,000	\$ 12,345,000
Construction loan repayment and completion	482,039,000	403,180,000
Tax benefits	275,350,000	334,825,000
Equity contribution	<u>71,000</u>	<u>46,000</u>
Total	<u>\$ 779,029,000</u>	<u>\$ 750,396,000</u>

Operating deficit guarantees

Operating deficit guarantees are commitments to fund future operating deficits of partnerships. The guarantees are issued in favor of limited tax credit partnerships, and generally are for the fifteen-year period when the investor is expected to hold its limited partner interest, or for shorter periods (for example, until certain debt ratios are achieved). A payment under a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate, resulting in an obligation to repay the advance, usually from future operating cash flow. To date, BRIDGE has not experienced any calls on these guarantees.

BRIDGE Housing Corporation and Affiliates

Notes to Consolidated Financial Statements December 31, 2016 and 2015

Construction loan repayment and completion guarantees

BRIDGE provides repayment guarantees for construction loans used for the development of properties. BRIDGE has also provided construction completion guarantees in favor of certain lenders for the development of properties and lease-up of a project, should the project not receive expected permanent financing, or should the cost of the development exceed permanent financing received. A payment under such a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate that is obligated to complete a development, resulting in an obligation to repay the advance, usually from future operating cash flow. There are no significant completion delays in BRIDGE current developments. To date, BRIDGE has not experienced non-completion of a project, nor has it been called on for any loan repayment guarantee.

Tax benefits guarantees

As the sponsor or the developer of certain properties financed in part by federal and/or state tax credit allocations, BRIDGE has made certain guarantees to investors as to the tax credits and other benefits to be derived from the properties. These guarantees generally cover the tax compliance periods of fifteen years after initial lease-up. A payment under such a guarantee could result in a cash distribution from an affiliate's operating cash flow to the investor limited partner. In the opinion of management, compliance with tax regulations and careful monitoring of the properties should preclude these contingent liabilities from materializing. To date, BRIDGE has not experienced any calls on these guarantees.

Equity contribution guarantee

BRIDGE and affiliated not-for-profit organizations are the general partners, co-general partners, members, or co-managing members of various limited partnerships or limited liability companies as disclosed in Note 1. BRIDGE and Affiliates executed various performance guarantees in connection with those limited partnerships or limited liability companies. BRIDGE is obligated to fund various affiliated not-for-profit organizations with equity contributions in the event such guarantees are being called upon. To date, BRIDGE has not experienced any calls on these guarantees and considers the occurrence of such events remote.

No stand ready liability has been recorded in connection with the operating deficit, construction loan repayment and completion, tax benefit, or equity contribution guarantees as these are guarantees to entities under common control.

Note 22 - Subsequent events

Management evaluated the activity of BRIDGE and Affiliates through April 26, 2017, the date the consolidated financial statements were available to be issued.

BRIDGE, as parent company to Bay Area Senior Services, Inc., sold BASS and its business in The Peninsula Regent to Pacific Retirement Services, a senior living organization based in Medford, Oregon.

Supplementary Information

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Financial Position
December 31, 2016**

	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Assets											
Current assets											
Cash and cash equivalents	\$ 30,085,000	\$ 2,299,000	\$ 6,563,000	\$ 472,000	\$ 256,000	\$ 13,022,000	\$ 31,195,000	\$ 1,934,000	\$ 85,826,000	\$ -	\$ 85,826,000
Accounts receivable - net	20,275,000	150,000	88,000	21,000	305,000	-	5,990,000	4,717,000	31,546,000	(25,547,000)	5,999,000
Contributions receivable - current portion	-	1,328,000	-	-	-	-	41,000	-	1,369,000	-	1,369,000
Notes receivable - current portion	718,000	-	94,000	-	298,000	1,006,000	149,000	2,737,000	5,002,000	(4,425,000)	577,000
Prepaid expenses and deposits - current portion	2,373,000	6,000	229,000	17,000	16,000	-	7,463,000	193,000	10,297,000	(64,000)	10,233,000
Impounds	-	-	-	-	-	-	1,656,000	-	1,656,000	-	1,656,000
Total current assets	53,451,000	3,783,000	6,974,000	510,000	875,000	14,028,000	46,494,000	9,581,000	135,696,000	(30,036,000)	105,660,000
Non-current assets											
Restricted cash and deposits	-	-	-	-	44,000	-	65,973,000	83,000	66,100,000	-	66,100,000
Investments	-	1,670,000	-	-	-	9,929,000	-	-	11,599,000	-	11,599,000
Accounts receivable - net of current portion	11,068,000	-	-	-	-	-	-	192,000	11,260,000	(11,260,000)	-
Notes receivable - net of current portion	11,889,000	-	-	-	6,099,000	-	4,992,000	67,762,000	90,742,000	(67,262,000)	23,480,000
Prepaid expenses and deposits - net of current portion	303,000	-	-	-	-	-	8,060,000	92,000	8,455,000	(2,109,000)	6,346,000
Property and equipment - net	9,019,000	71,000	3,922,000	-	-	-	1,844,167,000	10,481,000	1,867,660,000	(16,201,000)	1,851,459,000
Deferred costs - net	-	-	-	-	-	-	534,000	-	534,000	-	534,000
Land under lease and held for development	2,464,000	-	-	-	-	-	-	1,755,000	4,219,000	-	4,219,000
Asset held for sale	-	-	-	-	-	-	-	2,830,000	2,830,000	-	2,830,000
Other investments	3,281,000	-	-	-	-	-	-	57,382,000	60,663,000	(57,843,000)	2,820,000
Total non-current assets	38,024,000	1,741,000	3,922,000	-	6,143,000	9,929,000	1,927,853,000	141,111,000	2,128,723,000	(154,675,000)	1,974,048,000
Total assets	\$ 91,475,000	\$ 5,524,000	\$ 10,896,000	\$ 510,000	\$ 7,018,000	\$ 23,957,000	\$ 1,974,347,000	\$ 150,692,000	\$ 2,264,419,000	\$ (184,711,000)	\$ 2,079,708,000
Liabilities and Net Assets											
Current liabilities											
Accounts payable and accrued expenses	\$ 5,053,000	\$ 579,000	\$ 1,850,000	\$ 331,000	\$ 189,000	\$ -	\$ 74,521,000	\$ 8,817,000	\$ 91,340,000	\$ (33,212,000)	\$ 58,128,000
Notes payable - current portion	4,100,000	-	-	-	375,000	-	15,014,000	89,000	19,578,000	(8,314,000)	11,264,000
Interest payable - current portion	101,000	43,000	-	-	-	-	8,114,000	-	8,258,000	(2,686,000)	5,572,000
Deferred revenues - current portion	214,000	-	67,000	-	-	-	14,932,000	6,848,000	22,061,000	(2,739,000)	19,322,000
Security and other deposits	226,000	-	-	-	-	-	-	23,000	249,000	-	249,000
Total current liabilities	9,694,000	622,000	1,917,000	331,000	564,000	-	112,581,000	15,777,000	141,486,000	(46,951,000)	94,535,000
Non-current liabilities											
Accounts payable and accrued expenses - net of current portion	192,000	-	-	-	-	-	10,250,000	-	10,442,000	(10,442,000)	-
Notes payable - net of current portion	16,826,000	2,000,000	-	-	4,324,000	-	1,346,280,000	24,283,000	1,393,713,000	(63,855,000)	1,329,858,000
Interest payable - net of current portion	-	-	-	-	311,000	-	101,349,000	2,371,000	104,031,000	(3,744,000)	100,287,000
Deferred revenues - net of current portion	39,000	-	-	-	-	-	1,703,000	428,000	2,170,000	(92,000)	2,078,000
Derivative financial instrument	-	-	-	-	-	-	7,883,000	-	7,883,000	-	7,883,000
Security and other deposits - net of current portion	325,000	-	122,000	-	-	-	5,974,000	-	6,421,000	-	6,421,000
Total non-current liabilities	17,382,000	2,000,000	122,000	-	4,635,000	-	1,473,439,000	27,082,000	1,524,660,000	(78,133,000)	1,446,527,000
Total liabilities	27,076,000	2,622,000	2,039,000	331,000	5,199,000	-	1,586,020,000	42,859,000	1,666,146,000	(125,084,000)	1,541,062,000
Net assets											
Unrestricted											
Controlling interests	62,739,000	106,000	8,857,000	179,000	1,819,000	23,957,000	45,500,000	83,161,000	226,318,000	(59,632,000)	166,686,000
Non-controlling interests	-	-	-	-	-	-	342,630,000	24,672,000	367,302,000	5,000	367,307,000
Total unrestricted	62,739,000	106,000	8,857,000	179,000	1,819,000	23,957,000	388,130,000	107,833,000	593,620,000	(59,627,000)	533,993,000
Temporarily restricted	-	2,796,000	-	-	-	-	197,000	-	2,993,000	-	2,993,000
Permanently restricted	1,660,000	-	-	-	-	-	-	-	1,660,000	-	1,660,000
Total net assets	64,399,000	2,902,000	8,857,000	179,000	1,819,000	23,957,000	388,327,000	107,833,000	598,273,000	(59,627,000)	538,646,000
Total liabilities and net assets	\$ 91,475,000	\$ 5,524,000	\$ 10,896,000	\$ 510,000	\$ 7,018,000	\$ 23,957,000	\$ 1,974,347,000	\$ 150,692,000	\$ 2,264,419,000	\$ (184,711,000)	\$ 2,079,708,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

See Independent Auditor's Report.

BRIDGE Housing Corporation and Affiliates

**Consolidating Statement of Financial Position
December 31, 2015**

	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Assets											
Current assets											
Cash and cash equivalents	\$ 16,360,000	\$ 483,000	\$ 6,123,000	\$ 1,322,000	\$ 446,000	\$ 13,638,000	\$ 21,735,000	\$ 1,740,000	\$ 61,847,000	\$ -	\$ 61,847,000
Accounts receivable - net	17,678,000	2,000	169,000	172,000	154,000	222,000	5,851,000	6,772,000	31,020,000	(23,921,000)	7,099,000
Contributions receivable - current portion	-	60,000	-	-	-	-	-	-	60,000	-	60,000
Notes receivable - current portion	484,000	-	63,000	-	1,058,000	969,000	-	2,882,000	5,456,000	(4,877,000)	579,000
Prepaid expenses and deposits - current portion	1,451,000	42,000	207,000	16,000	14,000	-	2,384,000	2,000	4,116,000	-	4,116,000
Impounds	-	-	-	-	-	-	1,314,000	-	1,314,000	-	1,314,000
Total current assets	35,973,000	587,000	6,562,000	1,510,000	1,672,000	14,829,000	31,284,000	11,396,000	103,813,000	(28,798,000)	75,015,000
Non-current assets											
Restricted cash and deposits	-	-	-	-	61,000	-	64,141,000	2,000	64,204,000	-	64,204,000
Investments	-	2,166,000	-	-	-	9,507,000	-	-	11,673,000	-	11,673,000
Accounts receivable - net of current portion	11,146,000	-	-	-	-	-	-	356,000	11,502,000	(11,502,000)	-
Notes receivable - net of current portion	5,201,000	-	-	-	16,361,000	-	4,992,000	55,287,000	81,841,000	(58,191,000)	23,650,000
Contributions receivable - net of current portion	-	911,000	-	-	-	-	-	-	911,000	-	911,000
Prepaid expenses and deposits - net of current portion	583,000	-	-	-	-	-	21,683,000	94,000	22,360,000	(2,170,000)	20,190,000
Property and equipment - net	16,104,000	13,000	3,822,000	-	-	-	1,620,528,000	9,577,000	1,650,044,000	(13,894,000)	1,636,150,000
Deferred costs - net	1,000	-	-	-	-	-	5,214,000	638,000	5,853,000	-	5,853,000
Land under lease and held for development	2,464,000	-	-	-	-	-	-	1,755,000	4,219,000	-	4,219,000
Asset held for sale	-	-	-	-	-	-	-	2,476,000	2,476,000	-	2,476,000
Other investments	2,875,000	-	-	-	-	-	-	48,437,000	51,312,000	(50,192,000)	1,120,000
Total non-current assets	38,374,000	3,090,000	3,822,000	-	16,422,000	9,507,000	1,716,558,000	118,622,000	1,906,395,000	(135,949,000)	1,770,446,000
Total assets	\$ 74,347,000	\$ 3,677,000	\$ 10,384,000	\$ 1,510,000	\$ 18,094,000	\$ 24,336,000	\$ 1,747,842,000	\$ 130,018,000	\$ 2,010,208,000	\$ (164,747,000)	\$ 1,845,461,000
Liabilities and Net Assets											
Current liabilities											
Accounts payable and accrued expenses	\$ 7,448,000	\$ 647,000	\$ 781,000	\$ 217,000	\$ 147,000	\$ 112,000	\$ 57,745,000	\$ 10,465,000	\$ 77,562,000	\$ (30,407,000)	\$ 47,155,000
Notes payable - current portion	2,000,000	-	-	-	3,924,000	-	8,318,000	4,038,000	18,280,000	(7,823,000)	10,457,000
Interest payable - current portion	44,000	-	-	-	79,000	-	7,593,000	192,000	7,908,000	(2,642,000)	5,266,000
Deferred revenues - current portion	997,000	-	(1,000)	-	-	-	29,696,000	181,000	30,873,000	-	30,873,000
Security and other deposits	194,000	-	-	-	-	-	-	-	194,000	-	194,000
Total current liabilities	10,683,000	647,000	780,000	217,000	4,150,000	112,000	103,352,000	14,876,000	134,817,000	(40,872,000)	93,945,000
Non-current liabilities											
Accounts payable and accrued expenses - net of current portion	356,000	-	-	-	-	-	12,679,000	-	13,035,000	(12,724,000)	311,000
Notes payable - net of current portion	18,701,000	-	-	-	11,790,000	-	1,164,236,000	17,314,000	1,212,041,000	(56,784,000)	1,155,257,000
Interest payable - net of current portion	385,000	-	-	-	336,000	-	88,439,000	1,861,000	91,021,000	(3,053,000)	87,968,000
Deferred revenues - net of current portion	-	-	-	-	-	-	1,740,000	3,266,000	5,006,000	(2,829,000)	2,177,000
Derivative financial instrument	-	-	-	-	-	-	9,850,000	-	9,850,000	-	9,850,000
Security and other deposits - net of current portion	551,000	-	136,000	-	-	-	5,500,000	26,000	6,213,000	-	6,213,000
Total non-current liabilities	19,993,000	-	136,000	-	12,126,000	-	1,282,444,000	22,467,000	1,337,166,000	(75,390,000)	1,261,776,000
Total liabilities	30,676,000	647,000	916,000	217,000	16,276,000	112,000	1,385,796,000	37,343,000	1,471,983,000	(116,262,000)	1,355,721,000
Net assets											
Unrestricted											
Controlling interests	42,011,000	(309,000)	9,468,000	1,293,000	1,818,000	24,224,000	68,485,000	67,388,000	\$ 214,378,000	(48,490,000)	165,888,000
Non-controlling interests	-	-	-	-	-	-	293,364,000	25,287,000	318,651,000	5,000	318,656,000
Total unrestricted	42,011,000	(309,000)	9,468,000	1,293,000	1,818,000	24,224,000	361,849,000	92,675,000	533,029,000	(48,485,000)	484,544,000
Temporarily restricted	-	3,339,000	-	-	-	-	197,000	-	3,536,000	-	3,536,000
Permanently restricted	1,660,000	-	-	-	-	-	-	-	1,660,000	-	1,660,000
Total net assets	43,671,000	3,030,000	9,468,000	1,293,000	1,818,000	24,224,000	362,046,000	92,675,000	538,225,000	(48,485,000)	489,740,000
Total liabilities and net assets	\$ 74,347,000	\$ 3,677,000	\$ 10,384,000	\$ 1,510,000	\$ 18,094,000	\$ 24,336,000	\$ 1,747,842,000	\$ 130,018,000	\$ 2,010,208,000	\$ (164,747,000)	\$ 1,845,461,000

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Activities
Year Ended December 31, 2016**

	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Support and revenue											
Developer fees	\$ 19,035,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ (95,000)	\$ 18,982,000	\$ (6,232,000)	\$ 12,750,000
Rental income - net of vacancies and concessions	218,000	-	11,608,000	-	-	-	114,665,000	511,000	127,002,000	(345,000)	126,657,000
Management revenue	17,445,000	965,000	1,924,000	5,852,000	414,000	-	28,000	(184,000)	26,444,000	(23,638,000)	2,806,000
Contributions	-	2,552,000	-	-	-	61,000	4,769,000	14,895,000	22,277,000	-	22,277,000
Interest income	1,476,000	52,000	9,000	-	482,000	697,000	159,000	1,754,000	4,629,000	(2,987,000)	1,642,000
Other property related	-	-	-	1,000	1,000	-	3,591,000	119,000	3,712,000	-	3,712,000
Other	441,000	-	-	-	-	-	-	-	441,000	-	441,000
Total support and revenue	38,615,000	3,569,000	13,541,000	5,853,000	897,000	758,000	123,254,000	17,000,000	203,487,000	(33,202,000)	170,285,000
Expenses											
Program services	12,337,000	3,072,000	13,696,000	6,501,000	880,000	1,023,000	199,378,000	5,700,000	242,587,000	(34,967,000)	207,620,000
Supporting services	5,550,000	-	456,000	466,000	16,000	2,000	683,000	112,000	7,285,000	-	7,285,000
Fundraising	-	625,000	-	-	-	-	-	-	625,000	-	625,000
Total expenses	17,887,000	3,697,000	14,152,000	6,967,000	896,000	1,025,000	200,061,000	5,812,000	250,497,000	(34,967,000)	215,530,000
Changes in net assets before assigning net assets to affiliates	20,728,000	(128,000)	(611,000)	(1,114,000)	1,000	(267,000)	(76,807,000)	11,188,000	(47,010,000)	1,765,000	(45,245,000)
Assigning net assets to affiliates	-	-	-	-	-	-	-	-	-	-	-
Changes in net assets	20,728,000	(128,000)	(611,000)	(1,114,000)	1,000	(267,000)	(76,807,000)	11,188,000	(47,010,000)	1,765,000	(45,245,000)
Net assets, beginning	43,671,000	3,030,000	9,468,000	1,293,000	1,818,000	24,224,000	362,046,000	92,675,000	538,225,000	(48,485,000)	489,740,000
Net capital contributions	-	-	-	-	-	-	103,088,000	3,970,000	107,058,000	(12,907,000)	94,151,000
Net assets, end	\$ 64,399,000	\$ 2,902,000	\$ 8,857,000	\$ 179,000	\$ 1,819,000	\$ 23,957,000	\$ 388,327,000	\$ 107,833,000	\$ 598,273,000	\$ (59,627,000)	\$ 538,646,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Activities
Year Ended December 31, 2015**

	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Support and revenue											
Developer fees	\$ 13,785,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,000	\$ 1,957,000	\$ 15,878,000	\$ (4,795,000)	\$ 11,083,000
Rental income - net of vacancies and concessions	200,000	-	11,016,000	-	-	-	101,287,000	431,000	112,934,000	(363,000)	112,571,000
Management revenue	5,256,000	2,888,000	2,638,000	6,139,000	866,000	-	-	145,000	17,932,000	(14,726,000)	3,206,000
Contributions	-	1,933,000	-	-	-	-	9,167,000	12,660,000	23,760,000	-	23,760,000
Interest income	1,003,000	117,000	10,000	-	649,000	718,000	135,000	1,633,000	4,265,000	(2,803,000)	1,462,000
Other property related	-	-	-	-	-	-	3,872,000	1,354,000	5,226,000	-	5,226,000
Other	119,000	-	-	-	362,000	-	-	649,000	1,130,000	350,000	1,480,000
Total support and revenue	20,363,000	4,938,000	13,664,000	6,139,000	1,877,000	718,000	114,597,000	18,829,000	181,125,000	(22,337,000)	158,788,000
Expenses											
Program services	11,677,000	1,500,000	13,615,000	5,199,000	1,025,000	3,156,000	158,462,000	7,441,000	202,075,000	(24,731,000)	177,344,000
Supporting services	6,260,000	-	455,000	466,000	11,000	1,000	631,000	106,000	7,930,000	-	7,930,000
Fundraising	-	408,000	-	-	-	-	-	-	408,000	-	408,000
Total expenses	17,937,000	1,908,000	14,070,000	5,665,000	1,036,000	3,157,000	159,093,000	7,547,000	210,413,000	(24,731,000)	185,682,000
Changes in net assets before assigning net assets to affiliates	2,426,000	3,030,000	(406,000)	474,000	841,000	(2,439,000)	(44,496,000)	11,282,000	(29,288,000)	2,394,000	(26,894,000)
Assigning net assets to affiliates	-	-	-	-	-	-	(8,335,000)	8,335,000	-	-	-
Changes in net assets	2,426,000	3,030,000	(406,000)	474,000	841,000	(2,439,000)	(52,831,000)	19,617,000	(29,288,000)	2,394,000	(26,894,000)
Net assets, beginning	41,245,000	-	9,874,000	819,000	977,000	26,663,000	323,877,000	66,775,000	470,230,000	(48,111,000)	422,119,000
Net capital contributions	-	-	-	-	-	-	91,000,000	6,283,000	97,283,000	(2,768,000)	94,515,000
Net assets, end	\$ 43,671,000	\$ 3,030,000	\$ 9,468,000	\$ 1,293,000	\$ 1,818,000	\$ 24,224,000	\$ 362,046,000	\$ 92,675,000	\$ 538,225,000	\$ (48,485,000)	\$ 489,740,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Cash Flows
Year Ended December 31, 2016**

	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Cash flows from operating activities											
Change in net assets	\$ 20,728,000	\$ (128,000)	\$ (611,000)	\$ (1,114,000)	\$ 1,000	\$ (267,000)	\$ (76,807,000)	\$ 11,188,000	\$ (47,010,000)	\$ 1,765,000	\$ (45,245,000)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities											
Depreciation and amortization	458,000	11,000	519,000	-	-	-	49,623,000	147,000	50,758,000	(504,000)	50,254,000
Amortization of permanent loan costs	26,000	-	-	-	-	-	1,794,000	5,000	1,825,000	-	1,825,000
(Gain) loss on disposal of fixed assets	(18,000)	-	-	-	-	-	13,546,000	-	13,528,000	-	13,528,000
Unrealized gain (loss) and (income) loss from other investments	924,000	(4,000)	-	-	-	-	(1,915,000)	-	(995,000)	-	(995,000)
Bad debt	(333,000)	-	-	-	43,000	-	234,000	-	(56,000)	431,000	375,000
Assigning equity investments to affiliates	29,000	-	-	-	-	-	(29,000)	-	-	-	-
(Increase) decrease in assets											
Accounts receivable	(2,208,000)	(109,000)	(22,000)	151,000	(29,000)	185,000	(373,000)	2,219,000	(186,000)	1,073,000	887,000
Contributions receivable	-	(358,000)	-	(1,000)	-	-	(41,000)	-	(400,000)	-	(400,000)
Prepaid expenses and deposits	(836,000)	13,000	(42,000)	-	(2,000)	-	9,018,000	(192,000)	7,959,000	3,000	7,962,000
Impounds	-	-	-	-	-	-	(342,000)	-	(342,000)	-	(342,000)
Increase (decrease) in liabilities											
Accounts payable and accrued expenses	(3,536,000)	(84,000)	1,218,000	114,000	40,000	(112,000)	5,254,000	(1,648,000)	1,246,000	(496,000)	750,000
Deferred revenues	(744,000)	-	-	-	-	-	(24,121,000)	3,829,000	(21,036,000)	(2,000)	(21,038,000)
Interest payable	(328,000)	44,000	-	-	(99,000)	-	13,431,000	318,000	13,366,000	(735,000)	12,631,000
Net cash provided by (used in) operating activities	14,162,000	(615,000)	1,062,000	(850,000)	(46,000)	(194,000)	(10,728,000)	15,866,000	18,657,000	1,535,000	20,192,000
Cash flows from investing activities											
(Additions to) collections of notes receivable	(6,900,000)	-	-	-	10,875,000	-	(149,000)	(12,330,000)	(8,504,000)	8,499,000	(5,000)
Net (increase) decrease in other investments	(1,359,000)	-	-	-	-	(422,000)	-	(8,945,000)	(10,726,000)	7,651,000	(3,075,000)
Net (increase) decrease in restricted cash and deposits	-	-	-	-	-	-	(1,832,000)	(81,000)	(1,913,000)	-	(1,913,000)
(Purchase) sale of marketable securities and investments	-	500,000	-	-	-	-	(52,000)	-	448,000	-	448,000
(Purchase) retirement of property and equipment	7,622,000	(69,000)	(622,000)	-	-	-	(277,277,000)	(1,301,000)	(271,647,000)	2,813,000	(268,834,000)
Net (increase) decrease in deferred costs	(25,000)	-	-	-	-	-	(1,679,000)	(5,000)	(1,709,000)	-	(1,709,000)
Net cash provided by (used in) investing activities	(662,000)	431,000	(622,000)	-	10,875,000	(422,000)	(280,989,000)	(22,662,000)	(294,051,000)	18,963,000	(275,088,000)
Cash flows from financing activities											
Proceeds from notes payable	11,172,000	2,000,000	-	-	4,000	-	188,740,000	6,992,000	208,908,000	(7,562,000)	201,346,000
Payment of notes payable	(10,947,000)	-	-	-	(11,023,000)	-	-	(3,972,000)	(25,942,000)	-	(25,942,000)
Proceeds from deferred revenue earmarked for development	-	-	-	-	-	-	9,320,000	-	9,320,000	-	9,320,000
Proceeds from (distribution of) capital contributions	-	-	-	-	-	-	103,117,000	3,970,000	107,087,000	(12,936,000)	94,151,000
Net cash provided by (used in) financing activities	225,000	2,000,000	-	-	(11,019,000)	-	301,177,000	6,990,000	299,373,000	(20,498,000)	278,875,000
Increase (decrease) in cash and cash equivalents	13,725,000	1,816,000	440,000	(850,000)	(190,000)	(616,000)	9,460,000	194,000	23,979,000	-	23,979,000
Cash and cash equivalents, beginning	16,360,000	483,000	6,123,000	1,322,000	446,000	13,638,000	21,735,000	1,740,000	61,847,000	-	61,847,000
Cash and cash equivalents, end	<u>\$ 30,085,000</u>	<u>\$ 2,299,000</u>	<u>\$ 6,563,000</u>	<u>\$ 472,000</u>	<u>\$ 256,000</u>	<u>\$ 13,022,000</u>	<u>\$ 31,195,000</u>	<u>\$ 1,934,000</u>	<u>\$ 85,826,000</u>	<u>\$ -</u>	<u>\$ 85,826,000</u>
Supplementary information											
Cash paid for interest (net of capitalized portion)	\$ 884,000	\$ -	\$ -	\$ -	\$ 76,000	\$ -	\$ 26,170,000	\$ -	\$ 27,130,000	\$ -	\$ 27,130,000
Noncash investing and financing activities											
Property and equipment acquired and recorded in accounts payable and accrued expenses	\$ 977,000	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,093,000	\$ -	\$ 10,079,000	\$ -	\$ 10,079,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

See Independent Auditor's Report.

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Cash Flows
Year Ended December 31, 2015**

	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Cash flows from operating activities											
Change in net assets	\$ 2,426,000	\$ 3,030,000	\$ (406,000)	\$ 474,000	\$ 841,000	\$ (2,439,000)	\$ (52,831,000)	\$ 19,617,000	\$ (29,288,000)	\$ 2,394,000	\$ (26,894,000)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities											
Depreciation and amortization	629,000	-	715,000	-	-	-	45,766,000	(117,000)	46,993,000	(429,000)	46,564,000
Amortization of permanent loans costs	44,000	-	-	-	-	-	480,000	5,000	529,000	-	529,000
(Gain) loss on disposal of fixed assets	4,000	-	-	-	-	-	1,290,000	(9,565,000)	(8,271,000)	8,211,000	(60,000)
Unrealized gain (loss) and (income) loss from other investments	(228,000)	-	-	-	-	-	1,185,000	847,000	1,804,000	757,000	2,561,000
Bad debt	(185,000)	-	-	-	13,000	-	204,000	420,000	452,000	725,000	1,177,000
Assigning equity investments to affiliates (Increase) decrease in assets	236,000	-	-	-	-	1,965,000	(75,000)	(2,126,000)	-	-	-
Accounts receivable	(8,158,000)	(973,000)	(123,000)	967,000	(197,000)	76,000	(3,501,000)	(537,000)	(12,446,000)	(372,000)	(12,818,000)
Contributions receivable	-	-	-	-	-	-	80,000	(807,000)	(727,000)	-	(727,000)
Prepaid expenses and deposits	(1,254,000)	(42,000)	(25,000)	-	(9,000)	-	1,491,000	12,000	173,000	(61,000)	112,000
Impounds	-	-	-	-	-	-	(43,000)	-	(43,000)	-	(43,000)
Increase (decrease) in liabilities											
Accounts payable and accrued expenses	240,000	647,000	(302,000)	(286,000)	(346,000)	41,000	786,000	720,000	1,500,000	1,963,000	3,463,000
Deferred revenues	21,000	-	(18,000)	-	-	-	62,000	(12,008,000)	(11,943,000)	62,000	(11,881,000)
Interest payable	405,000	-	-	-	-	-	11,224,000	(70,000)	11,559,000	(701,000)	10,858,000
Net cash provided by (used in) operating activities	(5,820,000)	2,662,000	(159,000)	1,155,000	302,000	(357,000)	6,118,000	(3,609,000)	292,000	12,549,000	12,841,000
Cash flows from investing activities											
(Additions to) collections of notes receivable	(1,130,000)	-	-	-	1,707,000	1,361,000	-	(17,167,000)	(15,229,000)	15,189,000	(40,000)
Net (increase) decrease in other investments	162,000	(2,179,000)	-	-	-	148,000	-	1,345,000	(524,000)	(766,000)	(1,290,000)
Net (increase) decrease in restricted cash and deposits investments	-	-	-	-	48,000	-	(12,188,000)	17,000	(12,123,000)	-	(12,123,000)
(Purchase) retirement of property and equipment	(3,404,000)	-	(622,000)	-	-	-	(256,075,000)	8,600,000	(251,501,000)	(6,486,000)	(257,987,000)
Net (increase) decrease in deferred costs	(49,000)	-	-	-	-	-	(13,000)	(276,000)	(338,000)	-	(338,000)
Net cash provided by (used in) investing activities	(4,421,000)	(2,179,000)	(622,000)	-	1,755,000	1,509,000	(268,276,000)	(7,481,000)	(279,715,000)	7,937,000	(271,778,000)
Cash flows from financing activities											
Proceeds from notes payable	9,945,000	-	-	-	-	-	168,132,000	1,456,000	179,533,000	(17,718,000)	161,815,000
Payment of notes payable	(621,000)	-	-	-	(1,868,000)	-	-	(1,471,000)	(3,960,000)	-	(3,960,000)
Proceeds from deferred revenue earmarked for development	-	-	-	-	-	-	9,320,000	2,146,000	11,466,000	-	11,466,000
Payment of syndication costs	-	-	-	-	-	-	-	-	-	-	-
Proceeds from (distribution of) capital contributions	-	-	-	-	-	-	88,887,000	8,396,000	97,283,000	(2,768,000)	94,515,000
Net cash provided by (used in) financing activities	9,324,000	-	-	-	(1,868,000)	-	266,339,000	10,527,000	284,322,000	(20,486,000)	263,836,000
Increase (decrease) in cash and cash equivalents	(917,000)	483,000	(781,000)	1,155,000	189,000	1,152,000	4,181,000	(563,000)	4,899,000	-	4,899,000
Cash and cash equivalents, beginning	17,277,000	-	6,904,000	167,000	257,000	12,486,000	17,554,000	2,303,000	56,948,000	-	56,948,000
Cash and cash equivalents, end	\$ 16,360,000	\$ 483,000	\$ 6,123,000	\$ 1,322,000	\$ 446,000	\$ 13,638,000	\$ 21,735,000	\$ 1,740,000	\$ 61,847,000	\$ -	\$ 61,847,000
Supplementary information											
Cash paid for interest (net of capitalized portion)	\$ 141,000	\$ -	\$ -	\$ -	\$ 57,000	\$ -	\$ 21,253,000	\$ 702,000	\$ 22,153,000	\$ -	\$ 22,153,000
Noncash investing and financing activities											
Property and equipment acquired and recorded in accounts payable and accrued expenses	\$ 906,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,036,000	\$ -	\$ 4,942,000	\$ -	\$ 4,942,000
Prepayments for assets acquired	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,344,000	\$ -	\$ 1,344,000	\$ -	\$ 1,344,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.
(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

Consolidating Schedules of Cash Composition December 31, 2016 and 2015

2016	BRIDGE Housing Corporation	BRIDGE Community Impact	Bay Area Senior Services	BRIDGE Property Management Company	BRIDGE Impact Capital	BRIDGE Support Corp. (3)	Housing properties (1)	Other entities (2)	Total
Unrestricted	\$ 28,940,000	\$ 67,000	\$ 1,849,000	\$ 472,000	\$ 256,000	\$ 13,022,000	\$ -	\$ 469,000	\$ 45,075,000
Designated	1,145,000	-	4,714,000	-	-	-	31,195,000	1,268,000	38,322,000
Donor designated	-	2,232,000	-	-	-	-	-	197,000	2,429,000
Total unrestricted cash and cash equivalents	30,085,000	2,299,000	6,563,000	472,000	256,000	13,022,000	31,195,000	1,934,000	85,826,000
Restricted cash and deposits	-	-	-	-	44,000	-	65,973,000	83,000	66,100,000
Total cash and cash equivalents	\$ 30,085,000	\$ 2,299,000	\$ 6,563,000	\$ 472,000	\$ 300,000	\$ 13,022,000	\$ 97,168,000	\$ 2,017,000	\$ 151,926,000
2015									
Unrestricted	\$ 15,215,000	\$ 90,000	\$ 1,724,000	\$ 1,322,000	\$ 446,000	\$ 13,638,000	\$ -	\$ 276,000	\$ 32,711,000
Designated	1,145,000	-	4,399,000	-	-	-	21,735,000	1,202,000	28,481,000
Donor designated	-	393,000	-	-	-	-	-	262,000	655,000
Total unrestricted cash and cash equivalents	16,360,000	483,000	6,123,000	1,322,000	446,000	13,638,000	21,735,000	1,740,000	61,847,000
Restricted cash and deposits	-	-	-	-	61,000	-	64,141,000	2,000	64,204,000
Total cash and cash equivalents	\$ 16,360,000	\$ 483,000	\$ 6,123,000	\$ 1,322,000	\$ 507,000	\$ 13,638,000	\$ 85,876,000	\$ 1,742,000	\$ 126,051,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes entities that control certain housing property entities.

(3) In addition, BRIDGE affiliates held marketable securities of \$11,598,000 and \$11,673,000 as of December 31, 2016 and 2015, respectively.

See Independent Auditor's Report.

BRIDGE Housing Corporation

Schedules of Financial Position December 31, 2016

2016	Corporate	Predevelopment	Subtotal	Eliminations	BRIDGE Housing Corporation
<u>Assets</u>					
Current assets					
Cash and cash equivalents	\$ 30,080,000	\$ 5,000	\$ 30,085,000	\$ -	\$ 30,085,000
Accounts receivable - net	27,572,000	(7,504,000)	20,068,000	207,000	20,275,000
Contributions receivable	-	-	-	-	-
Notes receivable	718,000	-	718,000	-	718,000
Prepaid expenses and deposits	1,604,000	769,000	2,373,000	-	2,373,000
Total current assets	<u>59,974,000</u>	<u>(6,730,000)</u>	<u>53,244,000</u>	<u>207,000</u>	<u>53,451,000</u>
Non-current assets					
Accounts receivable - net of current portion	11,068,000	-	11,068,000	-	11,068,000
Notes receivable - net of current portion	11,889,000	-	11,889,000	-	11,889,000
Prepaid expenses and deposits - net of current portion	303,000	-	303,000	-	303,000
Property and equipment - net	1,171,000	7,848,000	9,019,000	-	9,019,000
Deferred costs - net	-	-	-	-	-
Land under lease and held for development	2,464,000	-	2,464,000	-	2,464,000
Other investments	3,281,000	-	3,281,000	-	3,281,000
Total non-current assets	<u>30,176,000</u>	<u>7,848,000</u>	<u>38,024,000</u>	<u>-</u>	<u>38,024,000</u>
Total assets	<u>\$ 90,150,000</u>	<u>\$ 1,118,000</u>	<u>\$ 91,268,000</u>	<u>\$ 207,000</u>	<u>\$ 91,475,000</u>
<u>Liabilities and Net Assets</u>					
Current liabilities					
Accounts payable and accrued expenses	\$ 3,764,000	\$ 1,082,000	\$ 4,846,000	\$ 207,000	\$ 5,053,000
Notes payable	4,067,000	33,000	4,100,000	-	4,100,000
Interest payable	101,000	-	101,000	-	101,000
Deferred revenues	214,000	-	214,000	-	214,000
Security and other deposits	226,000	-	226,000	-	226,000
Total current liabilities	<u>8,372,000</u>	<u>1,115,000</u>	<u>9,487,000</u>	<u>207,000</u>	<u>9,694,000</u>
Non-current liabilities					
Accounts payable and accrued interest - net of current portion	192,000	-	192,000	-	192,000
Notes payable - net of current portion	16,826,000	-	16,826,000	-	16,826,000
Interest payable - net of current portion	-	-	-	-	-
Security and other deposits - net of current portion	364,000	-	364,000	-	364,000
Total non-current liabilities	<u>17,382,000</u>	<u>-</u>	<u>17,382,000</u>	<u>-</u>	<u>17,382,000</u>
Total liabilities	<u>25,754,000</u>	<u>1,115,000</u>	<u>26,869,000</u>	<u>207,000</u>	<u>27,076,000</u>
Net assets					
Unrestricted: Controlling interests	62,736,000	3,000	62,739,000	-	62,739,000
Temporarily restricted	-	-	-	-	-
Permanently restricted	1,660,000	-	1,660,000	-	1,660,000
Total net assets	<u>64,396,000</u>	<u>3,000</u>	<u>64,399,000</u>	<u>-</u>	<u>64,399,000</u>
Total liabilities and net assets	<u>\$ 90,150,000</u>	<u>\$ 1,118,000</u>	<u>\$ 91,268,000</u>	<u>\$ 207,000</u>	<u>\$ 91,475,000</u>

BRIDGE Housing Corporation

Schedules of Financial Position December 31, 2015

2015	Corporate	Predevelopment	Subtotal	Eliminations	BRIDGE Housing Corporation
<u>Assets</u>					
Current assets					
Cash and cash equivalents	\$ 16,356,000	\$ 4,000	\$ 16,360,000	\$ -	\$ 16,360,000
Accounts receivable - net	20,916,000	(3,519,000)	17,397,000	281,000	17,678,000
Contributions receivable	-	-	-	-	-
Notes receivable	484,000	-	484,000	-	484,000
Prepaid expenses and deposits	1,433,000	18,000	1,451,000	-	1,451,000
Total current assets	39,189,000	(3,497,000)	35,692,000	281,000	35,973,000
Non-current assets					
Accounts receivable - net of current portion	11,146,000	-	11,146,000	-	11,146,000
Notes receivable - net of current portion	12,274,000	-	12,274,000	(7,073,000)	5,201,000
Prepaid expenses and deposits - net of current portion	583,000	-	583,000	-	583,000
Property and equipment - net	1,535,000	14,569,000	16,104,000	-	16,104,000
Deferred costs - net	1,000	-	1,000	-	1,000
Land under lease and held for development	2,464,000	-	2,464,000	-	2,464,000
Other investments	2,875,000	-	2,875,000	-	2,875,000
Total non-current assets	30,878,000	14,569,000	45,447,000	(7,073,000)	38,374,000
Total assets	\$ 70,067,000	\$ 11,072,000	\$ 81,139,000	\$ (6,792,000)	\$ 74,347,000
<u>Liabilities and Net Assets</u>					
Current liabilities					
Accounts payable and accrued expenses	\$ 6,212,000	\$ 955,000	\$ 7,167,000	\$ 281,000	\$ 7,448,000
Notes payable	2,000,000	-	2,000,000	-	2,000,000
Interest payable	44,000	-	44,000	-	44,000
Deferred revenues	182,000	815,000	997,000	-	997,000
Security and other deposits	194,000	-	194,000	-	194,000
Total current liabilities	8,632,000	1,770,000	10,402,000	281,000	10,683,000
Non-current liabilities					
Accounts payable and accrued interest - net of current portion	356,000	-	356,000	-	356,000
Notes payable - net of current portion	16,857,000	8,917,000	25,774,000	(7,073,000)	18,701,000
Interest payable - net of current portion	-	385,000	385,000	-	385,000
Security and other deposits - net of current portion	551,000	-	551,000	-	551,000
Total non-current liabilities	17,764,000	9,302,000	27,066,000	(7,073,000)	19,993,000
Total liabilities	26,396,000	11,072,000	37,468,000	(6,792,000)	30,676,000
Net assets					
Unrestricted: Controlling interests	42,011,000	-	42,011,000	-	42,011,000
Temporarily restricted	-	-	-	-	-
Permanently restricted	1,660,000	-	1,660,000	-	1,660,000
Total net assets	43,671,000	-	43,671,000	-	43,671,000
Total liabilities and net assets	\$ 70,067,000	\$ 11,072,000	\$ 81,139,000	\$ (6,792,000)	\$ 74,347,000

See Independent Auditor's Report.

BRIDGE Housing Corporation and Affiliates

**Schedules of Notes Payable
December 31, 2016 and 2015**

	2016		2015	
	Interest payable	Principal	Interest payable	Principal
Low Income Investment Fund, with interest of 2% per annum payable annually, secured by a promissory note, due December 1, 2025.	\$ 5,000	\$ 2,000,000	\$ -	\$ 2,000,000
The Ford Foundation, unsecured, due in annual installments of \$1,000,000 beginning July 16, 2020, with 1% interest payable quarterly. Loan proceeds are designated to be used in home ownership developments.	-	3,000,000	-	3,000,000
The Ford Foundation, unsecured, due in annual installments of \$1,000,000 beginning September 20, 2018, with 1% interest payable quarterly. Loan proceeds are designated to be lent to BRIC for the Mortgage Assistance Program.	4,000	1,760,000	-	1,828,000
Calvert Social Investment Foundation, unsecured, due December 31, 2018, with 4% interest payable semi-annually with interest payments commencing December 2003.	31,000	1,500,000	-	1,500,000
Community Development Agency of the City of Foster City, non-interest-bearing, secured primarily by a deed of trust. Principal payments are due annually in an amount equal to rental payments received. The note is due in June 2050, with unpaid balance to be forgiven under certain circumstances.	-	616,000	-	616,000
US Bank, unsecured, due October 1, 2017, with interest of 3.25% per annum payable monthly.	4,000	1,500,000	4,000	1,500,000
Wells Fargo Bank, unsecured line of credit, due April 18, 2016, with interest of 1.99% per annum payable monthly.	6,000	2,000,000	10,000	2,000,000
Wells Fargo Bank, unsecured, due October 16, 2018, with interest of 2% per annum payable monthly.	5,000	1,000,000	5,000	1,000,000
Wells Fargo Bank, unsecured, due July 10, 2018, with interest of 2% per annum payable monthly.	5,000	1,000,000	5,000	1,000,000

BRIDGE Housing Corporation and Affiliates

**Schedules of Notes Payable
December 31, 2016 and 2015**

	2016		2015	
	Interest payable	Principal	Interest payable	Principal
Wells Fargo Bank, due May 1, 2018, with interest of 2% per annum payable quarterly.	20,000	4,000,000	20,000	4,000,000
BHAI, affiliate loan, with interest of 2% per annum payable monthly.	21,000	2,600,000	-	-
<u>Others</u>				
Predevelopment notes payable	-	33,000	385,000	2,295,000
Total, gross	101,000	21,009,000	429,000	20,739,000
Debt issuance costs, net	-	83,000	-	38,000
Total, net	101,000	20,926,000	429,000	20,701,000
Less current portion	101,000	4,100,000	44,000	2,000,000
Non-current portion	<u>\$ -</u>	<u>\$ 16,826,000</u>	<u>\$ 385,000</u>	<u>\$ 18,701,000</u>

Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Directors
BRIDGE Housing Corporation and Affiliates

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of BRIDGE Housing Corporation and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2016 and the related consolidated statement of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 26, 2017, which includes an emphasis of matter related to the adoption of a new accounting principal paragraph as indicated on page 2.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered BRIDGE Housing Corporation and Affiliates' internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of BRIDGE Housing Corporation and Affiliates' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether BRIDGE Housing Corporation and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Los Angeles, California
April 26, 2017

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**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF BRIDGE
HOUSING CORPORATION AND AFFILIATES FOR THE SEVEN MONTHS
ENDED JULY 31, 2020**

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BRIDGE Housing Corporation and Affiliates

Consolidated Statement of Financial Position

July 31, 2020

Assets

	<u>July 2020</u>
Cash and cash equivalents	\$ 91,974,000
Accounts receivable - net	7,356,000
Contributions receivable	1,682,000
Notes receivable	22,813,000
Prepaid expenses and deposits	13,520,000
Investments	12,945,000
Impounds	2,124,000
Restricted cash and deposits	120,110,000
Property and equipment - net	2,552,161,000
Deferred costs - net	5,202,000
Land under lease and held for development	4,219,000
Assets held for sale	3,160,000
Other investments	2,655,000
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Total assets	<u>\$ 2,839,921,000</u>

Liabilities and Net Assets

	<u>July 2020</u>
Accounts payable and accrued expenses	\$ 81,805,000
Notes payable	1,870,857,000
Interest payable	151,933,000
Deferred revenues	12,187,000
Security and other deposits	17,421,000
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Total liabilities	<u>2,134,203,000</u>
Net assets	
Without donor restrictions	
Controlling interests	176,342,000
Non-controlling interests	522,120,000
	<hr/>
Total without donor restrictions	698,462,000
With donor restrictions	7,256,000
	<hr/>
Total net assets	<u>705,718,000</u>
	<hr/>
Total liabilities and net assets	<u>\$ 2,839,921,000</u>

BRIDGE Housing Corporation and Affiliates

Consolidated Statement of Activities
Period Beginning January 1, 2020 and ending July 31, 2020

	<u>July 2020</u>
Support and revenue	
Developer fees	\$ 15,295,000
Rental income - net of vacancies and concessions	98,586,000
Management revenue	567,000
Contributions	2,000,000
Investment income	614,000
Other property related	4,219,000
Other	<u>1,704,000</u>
Total support and revenue	<u>122,985,000</u>
Expenses	
Program services	145,105,000
Supporting services	4,814,000
Fundraising	<u>450,000</u>
Total expenses	<u>150,369,000</u>
Change in net assets	(27,384,000)
Net assets, beginning of year	670,272,000
Net capital contribution - non-controlling interest	<u>62,830,000</u>
Net assets, end of year	<u><u>\$ 705,718,000</u></u>

BRIDGE Housing Corporation and Affiliates
Consolidating Schedules of Financial Position
July 31, 2020

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Assets										
Cash and cash equivalents	\$ 19,386,000	\$ 1,057,000	\$ 273,000	\$ 703,000	\$ 11,302,000	\$ 56,987,000	\$ 2,266,000	\$ 91,974,000	\$ -	\$ 91,974,000
Accounts receivable - net	64,464,000	4,000	21,000	5,000	-	4,609,000	11,947,000	81,050,000	(73,694,000)	7,356,000
Contributions receivable	-	1,682,000	-	-	-	-	-	1,682,000	-	1,682,000
Notes receivable	24,558,000	1,203,000	-	2,133,000	1,244,000	19,969,000	85,857,000	134,964,000	(112,151,000)	22,813,000
Prepaid expenses and deposits	1,904,000	3,000	9,000	10,000	-	13,252,000	242,000	15,420,000	(1,900,000)	13,520,000
Investments	199,000	2,003,000	-	-	10,743,000	-	-	12,945,000	-	12,945,000
Impounds	-	-	-	-	-	2,124,000	-	2,124,000	-	2,124,000
Restricted cash and deposits	-	-	-	26,000	-	119,070,000	1,014,000	120,110,000	-	120,110,000
Property and equipment - net	13,832,000	161,000	-	-	-	2,541,664,000	20,727,000	2,576,384,000	(24,223,000)	2,552,161,000
Deferred costs - net	-	-	-	-	-	5,182,000	251,000	5,433,000	(231,000)	5,202,000
Land under lease and held for development	2,464,000	-	-	-	-	-	1,755,000	4,219,000	-	4,219,000
Asset held for sale	-	-	-	-	-	-	3,160,000	3,160,000	-	3,160,000
Other investments	8,341,000	-	-	-	-	-	45,354,000	53,695,000	(51,040,000)	2,655,000
Total assets	\$ 135,148,000	\$ 6,113,000	\$ 303,000	\$ 2,877,000	\$ 23,289,000	\$ 2,762,857,000	\$ 172,573,000	\$ 3,103,160,000	\$ (263,239,000)	\$ 2,839,921,000
Liabilities and Net Assets										
Accounts payable and accrued expenses	\$ 10,798,000	\$ 1,290,000	\$ 92,000	\$ 332,000	\$ -	\$ 137,244,000	\$ 25,920,000	175,676,000	\$ (93,871,000)	\$ 81,805,000
Notes payable - current portion	31,596,000	2,000,000	-	483,000	-	1,919,873,000	29,551,000	1,983,503,000	(112,646,000)	1,870,857,000
Interest payable - current portion	112,000	24,000	-	58,000	-	157,492,000	3,683,000	161,369,000	(9,436,000)	151,933,000
Deferred revenues - current portion	-	-	-	-	-	11,993,000	2,985,000	14,978,000	(2,791,000)	12,187,000
Security and other deposits	345,000	-	-	-	-	17,042,000	34,000	17,421,000	-	17,421,000
Total liabilities	42,851,000	3,314,000	92,000	873,000	-	2,243,644,000	62,173,000	2,352,947,000	(218,744,000)	2,134,203,000
Net assets										
Without donor restrictions										
Controlling interests	89,677,000	(1,724,000)	211,000	2,004,000	23,289,000	20,146,000	87,239,000	220,842,000	(44,500,000)	176,342,000
Non-controlling interests	-	-	-	-	-	498,954,000	23,161,000	522,115,000	5,000	522,120,000
Total without donor restrictions	89,677,000	(1,724,000)	211,000	2,004,000	23,289,000	519,100,000	110,400,000	742,957,000	(44,495,000)	698,462,000
With donor restrictions										
Total with donor restrictions	2,620,000	4,523,000	-	-	-	113,000	-	7,256,000	-	7,256,000
Total net assets	92,297,000	2,799,000	211,000	2,004,000	23,289,000	519,213,000	110,400,000	750,213,000	(44,495,000)	705,718,000
Total liabilities and net assets	\$ 135,148,000	\$ 6,113,000	\$ 303,000	\$ 2,877,000	\$ 23,289,000	\$ 2,762,857,000	\$ 172,573,000	\$ 3,103,160,000	\$ (263,239,000)	\$ 2,839,921,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

BRIDGE Housing Corporation and Affiliates

**Consolidating Schedules of Activities
Period Beginning January 1, 2020 and ending July 31, 2020**

	BRIDGE Housing Corporation	BRIDGE Community Impact	BRIDGE Property Management	BRIDGE Impact Capital	BRIDGE Support Corp.	Housing properties (1)	Other entities (2)	Subtotal	Eliminations	Total
Support and revenue										
Developer fees	\$ 15,299,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,064,000	\$ 18,363,000	\$ (3,068,000)	\$ 15,295,000
Rental income - net of vacancies and concessions	82,000	-	-	-	-	98,390,000	289,000	98,761,000	(174,000)	98,587,000
Management revenue	4,033,000	-	4,086,000	33,000	-	60,000	(3,317,000)	4,895,000	(4,327,000)	568,000
Contributions	59,000	869,000	-	-	-	534,000	538,000	2,000,000	-	2,000,000
Interest income	977,000	35,000	-	40,000	39,000	650,000	1,177,000	2,918,000	(2,302,000)	616,000
Other property related	-	-	-	-	-	4,218,000	-	4,218,000	-	4,218,000
Other	1,000	-	-	88,000	1,605,000	-	10,000	1,704,000	-	1,704,000
Total support and revenue	20,451,000	904,000	4,086,000	161,000	1,644,000	103,852,000	1,761,000	132,859,000	(9,871,000)	122,988,000
Expenses										
Program services	11,329,000	1,833,000	3,868,000	151,000	1,198,000	136,966,000	4,892,000	160,237,000	(15,131,000)	145,106,000
Supporting services	4,200,000	-	-	7,000	-	537,000	71,000	4,815,000	-	4,815,000
Fundraising	450,000	-	-	-	-	-	-	450,000	-	450,000
Total expenses	15,979,000	1,833,000	3,868,000	158,000	1,198,000	137,503,000	4,963,000	165,502,000	(15,131,000)	150,371,000
Changes in net assets	4,472,000	(929,000)	218,000	3,000	446,000	(33,651,000)	(3,202,000)	(32,643,000)	5,260,000	(27,383,000)
Net assets, beginning	87,825,000	3,728,000	(7,000)	2,001,000	22,843,000	485,869,000	112,064,000	714,323,000	(44,051,000)	670,272,000
Net capital contributions	-	-	-	-	-	66,995,000	1,538,000	68,533,000	(5,704,000)	62,829,000
Net assets, end	\$ 92,297,000	\$ 2,799,000	\$ 211,000	\$ 2,004,000	\$ 23,289,000	\$ 519,213,000	\$ 110,400,000	\$ 750,213,000	\$ (44,495,000)	\$ 705,718,000

(1) Includes properties owned by separate entities in the form of limited partnerships, limited liability companies, or not-for-profit corporations.

(2) Includes properties that control certain housing property entities.

AFFORDABLE HOUSING REAL ESTATE PORTFOLIO

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AFFORDABLE HOUSING REAL ESTATE PORTFOLIO –
EXCLUDING PROPERTIES IN THE LEASE-UP PHASE IN FY2019



Affordable Housing Real Estate Portfolio (Excluding Leasing)
As Of - December 31, 2019

Certificate of Occ Date <= 12/31/2019
Rounded to nearest \$100

Project Status: Leasing (CoO date received in current year), Operational (CoO date in prior year, but no perm conversion), Stabilized (Post perm conversion date)

Property	City	State	Ownership Entity	BRIDGE Ownership Interest	Unit Count	Target Population	LIHTC Project	Construction Type	Year Built	Last Major Rehab Year	Project Status	YTD Economic Occ	NOI	Must-Pay Annual Debt Svc	Required Reserve Deposits	Cash Flow after Debt Service & Reserves	DCR (after reserves)	Must-Pay Loan Balance(s)	Subordinate Soft Debt Balance	Must-Pay Maturity Dates	Rental Subsidy	Investor	Lender	
25 Sanchez(0366)	San Francisco	CA	25 Sanchez Housing Associates, L.P.	0.01%	90	Senior	Yes	Acquisition	1972	2017	Stabilized	93.20%	482,100	244,100	54,000	183,900	1.75	2,867,800	20,763,400	2/1/2035	PEV	Bank of America	Bank of America	
255 Woodside (0368)	San Francisco	CA	255 Woodside Housing Associates, L.P.	0.01%	109	Senior	Yes	Acquisition	1972	2017	Stabilized	94.30%	799,000	348,100	65,400	385,500	2.11	4,168,600	24,106,700	02/01/2035	PEV	Bank of America	Bank of America	
3850 18th Street (0370)	San Francisco	CA	3850 18th Street Housing Associates, L.P.	0.01%	107	Senior	Yes	Acquisition	1971	2018	Stabilized	98.76%	838,900	497,100	64,200	277,600	1.56	8,439,700	24,086,200	11/1/2036	PEV	Bank of America	Bank of America	
462 Duboce (0367)	San Francisco	CA	462 Duboce Housing Associates, L.P.	0.01%	42	Senior	Yes	Acquisition	1971	2017	Stabilized	93.81%	117,300	55,000	16,800	45,500	1.83	405,500	14,812,500	2/1/2033	PEV	Bank of America	Bank of America	
474 Natoma Apartments (0296)	San Francisco	CA	Natoma Family Housing, L.P.	0.01%	60	Family	Yes	New Construction	2014		Stabilized	96.19%	853,300	110,300	255,700	487,400	5.42	996,400	15,571,500	12/01/2028		Bank of America	Bank of America	
Acom I and II (0188)	Oakland	CA	BRIDGE West Oakland Housing, Inc.	100%	206	Family	No	Acquisition	1965	1999	Stabilized	97.85%	92,800	0	62,500	30,300	N/A	0	1,015,000	N/A	N/A	PBRA	N/A	N/A
Acom III (0200)	Oakland	CA	BOMH, Inc.	100%	87	Family	No	Acquisition	1965	1999	Stabilized	96.23%	34,300	0	21,800	12,500	N/A	0	1,108,500	N/A	N/A	PBRA	N/A	N/A
Alamany (0372)	San Francisco	CA	Alamany Housing Associates LP	0.01%	150	Family	Yes	Acquisition	1971	2019	Stabilized	94.34%	1,447,500	296,800	16,200	1,134,500	4.82	28,239,000	58,336,800	11/1/2037	PEV	Bank of America	Bank of America	
Almaden Lake Apartments (0153)	San Jose	CA	WINFIELD HILL ASSOCIATES, A CALIFORNIALIMITED PARTNERSHIP	100%	144	Family	Yes	New Construction	1994		Stabilized	99.18%	1,096,400	451,800	72,000	572,600	2.27	9,140,200	6,339,300	10/1/2029		N/A	US Bank N.A.	
Alta Torre (0249)	Palo Alto	CA	Fabian Way Associates	0.01%	56	Mixed	Yes	New Construction	2010		Stabilized	99.47%	103,600	21,600	0	82,000	4.80	0	7,920,400	N/A	N/A	Union Bank	N/A	
Alto Station (0142)	Mill Valley	CA	Alto Station, Inc.	100%	17	Family	No	New Construction	1993		Stabilized	95.21%	51,500	33,900	16,300	1,300	1.04	128,500	990,500	5/1/2024		N/A	JP Morgan Chase	
Armstrong Commercial (0342)	San Francisco	CA	BRIDGE Economic Development Corporation	100%	0	Commercial	No	New Construction	2010		Stabilized	100.00%	(27,800)	0	0	(27,800)	N/A	0	2,639,900	N/A	N/A	N/A	N/A	
Armstrong Place Senior Housing (0360)	San Francisco	CA	Armstrong Place Associates, a California Limited Partnership	0.01%	116	Mixed	Yes	New Construction	2010		Stabilized	99.22%	192,100	38,000	103,900	50,200	2.32	0	27,455,900	N/A	PBRA, LOSP	Enterprise Green Communities	N/A	
Arroyo Point (0263)	Santa Rosa	CA	Jennings Avenue Associates, a California Limited Partnership	0.01%	70	Family	Yes	New Construction	2007		Stabilized	99.09%	1,085,100	191,800	38,600	854,700	5.46	2,023,500	7,426,800	12/1/2037		MMA Financial	Citibank	
AveVista (0327)	Oakland	CA	AveVista Associates LP	0.01%	68	Family	Yes	New Construction	2016		Stabilized	99.49%	747,200	486,300	34,000	226,900	1.47	6,597,500	9,404,700	09/30/2051	PEV	Wells Fargo Affordable Housing Community Development	JP Morgan Chase	
AveVista Commercial (0394)	Oakland	CA	AveVista Commercial LLC	100%	0	Commercial	Yes	New Construction	2016		Stabilized	0.00%	(32,600)	0	0	(32,600)	N/A	0	0	N/A	N/A	N/A	N/A	
Belvedere Place (0224)	San Rafael	CA	CANAL HOUSING ASSOCIATES, A CALIFORNIALIMITED PARTNERSHIP	100%	26	Family	Yes	Acquisition	1959	2002	Stabilized	99.34%	198,100	105,600	9,600	82,900	1.79	914,000	2,418,500	5/1/2033		N/A	CalIFA	
Casa Vista (0234)	San Rafael	CA	Casa Vista Housing LLC	100%	40	Family	No	Acquisition	1960	2002	Stabilized	98.59%	304,800	223,500	37,200	44,000	1.20	3,575,400	1,907,300	10/1/2029		N/A	US Bank N.A.	
Cladon at 9th & Broadway 4% (0348)	San Diego	CA	Broadway Upper Tower Associates, L.P.	0.01%	121	Family	Yes	New Construction	2015		Stabilized	94.95%	303,100	145,300	48,400	109,400	1.75	1,236,300	18,914,800	8/1/2030	PEV	US Bancorp	US Bank N.A.	
Cladon at 9th & Broadway 9% (0313)	San Diego	CA	Broadway Tower Associates, L.P.	0.01%	129	Mixed	Yes	New Construction	2015		Stabilized	90.89%	295,000	39,500	77,400	138,100	4.50	9,405,523	5,222,188	10/27/2021	COSR	US Bancorp	State of California Department of Housing and Community Development	
CenterTown (0126)	San Rafael	CA	CenterTown Associates	50.5%	60	Family	Yes	New Construction	1992		Stabilized	96.58%	368,000	17,772	49,200	318,700	4.44	236,300	3,266,300	1/1/2022		N/A	Citibank	
Chelsea Gardens (0207)	Santa Rosa	CA	CHELSEA GARDENS ASSOCIATES, A CALIFORNIALIMITED PARTNERSHIP	0.1%	120	Mixed	Yes	Acquisition	1981	2018	Stabilized	96.57%	1,537,600	317,100	30,000	1,190,500	4.75	2,405,500	968,700	12/23/2029	PBRA	Union Bank	CalIFA	
Chesnut Campus Inc (8013)	Oakland	CA	Chesnut Campus Inc	100%	0	Commercial	Yes	New Construction	2015		Stabilized	100.00%	307,200	248,500	0	58,700	1.24	9,120,000	0	11/20/2049		N/A	BCD's Subsidiary CDE II LLC	
Chesnut Creek (0211)	South San Francisco	CA	Chesnut Creek, Inc.	100%	40	Senior	No	New Construction	2003		Stabilized	98.97%	683,300	0	665,200	18,100	N/A	0	3,420,200	N/A	PBRA	N/A	N/A	
Chesnut Linden Court (0227)	Oakland	CA	Chesnut Linden Associates	0.01%	151	Family	Yes	New Construction	2003		Stabilized	99.05%	309,000	0	61,100	247,900	N/A	0	15,772,300	N/A	ACC	Alliant Tax Credit	N/A	
Church Street (0403)	San Francisco	CA	Hermann Street Associates, LP	0.01%	93	Family	Yes	New Construction	2002		Operational	99.65%	1,019,100	0	23,300	995,900	N/A	0	35,806,900	N/A	PEV	Maritt Community Capital	N/A	
Coggins Square (0186)	Walnut Creek	CA	COGGINS SQUARE ASSOCIATES, A CALIFORNIALIMITED PARTNERSHIP	100%	87	Family	Yes	New Construction	2001		Stabilized	96.46%	846,700	429,200	33,900	383,600	1.89	0	6,326,200	N/A	PBRA	N/A	N/A	
Coleridge Park (0109)	San Francisco	CA	Bernal Senior Housing Partners, a California Limited Partnership	30%	49	Senior	No	New Construction	1989	2006	Stabilized	94.51%	165,300	93,600	42,900	28,900	1.31	870,900	911,000	7/1/2032		N/A	City and County of San Francisco	
Copper Creek 4% (0226)	San Marcos	CA	Copper Creek 4% Housing Associates, L.P.	100%	156	Family	Yes	New Construction	2005		Stabilized	96.09%	400,100	326,500	46,800	26,800	1.08	3,176,800	11,244,700	2/1/2036		N/A	CalIFA	
Copper Creek 9% (0264)	San Marcos	CA	Copper Creek 9% Housing Associates, L.P.	100%	48	Family	Yes	New Construction	2005		Stabilized	97.38%	74,200	44,800	14,400	15,100	1.34	32,700	1,155,300	9/1/2020		N/A	CalIFA	
Coronado Springs (0385)	Seattle	WA	Coronado Housing Associates LLC	100%	184	Family	Yes	Acquisition	1962		Stabilized	94.84%	2,296,300	968,600	48,100	1,279,500	2.32	20,000,000	0	7/1/2020		N/A	Key Bank	
Coronado Springs Cottages (0423)	Seattle	WA	Coronado Springs Cottages LLLP	100%	148	Family	Yes	Acquisition	1962		Operational	89.14%	618,400	0	0	618,400	N/A	0	0	N/A	N/A	N/A	N/A	
Cottonwood Creek (0262)	Suisun City	CA	Cottonwood Creek Housing Associates, L.P.	0.01%	94	Family	Yes	New Construction	2008		Stabilized	97.04%	202,700	133,400	59,000	10,300	1.08	1,296,300	12,623,500	4/15/2020		Union Bank	California Community Redevelopment Corp (COSR)	
Doretha Mitchell (0179)	Marin City	CA	Drake Marin Associates	1%	30	Family	Yes	New Construction	1997		Stabilized	100.00%	227,700	114,400	12,000	101,200	1.88	1,014,500	157,300	10/1/2037		The Richman Group	CalIFA	
Dove Canyon (0241)	San Diego	CA	White Dove Canyon Housing Associates, L.P.	0.01%	120	Family	Yes	New Construction	2004		Stabilized	96.27%	648,000	498,800	41,000	108,300	1.22	5,885,000	1,304,100	1/1/2040		Union Bank	Citibank	



Affordable Housing Real Estate Portfolio (Excluding Leasing)
As Of - December 31, 2019

Certificate of Occ Date <= 12/31/2019
Rounded to nearest \$100

Project Status: Leasing (CoO date received in current year), Operational (CoO date in prior year, but no perm conversion), Stabilized (Post perm conversion date)

Property	City	State	Ownership Entity	BRIDGE Ownership Interest	Unit Count	Target Population	LIHTC Project	Construction Type	Year Built	Last Major Rehab Year	Project Status	YTD Economic Occ	NOI	Must-Pay Annual Debt Svc	Required Reserve Deposits	Cash Flow after Debt Service & Reserves	DCR (after reserves)	Must-Pay Loan Balance(s)	Subordinate Soft Debt Balance	Must-Pay Maturity Dates	Rental Subsidy	Investor	Lender
Emery Villa (0133)	Emeryville	CA	Emeryville Senior Housing, Inc.	100%	50	Senior	No	New Construction	1992	2013	Stabilized	97.46%	811,900	245,700	22,500	543,800	3.21	3,486,300	0	10/1/2024	PBRA	NA	Prudential MultiFamily Mortgage, LLC
Fell Street Apartments (0340)	San Francisco	CA	Cough Street Housing Associates, L.P.	0.01%	82	Family	Yes	New Construction	1994	2012	Stabilized	98.57%	425,600	182,700	33,000	209,900	2.15	2,433,500	4,940,800	8/1/2031		Wells Fargo Affordable Housing Community Development	Citibank
Foothill Farms (0329)	Sacramento	CA	Foothill Farms Associates, L.P.	0.01%	138	Senior	Yes	New Construction	2012		Stabilized	98.12%	196,100	122,400	55,200	17,500	1.14	830,000	8,500,000	1/1/2029		Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)
Geraldine Johnson (0183)	San Francisco	CA	Bayview Senior Housing, Inc.	100%	54	Senior	No	New Construction	1999		Stabilized	96.18%	24,700	0	23,500	1,100	N/A	0	0	N/A	PBRA	N/A	N/A
Grand Oak (0271)	South San Francisco	CA	Grand Oak Associates	0.01%	43	Family	Yes	New Construction	2007		Stabilized	97.86%	180,900	132,300	26,800	21,800	1.16	1,359,700	7,075,300	3/1/2038		MMA Financial	JP Morgan Chase
Grayson Creek (0203)	Pleasant Hill	CA	BRIDGE Grayson Creek Associates	100%	70	Family	Yes	New Construction	2003		Stabilized	99.66%	528,900	389,200	28,000	111,700	1.29	3,660,000	7,749,900	10/1/2033	RDIA	NA	CalIFA
Heritage Square (0353)	Pasadena	CA	Heritage Square Housing Partners, L.P.	0.01%	70	Senior	Yes	New Construction	2016		Stabilized	99.88%	567,300	312,300	18,300	236,600	1.76	4,941,000	1,536,600	06/01/2035	PBV	Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)
Holly Courts (0369)	San Francisco	CA	Holly Courts Housing Associates LP	0.01%	118	Family	Yes	Acquisition	1940	2017	Stabilized	96.63%	1,635,700	783,600	79,600	772,500	1.99	9,577,900	29,866,400	02/01/2035	PBV	Bank of America	Bank of America
Hunt's Grove (0119)	St. Helena	CA	Hunt Avenue Associates, a California Limited Partnership	100%	56	Family	Yes	New Construction	1992		Stabilized	99.12%	204,100	51,600	29,900	122,600	3.38	127,900	3,023,800	8/1/2022		NA	Citibank
Inhorses at Central Station (0287)	Oakland	CA	14th Street Associates	0.01%	99	Family	Yes	New Construction	2009		Stabilized	97.13%	614,300	329,600	59,400	225,300	1.68	3,522,100	17,178,400	12/21/2065	PBV	US Bancorp	Union Bank
Ingrington Terrace (0265)	Fremont	CA	Ingrington Development Group, L.P.	0.01%	100	Family	Yes	New Construction	2007		Stabilized	95.98%	346,800	267,200	76,100	3,500	1.01	2,723,300	11,803,800	4/1/2038		MMA Financial	California Community Reinvestment Corp. (CCRC)
Iyat College Park (0346)	Chino	CA	Iyat College Park, L.P.	0.01%	135	Family	Yes	New Construction	2014		Stabilized	95.45%	446,300	230,100	81,000	135,100	1.59	3,185,600	15,202,300	N/A		Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)
Iyat College Park Phase II (0376)	Chino	CA	BHC College Park II LP	0.01%	200	Family	Yes	New Construction	2017		Stabilized	94.37%	1,152,700	855,300	50,000	247,400	1.29	15,370,900	7,847,400	11/1/2033		NHT Equity, LLC	Prudential MultiFamily Mortgage, LLC
Kentfield (0293)	Stockton	CA	Kentfield Associates	0.01%	90	Family	Yes	Acquisition	1963	2009	Stabilized	96.40%	265,000	127,600	44,400	93,000	1.73	1,741,700	9,160,900	12/1/2045		Bank of America	Bank of America
La Pradera (0156)	Calistoga	CA	CALISTOGA BRANNAN HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	48	Family	Yes	New Construction	1994		Stabilized	99.51%	139,700	44,800	32,200	62,700	2.40	191,500	2,275,000	7/1/2024		NA	Citibank
Laguna Canyon (0240)	Irvine	CA	Laguna Canyon Housing Associates	0.01%	120	Family	Yes	New Construction	2006		Stabilized	96.69%	865,300	561,900	38,400	265,000	1.47	6,992,700	2,713,200	12/1/2041		Irvine Company	Citibank
Mabuhay Court (0205)	San Jose	CA	Northside Housing Associates, a California Limited Partnership	100%	96	Senior	Yes	New Construction	2003		Stabilized	98.06%	333,200	126,600	70,800	135,800	2.07	1,155,100	7,779,900	5/1/2033		NA	Citibank
Madera Vista (0321)	Temecula	CA	Summerhouse Housing Associates, L.P.	0.01%	80	Family	Yes	New Construction	2014		Stabilized	96.62%	246,800	203,900	27,000	15,800	1.08	3,119,900	7,775,300	N/A		Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)
Madera Vista Phase 3 (0359)	Temecula	CA	Summerhouse Housing 3, L.P.	0.01%	30	Family	Yes	New Construction	2017		Stabilized	98.85%	171,900	102,600	10,500	58,800	1.57	1,715,200	3,334,600	1/1/2035	PBV	National Equity Fund (NEF)	Citibank
Magnolia Plaza (0106)	South San Francisco	CA	South San Francisco Magnolia Plaza Associates	25%	125	Senior	Yes	New Construction	1988		Stabilized	96.22%	1,083,500	573,600	35,600	474,200	1.83	9,196,900	0	7/1/2022		NA	Wells Fargo Bank
Mandela Commercial (0253)	Oakland	CA	Mandela Gateway Commercial, LLC	100%	0	Commercial	No	New Construction	2008		Stabilized	14.00%	(21,300)	100,600	0	(121,900)	N/A	1,002,900	0	6/13/2020		NA	Presidio Bank
Mandela Gateway Apartments (0246)	Oakland	CA	MANDELA GATEWAY ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	0.01%	168	Family	Yes	New Construction	2005		Stabilized	99.02%	1,145,600	226,800	61,900	856,900	4.78	1,028,700	7,884,500	1/1/2020	PBV, ACC	Centrine Oakland Partners Inc.	CalIFA
Marela Ala (0306)	San Leandro	CA	Alameda Housing Associates, L.P.	0.01%	115	Family	Yes	New Construction	2017		Stabilized	97.11%	454,484	169,500	69,000	215,984	2.27	5,037,500	20,981,900	6/20/2054		Wells Fargo Affordable Housing Community Development	Wells Fargo Bank
Marina Tower Annex (0221)	Vallejo	CA	Marina Annex Associates	99.99%	57	Senior	Yes	Acquisition	1978	2002	Stabilized	93.68%	360,500	69,600	20,300	270,500	4.88	607,300	457,700	2/1/2032	PBRA	NA	CalIFA
Marina Tower Apartments (0273)	Vallejo	CA	Marina Tower Associates	99.99%	155	Senior	Yes	Acquisition	1975	2006	Stabilized	96.03%	591,800	453,600	45,400	92,800	1.20	4,138,400	1,949,000	8/1/2032	PBRA	NA	Union Bank
Metro Center (0349)	Foster City	CA	Metro Senior Homes, Inc.	100%	60	Senior	Yes	New Construction	1997	2014	Stabilized	99.23%	53,500	0	48,000	5,600	N/A	0	6,953,800	N/A		NA	N/A
Mission Dolores (0371)	San Francisco	CA	Mission Dolores Housing Associates LP	0.01%	91	Senior	Yes	Acquisition	1971	2018	Stabilized	96.81%	863,600	531,400	54,600	277,700	1.52	9,780,700	21,225,200	11/1/2036	PBV	Bank of America	Bank of America
Montervista Apartments (0173)	Milpitas	CA	Milpitas Housing Associates, a California Limited Partnership	100%	306	Family	Yes	New Construction	1999		Operational	97.23%	3,338,800	809,400	58,200	2,471,300	4.05	0	36,029,600	9/29/2039		NA	CalIFA
Mural Apartments (0297)	Oakland	CA	MacArthur Telegraph Associates, L.P.	0.01%	90	Family	Yes	New Construction	2016		Stabilized	98.28%	712,000	302,800	55,200	354,000	2.17	3,837,100	19,512,000	02/01/2031	PBV	Union Bank	US Bank N.A.
North Beach Place (0213)	San Francisco	CA	North Beach Housing Associates	0.01%	341	Mixed	Yes	New Construction	2004		Stabilized	99.12%	4,656,800	1,835,100	119,400	2,702,400	2.47	11,127,100	27,489,100	1/1/2021	PBV, ACC	Centrine Oakland Partners Inc.	Citibank
North Beach Retail Associates, Inc. (NBRA) (0402)	San Francisco	CA	North Beach Retail Associates, LLC	46.11%	0	Commercial	No	New Construction	2004		Stabilized	100.00%	923,700	498,000	10,000	407,700	1.82	2,411,900	125,400	05/01/2025		NA	Union Bank
Northpoint Village Apartments I (0177)	Santa Rosa	CA	Northpoint Housing Associates, a California Limited Partnership	100%	70	Family	Yes	New Construction	1999		Stabilized	96.98%	135,500	64,000	30,200	41,300	1.65	441,500	2,672,200	3/1/2030		NA	WestAmerica Bank
Northpoint Village Apartments II (0178)	Santa Rosa	CA	Northpoint II Housing Associates, L.P.	100%	40	Family	Yes	New Construction	2000		Stabilized	98.38%	125,400	66,200	28,100	31,100	1.47	479,000	1,310,000	3/1/2031		NA	WestAmerica Bank



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Dak Circle (0220)	San Jose	CA	Roberts Avenue Senior Housing, L.P.	100%	100	Senior	Yes	New Construction	2003		Stabilized	99.20%	324,900	241,200	36,800	47,000	1.19	2,387,800	5,908,000	11/1/2033		NA	CalIFA
Oceanview (0377)	Pacificca	CA	Oceanview Housing Associates, LP	0.01%	100	Senior	Yes	Acquisition	1973	2016	Stabilized	97.53%	899,700	599,700	37,500	302,500	1.54	9,179,500	11,812,000	7/31/2057	PBV	Merit Community Capital Fund XVII LP	CalIFA
Ohlone Court (0168)	San Jose	CA	Ohlone Housing Associates, a California Limited Partnership	100%	135	Family	Yes	New Construction	1997		Stabilized	99.68%	717,900	287,400	92,000	392,400	2.37	1,745,000	6,017,200	9/1/2027		NA	Citibank
Pacific Oaks (0083)	Pacificca	CA	Pacific Oaks Associates	25%	104	Senior	Yes	New Construction	1988	2015	Stabilized	97.96%	972,600	410,500	31,500	470,600	2.15	6,893,200	0	7/1/2022		NA	Wells Fargo Bank
Paseo at COMM22 (0343)	San Diego	CA	COMM22 Family Housing, L.P.	0.01%	130	Family	Yes	New Construction	2015		Stabilized	97.25%	614,300	264,800	65,000	284,500	2.07	3,173,200	21,736,500	09/01/2044		AEGON USA Realty Advisors Inc.	Bank of America
Peninsula Park (0209)	E. Palo Alto	CA	Nairobi Housing Associates, A California Limited Partnership	100%	129	Family	Yes	New Construction	2001		Stabilized	99.85%	1,350,100	627,300	49,900	672,900	2.07	11,451,800	5,449,500	10/1/2029		NA	US Bank N.A.
Pickmeeweed (0103)	Mill Valley	CA	Alto Station, Inc.	100%	32	Family	No	New Construction	1986	2002	Stabilized	99.83%	231,800	125,700	44,300	61,700	1.49	1,064,100	0	7/1/2031		NA	CalIFA
Pinole Grove Senior Housing (0341)	Pinole	CA	John Street Housing Associates, L.P.	0.01%	70	Senior	Yes	New Construction	1994	2012	Stabilized	97.08%	187,000	94,300	23,700	68,900	1.73	1,256,700	5,270,100	7/1/2030		Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)
Poinsettia Station (0215)	Carlsbad	CA	Poinsettia Housing Associates	100%	92	Family	Yes	New Construction	2000		Stabilized	97.37%	698,300	352,900	38,900	306,500	1.87	7,181,900	0	10/1/2029		NA	US Bank N.A.
Pottery Court (0209)	Lake Elsinore	CA	Pottery Court Housing Associates, L.P.	0.01%	113	Family	Yes	New Construction	2012		Stabilized	92.88%	181,300	74,500	76,400	30,400	1.41	853,200	11,163,400	1/1/2031		Wachovia Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)
Rama Apartments (0398)	Portland	OR	Nurture 247 Limited Partnership	0.01%	138	Family	Yes	Acquisition	2011		Stabilized	97.16%	1,090,000	915,500	0	174,600	1.19	13,492,700	21,190,600	4/1/2027		USB LIHTC Fund 2009-2	US Bank N.A.
Redwood Shores (0159)	Vallejo	CA	Redwood Shores Senior Housing, Inc.	100%	120	Senior	No	New Construction	1997		Stabilized	97.54%	1,548,900	0	1,537,700	11,200	NA	0	0	NA	PBRA	NA	NA
Richmond City Center Apartments (0354)	Richmond	CA	Richmond Housing Associates, L.P.	0.01%	64	Family	Yes	New Construction	1993	2014	Stabilized	99.02%	284,800	143,700	27,000	114,100	1.79	1,160,800	2,807,000	4/20/2029	PBV	Raymond James Housing Opportunities Fund 1 LLC	US Bank N.A.
Rotary Valley (0169)	San Rafael	CA	ROTARY VALLEY ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	80	Senior	Yes	New Construction	1997		Stabilized	98.01%	134,900	56,500	47,900	30,600	1.54	383,300	1,077,000	11/1/2027		NA	WestAmerica Bank
Sage Canyon (0267)	San Marcos	CA	Area F1 Housing Associates, L.P.	0.01%	72	Family	Yes	New Construction	2007		Stabilized	97.33%	185,300	123,000	42,700	19,600	1.16	1,171,700	7,562,800	10/1/2037		National Equity Fund (NEF)	Union Bank
Sage Park (0318)	Los Angeles	CA	BHC Sage Park, L.P.	0.01%	90	Family	Yes	New Construction	2014		Stabilized	99.18%	562,000	231,900	146,700	183,500	1.79	3,304,800	4,044,700	4/1/2033		Bank of America	California Community Reinvestment Corp. (CCRC)
San Paulo Apartments (0143)	Inhne	CA	San Rafael Apartments L.P.	1%	382	Family	Yes	New Construction	1993		Stabilized	92.99%	4,150,400	0	0	4,150,400	NA	0	60,298,700	NA		Inhne Apartment Communities, LP (IAC)	NA
San Rafael Commons (0233)	San Rafael	CA	Sannaf Associates, a California Limited Partnership	0.1%	83	Senior	Yes	Acquisition	1979	2002	Stabilized	93.62%	1,157,100	604,400	30,000	522,700	1.86	4,560,000	2,391,000	12/1/2031	PBRA	Union Bank	NA
Santa Alicia (0175)	Inhne	CA	Santa Alicia Family Housing Associates	100%	84	Family	Yes	New Construction	1996		Stabilized	99.25%	644,300	197,900	44,500	401,900	3.03	4,462,800	5,000	10/1/2029		NA	US Bank N.A.
Silverado Creek (0191)	Napa	CA	Silverado Creek Partners, a California Limited Partnership	100%	102	Family	Yes	New Construction	2000		Stabilized	99.36%	439,300	229,400	41,000	168,900	1.74	1,876,000	5,187,500	6/1/2031		NA	Bank of America
Silka (0378)	Portland	OR	Block 14 LP	100%	209	Family	Yes	Acquisition	2005		Stabilized	96.54%	1,464,800	1,000,800	66,000	398,000	1.40	9,998,900	7,758,400	07/31/2021		NA	US Bank N.A.
St. Joseph's Senior Apartments (0324)	Oakland	CA	St. Joseph's Senior, L.P.	0.01%	84	Senior	Yes	Acquisition	1912	2011	Stabilized	95.28%	732,500	351,400	50,400	330,700	1.94	3,039,400	16,052,000	2/1/2032	PBV	Union Bank	US Bank N.A.
Skamboat Point Apartments (0092)	San Francisco	CA	South Beach Family Associates, a California Limited Partnership	100%	108	Family	Yes	New Construction	1992		Stabilized	97.40%	684,100	95,900	90,700	497,500	6.19	283,900	4,174,800	1/1/2023		NA	Citibank
Strobridge Court (0170)	Castro Valley	CA	STROBRIDGE HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	1%	96	Mixed	Yes	New Construction	1998		Stabilized	97.91%	321,300	196,900	80,000	44,400	1.23	1,274,300	1,264,300	2/1/2028		Edison Capital Housing Investments	Citibank
Sycamore Place (0222)	Danville	CA	Danville Senior Housing Associates	100%	74	Senior	Yes	New Construction	2003		Stabilized	97.40%	189,500	78,400	29,600	81,500	2.04	1,117,900	5,239,800	12/31/2020		NA	Century Housing Corporation
Terra Cotta (0184)	San Marcos	CA	Terra Cotta Housing Associates	100%	168	Family	Yes	New Construction	2000		Stabilized	99.08%	458,700	269,600	50,400	138,800	1.51	2,045,200	6,798,600	9/1/2031		NA	J.P. Morgan Chase
Terraz Palmera at St. Joseph's (0272)	Oakland	CA	St. Joseph's Family Associates, L.P.	0.01%	62	Family	Yes	New Construction	2014		Stabilized	94.86%	466,700	297,900	37,200	131,500	1.44	3,316,500	14,077,300	1/1/2029	PBV	Union Bank	US Bank N.A.
The Abigail (0351)	Portland	OR	Abigail Housing Associates LP	0.01%	155	Family	Yes	New Construction	2016		Stabilized	94.22%	994,600	864,100	55,400	75,100	1.09	14,507,200	17,927,800	04/01/2037		NHT Equity, LLC	Wells Fargo Bank
The Arbors (0189)	Hercules	CA	Hercules Senior Housing Associates, a California Limited Partnership	100%	60	Senior	Yes	New Construction	2000		Stabilized	99.52%	336,800	260,200	35,500	41,100	1.16	1,172,300	2,383,600	3/1/2025	RDA	NA	CalIFA
The Carquinez (0308)	Richmond	CA	Carquinez Associates, L.P.	0.01%	36	Senior	Yes	Acquisition	1925	2010	Stabilized	94.58%	362,600	164,300	16,200	182,100	2.11	806,100	2,561,000	5/1/2026	PBV	Union Bank	Wells Fargo Bank
The Coronet (0245)	San Francisco	CA	Giary Housing Partners, L.P.	0.01%	150	Mixed	Yes	New Construction	2010		Stabilized	98.99%	246,100	29,400	90,000	126,700	5.31	0	30,878,700	NA	LOSP	Union Bank	NA
The Fountains (0107)	Mountain View	CA	SR Fountains LP	33%	124	Senior	No	New Construction	2003		Stabilized	97.94%	897,718	146,600	99,200	270,500	2.85	0	5,461,800	NA		NA	NA
The Parkview (0187)	Pleasanton	CA	BLP Partnership, Inc.	100%	105	Senior	No	New Construction	2007		Stabilized	100.00%	2,050,800	843,000	95,000	1,112,800	2.32	16,396,700	2,490,000	11/1/2040		NA	Citibank
The Rivermark (0315)	West Sacramento	CA	BRIDGE Triangle Associates, L.P.	0.01%	70	Family	Yes	New Construction	2015		Stabilized	93.96%	77,500	46,800	37,000	(6,200)	0.87	226,600	14,874,400	04/01/2031		Raymond James Housing Opportunities Fund 24 LP (CCRC)	California Community Reinvestment Corp. (CCRC)
Tomeydel Mar (0217)	San Diego	CA	CARMEL VALLEY HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	112	Family	Yes	New Construction	2003		Stabilized	95.56%	391,900	287,900	45,500	58,500	1.20	2,632,900	5,623,500	6/1/2033		NA	CalIFA
Tressa Apartments (0363)	Seattle	WA	Linden 143 LLC	0.01%	474	Family	Yes	Acquisition	2009		Stabilized	92.02%	3,986,100	2,499,500	146,600	1,339,900	1.54	40,844,800	5,475,200	06/05/2042		Bank of America	Citibank
Tresle Glen (0301)	Colma	CA	Tresle Glen Associates, a California Limited Partnership	0.01%	119	Family	Yes	New Construction	2010		Stabilized	99.77%	896,300	472,000	71,400	352,900	1.75	5,572,000	20,905,000	5/1/2041		Union Bank	Citibank
Victoria at COMM22 (0344)	San Diego	CA	COMM22 Senior Housing, L.P.	0.01%	70	Senior	Yes	New Construction	2015		Stabilized	96.03%	132,000	16,200	44,500	71,400	5.41	0	12,174,000	NA	PBRA	Bank of America	NA
Vila Loma Apartments (0339)	Carlsbad	CA	Tobira Terrace, LLC	100%	344	Family	Yes	New Construction	1996	2011	Stabilized	97.34%	2,065,000	959,100	294,800	811,000	1.85	20,584,200	150,000	10/1/2029		NA	US Bank N.A.



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Vistacion Gardens (0193)	Brisbane	CA	Brisbane Senior Housing, Inc.	100%	14	Senior	No	New Construction	1998		Stabilized	96.53%	33,100	0	14,500	18,600	N/A	0	2,513,500	N/A		N/A	N/A
Windrow (0255)	Inhne	CA	Northwood Housing Associates, L.P.	0.01%	96	Family	Yes	New Construction	2006		Stabilized	99.46%	545,200	420,600	33,600	91,100	1.22	5,556,500	2,752,700	7/1/2042		Invie Company	Citibank
Woodbury Walk (0284)	Inhne	CA	Woodbury Partners, a California limited partnership	0.01%	150	Family	Yes	New Construction	2007		Stabilized	99.56%	1,053,100	507,200	52,500	493,400	1.97	5,155,400	3,008,300	6/1/2038		MMA Financial	Citibank
Woodland Park (0384)	Hillsboro	OR	WOODLAND PARK ASSOCIATES, L.P.	0.01%	111	Mixed	Yes	Acquisition	1980	2017	Stabilized	94.33%	617,700	406,300	43,400	110,000	1.41	8,156,200	4,006,300	4/15/2036	PBSA	US Bancorp	JP Morgan Chase

Number of Units 11,526
Number of Properties 111
Weighted Avg. DCR 1.93
Weighted Avg. Econ Occupancy 96.77%

AFFORDABLE HOUSING REAL ESTATE PORTFOLIO –
100% BRIDGE OWNERSHIP



**Affordable Housing Real Estate Portfolio (100% Ownership)
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Acom I and II (0188)	Oakland	CA	BRIDGE West Oakland Housing, Inc.	100%	206	Family	No	Acquisition	1965	1999	Stabilized	97.85%	92,800	0	62,500	30,300	N/A	0	1,015,000	N/A	PBRA	N/A	N/A
Acom III (0200)	Oakland	CA	BOMH, Inc.	100%	87	Family	No	Acquisition	1965	1999	Stabilized	96.23%	34,300	0	21,800	12,500	N/A	0	1,108,500	N/A	PBRA	N/A	N/A
Almaden Lake Apartments (0153)	San Jose	CA	WINFIELD HILL ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	144	Family	Yes	New Construction	1994		Stabilized	99.18%	1,096,400	451,800	72,000	572,600	2.27	9,140,200	6,339,300	10/1/2029		N/A	US Bank N.A.
Alto Station (0142)	Mill Valley	CA	Alto Station, Inc.	100%	17	Family	No	New Construction	1993		Stabilized	95.21%	51,500	33,900	16,300	1,300	1.04	128,500	950,500	5/1/2024		N/A	JP Morgan Chase
Armstrong Commercial (0342)	San Francisco	CA	BRIDGE Economic Development Corporation	100%	0	Commercial	No	New Construction	2010		Stabilized	100.00%	(27,800)	0	0	(27,800)	N/A	0	2,639,900	N/A		N/A	N/A
AveVista Commercial (0394)	Oakland	CA	AveVista Commercial LLC	100%	0	Commercial	Yes	New Construction	2016		Stabilized	0.00%	(32,600)	0	0	(32,600)	N/A	0	0	N/A		N/A	N/A
Belvedere Place (0224)	San Rafael	CA	CAVAL HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	26	Family	Yes	Acquisition	1959	2002	Stabilized	99.34%	198,100	105,600	9,600	82,900	1.79	974,000	2,418,500	5/1/2033		N/A	Cal#A
Casa Vista (0234)	San Rafael	CA	Casa Vista Housing LLC	100%	40	Family	No	Acquisition	1960	2002	Stabilized	98.59%	304,800	223,500	37,200	44,000	1.20	3,575,400	1,907,300	10/1/2029		N/A	US Bank N.A.
Chestnut Campus Inc (0013)	Oakland	CA	Chestnut Campus Inc	100%	0	Commercial	Yes	New Construction	2015		Stabilized	100.00%	307,200	248,500	0	58,700	1.24	9,120,000	0	11/20/2049		N/A	BCDI Subsidiary CDE II LLC
Chestnut Creek (0211)	South San Francisco	CA	Chestnut Creek, Inc.	100%	40	Senior	No	New Construction	2003		Stabilized	98.97%	683,300	0	665,200	18,100	N/A	0	3,420,200	N/A	PBRA	N/A	N/A
Coggins Square (0186)	Walnut Creek	CA	COGGINS SQUARE ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	87	Family	Yes	New Construction	2001		Stabilized	96.46%	846,700	429,200	33,900	383,600	1.89	0	6,326,200	N/A	PBRA	N/A	N/A
Copper Creek 4% (0226)	San Marcos	CA	Copper Creek 4% Housing Associates, L.P.	100%	156	Family	Yes	New Construction	2005		Stabilized	96.09%	400,100	326,500	46,800	28,800	1.08	3,178,800	11,244,700	2/1/2036		N/A	Cal#A
Copper Creek 9% (0264)	San Marcos	CA	Copper Creek 9% Housing Associates, L.P.	100%	48	Family	Yes	New Construction	2005		Stabilized	97.38%	74,200	44,800	14,400	15,100	1.34	32,700	1,155,300	9/1/2020		N/A	Cal#A
Coronado Springs (0385)	Seattle	WA	Coronado Housing Associates LLC	100%	184	Family	Yes	Acquisition	1962		Stabilized	94.84%	2,296,300	968,600	48,100	1,279,500	2.32	20,000,000	0	7/1/2020		N/A	Key Bank
Coronado Springs Cottages (0423)	Seattle	WA	Coronado Springs Cottages LLP	100%	148	Family	Yes	Acquisition	1962		Operational	89.14%	618,400	0	0	618,400	N/A	0	0	N/A		N/A	N/A
Emercy Villa (0133)	Emeryville	CA	Emeryville Senior Housing, Inc.	100%	50	Senior	No	New Construction	1992	2013	Stabilized	97.46%	811,900	245,700	22,500	543,800	3.21	3,486,300	0	10/1/2024	PBRA	N/A	Prudential Multifamily Mortgage, LLC
Geraldine Johnson (0183)	San Francisco	CA	Bayview Senior Housing, Inc.	100%	54	Senior	No	New Construction	1999		Stabilized	96.18%	24,700	0	23,500	1,100	N/A	0	0	N/A	PBRA	N/A	N/A
Grayson Creek (0203)	Pleasant Hill	CA	BRIDGE Grayson Creek Associates	100%	70	Family	Yes	New Construction	2003		Stabilized	99.66%	528,900	389,200	28,000	111,700	1.29	3,660,000	7,769,900	10/1/2033	RDA	N/A	Cal#A
Hunt's Grove (0119)	St. Helena	CA	Hunt Avenue Associates, a California Limited Partnership	100%	56	Family	Yes	New Construction	1992		Stabilized	99.12%	204,100	51,600	29,900	122,600	3.38	127,900	3,023,800	8/1/2022		N/A	Citibank
La Pradera (0156)	Calistoga	CA	CALISTOGA BRANNAN HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	48	Family	Yes	New Construction	1994		Stabilized	99.51%	139,700	44,800	32,200	62,700	2.40	191,500	2,275,000	7/1/2024		N/A	Citibank
Mabuhay Court (0205)	San Jose	CA	Northside Housing Associates, a California Limited Partnership	100%	96	Senior	Yes	New Construction	2003		Stabilized	98.06%	333,200	126,600	70,800	135,800	2.07	1,155,100	7,719,900	5/1/2033		N/A	Citibank
Mandela Commercial (0253)	Oakland	CA	Mandela Gateway Commercial, LLC	100%	0	Commercial	No	New Construction	2008		Stabilized	14.00%	(21,300)	100,600	0	(121,900)	N/A	1,002,900	0	6/13/2020		N/A	Presidio Bank
Metro Center (0349)	Foster City	CA	Metro Senior Homes, Inc.	100%	60	Senior	Yes	New Construction	1997	2014	Stabilized	99.23%	53,500	0	48,000	5,600	N/A	0	6,953,800	N/A		N/A	N/A
Montevista Apartments (0173)	Milpitas	CA	Milpitas Housing Associates, a California Limited Partnership	100%	306	Family	Yes	New Construction	1999		Operational	97.23%	3,338,800	809,400	58,200	2,471,300	4.05	0	36,029,600	6/29/2039		N/A	Cal#A
Northpoint Village Apartments I (0177)	Santa Rosa	CA	Northpoint Housing Associates, a California Limited Partnership	100%	70	Family	Yes	New Construction	1999		Stabilized	96.98%	135,500	64,000	30,200	41,300	1.65	441,500	2,672,200	3/1/2030		N/A	WestAmerica Bank
Northpoint Village Apartments II (0178)	Santa Rosa	CA	Northpoint II Housing Associates, L.P.	100%	40	Family	Yes	New Construction	2000		Stabilized	98.38%	125,400	66,200	28,100	31,100	1.47	479,000	1,310,000	3/1/2031		N/A	WestAmerica Bank
Oak Circle (0220)	San Jose	CA	Roberts Avenue Senior Housing, L.P.	100%	100	Senior	Yes	New Construction	2003		Stabilized	99.20%	324,900	241,200	36,800	47,000	1.19	2,387,800	5,908,000	11/1/2033		N/A	Cal#A
Ohlone Court (0168)	San Jose	CA	Ohlone Housing Associates, a California Limited Partnership	100%	135	Family	Yes	New Construction	1997		Stabilized	99.68%	771,900	287,400	92,000	392,400	2.37	1,745,000	6,011,200	9/1/2027		N/A	Citibank
Peninsula Park (0209)	E. Palo Alto	CA	Peninsula Housing Associates, a California Limited Partnership	100%	129	Family	Yes	New Construction	2001		Stabilized	99.85%	1,350,100	627,300	49,900	672,900	2.07	11,451,800	5,449,500	10/1/2029		N/A	US Bank N.A.
Pickleweed (0103)	Mill Valley	CA	Alto Station, Inc.	100%	32	Family	No	New Construction	1986	2002	Stabilized	99.83%	231,800	125,700	44,300	61,700	1.49	1,064,100	0	7/1/2031		N/A	Cal#A
Poinsettia Station (0215)	Carlsbad	CA	Poinsettia Housing Associates, a California Limited Partnership	100%	92	Family	Yes	New Construction	2000		Stabilized	97.37%	698,300	352,900	38,900	326,500	1.87	7,181,900	0	10/1/2029		N/A	US Bank N.A.
Redwood Shores (0159)	Vallejo	CA	Redwood Shores Senior Housing, Inc.	100%	120	Senior	No	New Construction	1997		Stabilized	97.54%	1,548,900	0	1,537,700	11,200	N/A	0	0	N/A	PBRA	N/A	N/A
Rotary Valley (0169)	San Rafael	CA	ROTARY VALLEY ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	80	Senior	Yes	New Construction	1997		Stabilized	98.01%	134,900	56,500	47,900	30,600	1.54	383,300	1,077,000	11/1/2027		N/A	WestAmerica Bank
Santa Alicia (0175)	Irine	CA	Santa Alicia Family Housing Associates	100%	84	Family	Yes	New Construction	1996		Stabilized	99.25%	644,300	197,900	44,500	401,900	3.03	4,462,800	5,000	10/1/2029		N/A	US Bank N.A.
Silverado Creek (0191)	Napa	CA	Silverado Creek Partners, a California Limited Partnership	100%	102	Family	Yes	New Construction	2000		Stabilized	99.36%	439,300	229,400	41,000	168,900	1.74	1,676,000	5,187,500	6/1/2031		N/A	Bank of America



Affordable Housing Real Estate Portfolio (100% Ownership)
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Property	City	State	Ownership Entity	BRIDGE Ownership Interest	Unit Count	Target Population	LIHTC Project	Construction Type	Year Built	Last Major Rehab Year	Project Status	YTD Economic Occ	NOI	Must-Pay Annual Debt Svc	Required Reserve Deposits	Cash Flow after Debt Service & Reserves	DCR (after reserves)	Must-Pay Loan Balance(s)	Subordinate Soft Debt Balance	Must-Pay Maturity Dates	Rental Subsidy	Investor	Lender
Sika (0378)	Portland	OR	Block 14 LP	100%	209	Family	Yes	Acquisition	2005		Stabilized	96.54%	1,464,800	1,000,800	66,000	398,000	1.40	9,898,900	7,758,400	07/31/2021		N/A	US Bank N.A.
Steamboat Point Apartments (0092)	San Francisco	CA	South Beach Family Associates, a California Limited Partnership	100%	108	Family	Yes	New Construction	1992		Stabilized	97.40%	684,100	95,900	90,700	497,500	6.19	283,900	4,174,800	1/1/2023		N/A	Citibank
Sycamore Place (0222)	Danville	CA	Danville Senior Housing Associates	100%	74	Senior	Yes	New Construction	2003		Stabilized	97.40%	189,500	78,400	29,600	81,500	2.04	1,117,900	5,239,800	12/31/2020		N/A	Century Housing Corporation
Terra Cotta (0184)	San Marcos	CA	Terra Cotta Housing Associates	100%	168	Family	Yes	New Construction	2000		Stabilized	99.08%	458,700	269,600	50,400	138,800	1.51	2,045,200	6,798,600	9/1/2031		N/A	JP Morgan Chase
The Arbors (0189)	Hercules	CA	Hercules Senior Housing Associates, a California Limited Partnership	100%	60	Senior	Yes	New Construction	2000		Stabilized	99.52%	336,800	260,200	35,500	41,100	1.16	1,172,300	2,383,600	3/1/2025	RDA	N/A	Cal#FA
The Parkview (0187)	Pleasanton	CA	BLP Partnership, Inc.	100%	105	Senior	No	New Construction	2007		Stabilized	100.00%	2,050,800	840,000	95,000	1,112,800	2.32	16,396,700	2,490,000	11/1/2040		N/A	Citibank
Toneydel Mar (0217)	San Diego	CA	CARMEL VALLEY HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	112	Family	Yes	New Construction	2003		Stabilized	95.56%	391,900	287,900	45,500	58,500	1.20	2,632,900	5,623,500	6/1/2033		N/A	Cal#FA
	Carlsbad	CA	Tobria Terrace, LLC	100%	344	Family	Yes	New Construction	1996	2011	Stabilized	97.34%	2,065,000	959,100	294,800	811,000	1.85	20,584,200	150,000	10/1/2029		N/A	US Bank N.A.
	Brisbane	CA	Brisbane Senior Housing, Inc.	100%	14	Senior	No	New Construction	1998		Stabilized	96.53%	33,100	0	14,500	18,600	N/A	0	2,513,500	N/A		N/A	N/A

Number of Units 4,101
Number of Properties 44
Weighted Avg. DCR 1.79
Weighted Avg. Econ Occupancy 97.49%

AFFORDABLE HOUSING REAL ESTATE PORTFOLIO –
NON-100% OWNERSHIP



Affordable Housing Real Estate Portfolio (Under 100% Ownership)
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1101 Connecticut Street (0414)	San Francisco	CA	POTREDO HOUSING ASSOCIATES I, L.P.	0.01%	72	Family	Yes	New Construction	2019		Leasing	78.37%	796,600	0	21,600	775,000	N/A	0	64,605,100		N/A	Wells Fargo Affordable Housing Community Development	N/A	
25 Sanchez (0366)	San Francisco	CA	25 Sanchez Housing Associates, L.P.	0.01%	90	Senior	Yes	Acquisition	1972	2017	Stabilized	93.20%	482,100	244,100	54,000	183,900	1.75	2,867,800	20,763,400	21/2025	PBV	Bank of America	Bank of America	
255 Woodside (0368)	San Francisco	CA	255 Woodside Housing Associates, L.P.	0.01%	109	Senior	Yes	Acquisition	1972	2017	Stabilized	94.30%	799,000	348,100	65,400	385,500	2.11	4,168,600	24,106,700	02/01/2025	PBV	Bank of America	Bank of America	
3850 18th Street (0370)	San Francisco	CA	3850 18th Street Housing Associates, LP	0.01%	107	Senior	Yes	Acquisition	1971	2018	Stabilized	96.76%	838,900	497,100	64,200	277,600	1.56	8,439,700	24,086,200	11/1/2026	PBV	Bank of America	Bank of America	
462 Duboce (0367)	San Francisco	CA	462 Duboce Housing Associates, L.P.	0.01%	42	Senior	Yes	Acquisition	1971	2017	Stabilized	93.81%	117,300	55,000	16,800	45,500	1.83	405,500	14,872,500	2/1/2023	PBV	Bank of America	Bank of America	
474 Naboma Apartments (0296)	San Francisco	CA	Naboma Family Housing, L.P.	0.01%	60	Family	Yes	New Construction	2014		Stabilized	96.19%	853,300	110,300	255,700	487,400	5.42	994,400	15,571,500	12/01/2028		Bank of America	Bank of America	
Alamany (0372)	San Francisco	CA	Alamany Housing Associates LP	0.01%	150	Family	Yes	Acquisition	1971	2019	Stabilized	94.34%	1,447,500	296,800	16,200	1,134,500	4.82	28,239,000	58,336,800	11/1/2027	PBV	Bank of America	Bank of America	
Alta Torre (0269)	Palo Alto	CA	Falban Way Associates	0.01%	56	Mixed	Yes	New Construction	2010		Stabilized	99.47%	103,600	21,600	0	82,000	4.80	0	7,500,400		N/A	Union Bank	N/A	
Armstrong Place Senior Housing (0360)	San Francisco	CA	Armstrong Place Associates, a California Limited Partnership	0.01%	116	Mixed	Yes	New Construction	2010		Stabilized	99.22%	192,100	38,000	103,900	50,200	2.32	0	27,455,900		N/A	PBRA, LOSP	Enterprise Green Communities	N/A
Arroyo Point (0263)	Santa Rosa	CA	Jomings Avenue Associates, a California Limited Partnership	0.01%	70	Family	Yes	New Construction	2007		Stabilized	99.09%	1,085,100	191,800	38,600	854,700	5.46	2,023,500	7,426,800	12/1/2027		MMA Financial	Citibank	
AveVista (027)	Oakland	CA	AveVista Associates LP	0.01%	68	Family	Yes	New Construction	2016		Stabilized	99.49%	747,200	486,300	34,000	226,900	1.47	6,597,500	9,404,700	09/30/2021	PBV	Wells Fargo Affordable Housing Community Development	JP Morgan Chase	
Cadogan at 9th & Broadway 4% (0348)	San Diego	CA	Broadway Upper Tower Associates, L.P.	0.01%	121	Family	Yes	New Construction	2015		Stabilized	94.95%	303,100	145,300	48,400	109,400	1.75	1,236,300	18,914,800	8/1/2020	PBV	US Bancorp	US Bank N.A.	
Cadogan at 9th & Broadway 9% (0313)	San Diego	CA	Broadway Tower Associates, L.P.	0.01%	129	Mixed	Yes	New Construction	2015		Stabilized	90.89%	255,000	39,500	77,400	138,100	4.50	9,405,523	5,222,188	10/27/2021	COSR	US Bancorp	State of California Department of Housing and Community Development	
CenterTown (0126)	San Rafael	CA	CenterTown Associates	50.5%	60	Family	Yes	New Construction	1992		Stabilized	96.58%	368,000	71,772	49,200	318,700	4.44	236,300	3,266,300	1/1/2022		N/A	Citibank	
Chelsea Gardens (0207)	Santa Rosa	CA	CHELSEA GARDENS ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	0.1%	120	Mixed	Yes	Acquisition	1981	2018	Stabilized	96.57%	1,537,600	317,100	30,000	1,190,500	4.75	2,405,500	968,700	12/23/2029	PBRA	Union Bank	CalIFA	
Chestnut Linden Court (0227)	Oakland	CA	Chestnut Linden Associates	0.01%	151	Family	Yes	New Construction	2003		Stabilized	99.05%	309,000	0	41,100	247,900	N/A	0	15,772,300		N/A	ACC	Alliant Tax Credit	N/A
Church Street (0403)	San Francisco	CA	Hermann Street Associates, LP	0.01%	93	Family	Yes	New Construction	2002		Operational	99.65%	1,019,100	0	23,300	995,900	N/A	0	35,806,900		N/A	PBV	MetLife Community Capital	N/A
Coleridge Park (0109)	San Francisco	CA	Bernal Senior Housing Partners, a California Limited Partnership	30%	49	Senior	No	New Construction	1989	2006	Stabilized	94.51%	165,300	93,400	42,900	28,900	1.31	870,400	911,000	7/1/2022		N/A	City and County of San Francisco	
Cornelius Place (0396)	Cornelius	OR	Cornelius Place Housing Associates LP	0.01%		Senior	Yes	New Construction	2019		Leasing	85.22%	114,500	0	17,600	96,900	N/A	2,285,000	1,902,100	11/1/2040	PBV	Heritage Bank Fund I, LLLP	Network of Oregon Affordable Housing	
Cottonwood Creek (0262)	Suisun City	CA	Cottonwood Creek Housing Associates, L.P.	0.01%	94	Family	Yes	New Construction	2008		Stabilized	97.04%	202,700	133,400	59,000	10,300	1.08	1,288,300	12,623,500	4/15/2020		Union Bank	California Community Reinvestment Corp. (CCRC)	
Doretha Michel (0179)	Marin City	CA	Drake Michel Associates	1%	30	Family	Yes	New Construction	1997		Stabilized	100.00%	227,700	114,400	12,000	101,200	1.88	1,014,500	157,300	10/1/2027		The Richman Group	CalIFA	
Dove Canyon (0241)	San Diego	CA	White Dove Canyon Housing Associates, L.P.	0.01%	120	Family	Yes	New Construction	2004		Stabilized	96.27%	648,000	498,800	41,000	108,300	1.22	5,885,000	1,304,100	1/1/2040		Union Bank	Citibank	
Fill Street Apartments (0340)	San Francisco	CA	Gough Street Housing Associates, L.P.	0.01%	82	Family	Yes	New Construction	1994	2012	Stabilized	98.57%	425,600	182,700	33,000	209,900	2.15	2,433,500	4,940,800	8/1/2021		Wells Fargo Affordable Housing Community Development	Citibank	
Foothill Farms (0329)	Sacramento	CA	Foothill Farms Associates, L.P.	0.01%	138	Senior	Yes	New Construction	2012		Stabilized	98.12%	195,100	122,400	55,200	17,500	1.14	830,000	8,500,000	1/1/2029		Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)	
Grand Oak (0271)	South San Francisco	CA	Grand Oak Associates	0.01%	43	Family	Yes	New Construction	2007		Stabilized	97.86%	180,900	132,300	26,800	21,800	1.16	1,359,700	7,075,300	3/1/2028		MMA Financial	JP Morgan Chase	
Heritage Square (0353)	Pasadena	CA	Heritage Square Housing Partners, L.P.	0.01%	70	Senior	Yes	New Construction	2016		Stabilized	99.88%	567,300	312,300	18,300	236,600	1.76	4,941,000	1,536,600	06/01/2025	PBV	Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)	
Holly Courts (0369)	San Francisco	CA	Holly Courts Housing Associates LP	0.01%	118	Family	Yes	Acquisition	1940	2017	Stabilized	96.63%	1,635,700	783,600	79,600	772,500	1.99	9,577,900	29,866,400	02/01/2025	PBV	Bank of America	Bank of America	
Inhourse at Central Station (0287)	Oakland	CA	14th Street Associates	0.01%	99	Family	Yes	New Construction	2009		Stabilized	97.13%	614,300	326,600	59,400	225,300	1.68	3,522,100	17,178,400	12/21/2065	PBV	US Bancorp	Union Bank	
Irvington Terrace (0265)	Fremont	CA	Irvington Development Group, L.P.	0.01%	100	Family	Yes	New Construction	2007		Stabilized	95.98%	346,800	267,200	76,100	3,500	1.01	2,723,300	11,803,800	4/1/2028		MMA Financial	California Community Reinvestment Corp. (CCRC)	
Ivy at College Park (0346)	Chico	CA	Ivy at College Park, L.P.	0.01%	135	Family	Yes	New Construction	2014		Stabilized	95.45%	446,300	230,100	81,000	135,100	1.59	3,185,600	15,202,300		N/A	Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)	
Ivy at College Park Phase II (0376)	Chico	CA	BHC College Park II LP	0.01%	200	Family	Yes	New Construction	2017		Stabilized	94.37%	1,152,700	855,300	50,000	247,400	1.29	15,370,900	7,847,400	11/1/2033		NHT Equity, LLC	Prudential Mortgage, LLC	
Kentfield (0293)	Stockton	CA	Kentfield Associates	0.01%	90	Family	Yes	Acquisition	1963	2009	Stabilized	96.40%	265,000	127,600	44,400	93,000	1.33	1,741,700	9,740,900	12/1/2045		Bank of America	Bank of America	
Laguna Canyon (0243)	Irvine	CA	Laguna Canyon Housing Associates	0.01%	120	Family	Yes	New Construction	2006		Stabilized	96.69%	865,300	561,900	38,400	265,000	1.47	6,992,700	2,713,200	12/1/2041		Irvine Company	Citibank	
Madera Vista (0221)	Temecula	CA	Summerhouse Housing Associates, L.P.	0.01%	80	Family	Yes	New Construction	2014		Stabilized	96.82%	246,800	203,900	27,000	15,800	1.08	3,119,900	7,775,300		N/A	Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)	
Madera Vista Phase 3 (0359)	Temecula	CA	Summerhouse Housing 3, L.P.	0.01%	30	Family	Yes	New Construction	2017		Stabilized	98.85%	171,900	102,600	10,500	58,800	1.57	1,715,200	3,334,600	1/1/2025	PBV	National Equity Fund (NEF)	Citibank	
Magnolia Plaza (0166)	South San Francisco	CA	South San Francisco Magnolia Plaza Associates	25%	125	Senior	Yes	New Construction	1988		Stabilized	96.22%	1,083,500	573,600	35,600	474,200	1.83	9,195,900	0	7/1/2022		N/A	Wells Fargo Bank	



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Property	City	State	Ownership Entity	BRIDGE Ownership Interest	Unit Count	Target Population	LHHC Project	Construction Type	Year Built	Last Major Rehab Year	Project Status	YTD Economic Occ	NOI	Must-Pay Annual Debt Svc	Required Reserve Deposits	Cash Flow after Debt Service & Reserves	DCR (after reserves)	Must-Pay Loan Balance(s)	Subordinate Soft Debt Balance	Must-Pay Maturity Dates	Rental Subsidy	Investor	Lender	
Mandala Gateway Apartments (0246)	Oakland	CA	MANDELA GATEWAY ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	0.01%	168	Family	Yes	New Construction	2005		Stabilized	99.02%	1,145,600	226,800	61,900	856,900	4.78	1,028,700	7,884,500	11/2020	PBV, ACC	Cerberus Oakland Partners Inc	CalIFA	
Marco Abi (0306)	San Leandro	CA	Alameda Housing Associates, L.P.	0.01%	115	Family	Yes	New Construction	2017		Stabilized	97.11%	454,484	169,500	69,000	215,984	2.27	5,037,500	20,981,900	6/20/2024		Wells Fargo Affordable Housing Community Development	Wells Fargo Bank	
Marina Tower Annex (0221)	Vallejo	CA	Marina Annex Associates	99.99%	57	Senior	Yes	Acquisition	1978	2002	Stabilized	93.68%	360,500	69,600	20,300	270,500	4.88	607,300	457,700	21/2032	PBRA	N/A	CalIFA	
Marina Tower Apartments (0273)	Vallejo	CA	Marina Tower Associates	99.99%	155	Senior	Yes	Acquisition	1975	2006	Stabilized	96.03%	591,800	453,600	45,400	92,800	1.20	4,138,400	1,949,000	8/1/2032	PBRA	N/A	Union Bank	
Mission Dolores (0371)	San Francisco	CA	Mission Dolores Housing Associates LP	0.01%	91	Senior	Yes	Acquisition	1971		Stabilized	95.81%	863,600	531,400	54,600	277,700	1.52	9,780,700	21,225,200		PBV	Bank of America	Bank of America	
Mural Apartments (0297)	Oakland	CA	MacArthur Telegraph Associates, L.P.	0.01%	90	Family	Yes	New Construction	2016		Stabilized	98.20%	712,000	202,800	55,200	354,000	2.17	3,827,100	19,512,000	02/01/2031	PBV	Union Bank	US Bank N.A.	
North Beach Place (0213)	San Francisco	CA	North Beach Housing Associates, L.P.	0.01%	341	Mixed	Yes	New Construction	2004		Stabilized	99.12%	4,656,800	1,835,100	119,400	2,702,400	2.47	11,127,100	27,489,100	1/1/2021	PBV, ACC	Cerberus Oakland Partners Inc	Citibank	
North Beach Retail Associates, Inc. (NBRA) (8402)	San Francisco	CA	North Beach Retail Associates, LLC	46.11%	0	Commercial	No	New Construction	2004		Stabilized	100.00%	923,700	498,000	18,000	407,700	1.82	2,411,900	125,400	05/01/2025		N/A	Union Bank	
Oceanview (0377)	Pacific	CA	Oceanview Housing Associates, LP	0.01%	100	Senior	Yes	Acquisition	1973	2016	Stabilized	97.53%	899,700	559,700	37,500	302,500	1.54	9,179,500	11,812,000	7/31/2037	PBV	Mortg Community Capital Fund XVII LP	CalIFA	
Pacific Oaks (0083)	Pacific	CA	Pacific Oaks Associates	25%	104	Senior	Yes	New Construction	1988	2015	Stabilized	97.96%	912,600	410,500	31,500	470,600	2.15	6,893,200	0	7/1/2022		N/A	Wells Fargo Bank	
Phase at COMM22 (0343)	San Diego	CA	COMM22 Family Housing, L.P.	0.01%	130	Family	Yes	New Construction	2016		Stabilized	97.25%	614,300	264,800	45,000	284,500	2.07	3,172,200	21,736,500	09/01/2044		AEGON USA Realty Advisors Inc. Wells Fargo Real Estate Housing Community Development	Bank of America Wells Fargo Community Reinvestment Corp. (CFCRC) California Community Reinvestment Corp. (CCRC)	
Pinkie Grove Senior Housing (0341)	Pinkie	CA	John Street Housing Associates, L.P.	0.01%	70	Senior	Yes	New Construction	1994	2012	Stabilized	97.08%	187,000	94,300	23,700	68,900	1.33	1,256,700	5,270,100	7/1/2030		Wells Fargo Community Reinvestment Corp. (CFCRC)	US Bank N.A.	
Pottery Court (0309)	Lake Elsinore	CA	Pottery Court Housing Associates, L.P.	0.01%	113	Family	Yes	New Construction	2012		Stabilized	92.88%	181,300	74,500	76,400	30,400	1.41	853,200	11,163,400	1/1/2031		US Bank N.A.	US Bank N.A.	
Ramona Apartments (0298)	Portland	OR	Nurture 247 Limited Partnership	0.01%	138	Family	Yes	Acquisition	2011		Stabilized	97.16%	1,090,000	915,500	0	174,600	1.19	12,492,700	21,190,600	4/1/2037		USB LHFC Fund 2009-2	US Bank N.A.	
Richmond City Center Apartments (0356)	Richmond	CA	Richmond Housing Associates, L.P.	0.01%	64	Family	Yes	New Construction	1993	2014	Stabilized	99.02%	284,800	143,700	27,000	114,100	1.39	1,160,800	2,807,000	4/20/2029	PBV	Raymond James Housing Opportunities Fund II LLC	US Bank N.A.	
Sage Canyon (0267)	San Marcos	CA	Area F1 Housing Associates, L.P.	0.01%	72	Family	Yes	New Construction	2007		Stabilized	97.33%	185,300	123,000	42,700	19,600	1.16	1,171,700	7,562,800	10/1/2037		National Equity Fund (NEF)	Union Bank	
Sage Park (0318)	Los Angeles	CA	BHC Sage Park, L.P.	0.01%	90	Family	Yes	New Construction	2014		Stabilized	99.18%	562,000	231,900	146,700	183,500	1.39	3,304,800	4,044,700	4/1/2033		Bank of America	California Community Reinvestment Corp. (CFCRC)	
San Pablo Apartments (0143)	Irvine	CA	San Rafael Apartments L.P.	1%	382	Family	Yes	New Construction	1993		Stabilized	92.99%	4,150,400	0	0	4,150,400	N/A	0	60,298,700	N/A		Irvine Apartment Communities, L.P. (IAC)	N/A	
San Rafael Commons (0233)	San Rafael	CA	Sanraf Associates, a California Limited Partnership	0.1%	83	Senior	Yes	Acquisition	1979	2002	Stabilized	93.62%	1,157,100	604,400	30,000	522,700	1.86	4,560,000	2,391,000	12/1/2031	PBRA	Union Bank	N/A	
St. Joseph's Senior Apartments (0324)	Oakland	CA	St. Joseph's Senior, L.P.	0.01%	84	Senior	Yes	Acquisition	1912	2011	Stabilized	95.28%	732,500	351,400	50,400	330,700	1.94	3,039,400	16,052,000	2/1/2032		PBV	Union Bank	US Bank N.A.
Shoebrite Court (0178)	Castro Valley	CA	STROBRIDGE HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	1%	96	Mixed	Yes	New Construction	1998		Stabilized	97.91%	321,300	196,900	80,000	44,400	1.22	1,274,300	1,264,300	2/1/2038		Edison Capital Housing Investments	Citibank	
Terraza Palmera at St. Joseph's (0272)	Oakland	CA	St. Joseph's Family Associates, L.P.	0.01%	62	Family	Yes	New Construction	2014		Stabilized	94.86%	466,700	297,900	37,200	131,500	1.44	3,316,500	14,077,300	1/1/2029	PBV	Union Bank	US Bank N.A.	
The Abigail (0351)	Portland	OR	Abigail Housing Associates LP	0.01%	155	Family	Yes	New Construction	2016		Stabilized	94.22%	994,600	864,100	55,400	75,100	1.09	14,507,200	17,927,800	04/01/2037		NHT Equity, LLC	Wells Fargo Bank	
The Carquinez (0308)	Richmond	CA	Carquinez Associates, L.P.	0.01%	36	Senior	Yes	Acquisition	1925	2010	Stabilized	94.58%	362,600	164,300	16,200	182,100	2.11	806,100	2,561,000	5/1/2026	PBV	Union Bank	Wells Fargo Bank	
The Coronet (0245)	San Francisco	CA	Geary Housing Partners, L.P.	0.01%	150	Mixed	Yes	New Construction	2010		Stabilized	98.99%	246,100	29,400	90,000	126,700	5.31	0	30,878,700	N/A	LOSP	Union Bank	N/A	
The Fountains (0107)	Mountain View	CA	SRI Fountains LP	33%	124	Senior	No	New Construction	2003		Stabilized	97.94%	897,318	146,600	99,200	270,500	2.85	0	5,461,800	N/A		N/A	N/A	
The Rivermark (0315)	West Sacramento	CA	BRIDGE Triangle Associates, L.P.	0.01%	70	Family	Yes	New Construction	2015		Stabilized	93.96%	77,500	46,800	37,000	(6,200)	0.87	226,600	14,874,400	04/01/2031		Raymond James Housing Opportunities Fund 24 LP	California Community Reinvestment Corp. (CFCRC)	
The Vera (0384)	Portland	OR	RiverPlace 3 Housing Limited Partnership	0.01%	203	Mixed	Yes	New Construction	2019		Leasing	3.60%	32,500	0	0	32,500	N/A	0	65,186,100	N/A		National Equity Fund (NEF)	N/A	
Tressa Apartments (0363)	Seattle	WA	Udden 143 LLC	0.01%	474	Family	Yes	Acquisition	2009		Stabilized	92.02%	3,986,100	2,499,500	146,600	1,339,900	1.54	40,844,800	5,475,200	06/05/2042		Bank of America	Citibank	
Treske Glen (0301)	Colma	CA	Treske Glen Associates, a California Limited Partnership	0.01%	119	Family	Yes	New Construction	2010		Stabilized	99.77%	896,300	472,000	71,400	352,900	1.35	5,572,000	20,905,000	5/1/2041		Union Bank	Citibank	
Victoria at COMM22 (0344)	San Diego	CA	COMM22 Senior Housing L.P.	0.01%	70	Senior	Yes	New Construction	2015		Stabilized	96.03%	132,000	16,200	44,500	71,400	5.41	0	12,174,000	N/A	PBRA	Bank of America	N/A	
Village at Westview Phase I (0389)	Yorba Linda	CA	Village at Westview LP	0.01%	131	Family	Yes	New Construction	2019		Leasing	100.00%	(259,800)	0	100	(259,800)	N/A	0	40,004,300	N/A		Wincoip Circle LLLP	N/A	
Window (0255)	Irvine	CA	Northwood Housing Associates, L.P.	0.01%	96	Family	Yes	New Construction	2006		Stabilized	99.60%	545,200	420,600	33,600	91,100	1.22	5,556,500	2,752,700	7/1/2042		Irvine Company	Citibank	
Woodbury Walk (0284)	Irvine	CA	Woodbury Partners, a California limited partnership	0.01%	150	Family	Yes	New Construction	2007		Stabilized	99.56%	1,053,100	507,200	52,500	493,400	1.97	5,155,400	3,008,300	6/1/2038		MMA Financial	Citibank	
Woodland Park (0386)	Hillsboro	OR	WOODLAND PARK ASSOCIATES, L.P.	0.01%	111	Mixed	Yes	Acquisition	1980	2017	Stabilized	94.33%	617,700	406,300	43,400	110,000	1.41	8,156,200	4,006,300	4/15/2036	PBRA	US Bancorp	JP Morgan Chase	

Number of Units **7,831**
Number of Properties **71**
Weighted Avg. DCR **1.90**
Weighted Avg. Econ Occupancy **93.85%**

AFFORDABLE HOUSING REAL ESTATE PORTFOLIO –
AGGREGATE



Affordable Housing Real Estate Portfolio (Aggregate)
As Of - December 2019

Certificate of Occ Date <= 12/31/2019
Rounded to nearest \$100

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Property	City	State	Ownership Entity	BRIDGE Ownership Interest	Unit Count	Target Population	Tax Credit Project	Construction Type	Year Built	Last Major Rehab Year	Project Status	YTD Economic Occ	NOI	Must-Pay Annual Debt Svc	Required Reserve Deposits	Cash Flow after Debt Service & Reserves	DCR (after reserves)	Must-Pay Loan Balance(s)	Subordinate Soft Debt Balance	Must-Pay Maturity Dates	Rental Subsidy	Investor	Lender	
1101 Connecticut Street (0414)	San Francisco	CA	POTRERO HOUSING ASSOCIATES, L.P.	0.01%	72	Family	Yes	New Construction	2019		Leasing	78.37%	796,600	0	21,600	775,000	N/A	0	64,665,100	N/A	PBV	Wells Fargo Affordable Housing Community Development	N/A	
25 Sanchez (0366)	San Francisco	CA	25 Sanchez Housing Associates, L.P.	0.01%	90	Senior	Yes	Acquisition	1972	2017	Stabilized	93.20%	482,100	244,100	54,000	183,900	1.75	2,867,800	20,763,400	2/1/2035	PBV	Bank of America	Bank of America	
255 Woodside (0368)	San Francisco	CA	255 Woodside Housing Associates, L.P.	0.01%	109	Senior	Yes	Acquisition	1972	2017	Stabilized	94.30%	799,000	348,100	66,400	385,500	2.11	4,168,600	24,106,700	02/01/2035	PBV	Bank of America	Bank of America	
3850 18th Street (0370)	San Francisco	CA	3850 18th Street Housing Associates, LP	0.01%	107	Senior	Yes	Acquisition	1971	2018	Stabilized	98.76%	838,900	497,100	64,200	277,600	1.56	8,438,700	24,086,200	1/1/2036	PBV	Bank of America	Bank of America	
462 Duboce (0367)	San Francisco	CA	462 Duboce Housing Associates, L.P.	0.01%	42	Senior	Yes	Acquisition	1971	2017	Stabilized	93.81%	117,300	55,000	16,800	45,500	1.83	405,500	14,812,500	2/1/2033	PBV	Bank of America	Bank of America	
474 Naloma Apartments (0296)	San Francisco	CA	Naloma Family Housing, L.P.	0.01%	60	Family	Yes	New Construction	2014		Stabilized	96.19%	853,300	110,300	255,700	487,400	5.42	996,400	15,571,500	12/01/2028		Bank of America	Bank of America	
Acom I and II (0188)	Oakland	CA	BRIDGE West Oakland Housing, Inc.	100%	206	Family	No	Acquisition	1965	1999	Stabilized	97.85%	92,800	0	62,500	30,300	N/A	0	1,015,000	N/A	PBRA	N/A	N/A	
Acom III (0200)	Oakland	CA	BOMH, Inc.	100%	87	Family	No	Acquisition	1965	1999	Stabilized	96.73%	34,300	0	21,800	12,500	N/A	0	1,108,500	N/A	PBRA	N/A	N/A	
Alemay (0372)	San Francisco	CA	Alemay Housing Associates LP	0.01%	150	Family	Yes	Acquisition	1971	2019	Stabilized	94.34%	1,447,500	296,800	16,200	1,134,500	4.82	28,239,000	98,536,800	1/1/2037	PBV	Bank of America	Bank of America	
Almaden Lake Apartments (0153)	San Jose	CA	WINFIELD HILL ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	144	Family	Yes	New Construction	1994		Stabilized	99.18%	1,096,400	451,800	72,000	572,600	2.27	9,140,200	6,339,300	10/1/2029		N/A	US Bank N.A.	
Alta Torre (0269)	Palo Alto	CA	Fabian Way Associates	0.01%	56	Mixed	Yes	New Construction	2010		Stabilized	99.47%	103,600	21,600	0	82,000	4.80	0	7,520,400	N/A		Union Bank	N/A	
Alto Station (0142)	Mill Valley	CA	Alto Station, Inc.	100%	17	Family	No	New Construction	1993		Stabilized	95.21%	51,500	33,900	16,300	1,300	1.04	128,500	950,500	5/1/2024		N/A	JP Morgan Chase	
Armstrong Commercial (0342)	San Francisco	CA	BRIDGE Economic Development Corporation	100%	0	Commercial	No	New Construction	2010		Stabilized	100.00%	(27,800)	0	0	(27,800)	N/A	0	2,639,900	N/A		N/A	N/A	
Armstrong Place Senior Housing (0360)	San Francisco	CA	Armstrong Place Associates, a California Limited Partnership	0.01%	116	Mixed	Yes	New Construction	2010		Stabilized	99.22%	192,100	38,000	103,900	50,200	2.32	0	27,455,900	N/A	PBRA, LOSP	Enterprise Green Communities	N/A	
Arroyo Point (0263)	Santa Rosa	CA	Jennings Avenue Associates, a California Limited Partnership	0.01%	70	Family	Yes	New Construction	2007		Stabilized	99.09%	1,085,100	191,800	38,600	854,700	5.46	2,023,500	7,426,800	12/1/2037		MMA Financial	Citibank	
AveVista (0327)	Oakland	CA	AveVista Associates LLC	0.01%	68	Family	Yes	New Construction	2016		Stabilized	99.49%	747,200	486,300	34,000	226,900	1.47	6,997,500	9,404,700	09/30/2051	PBV	Wells Fargo Affordable Housing Community Development	JP Morgan Chase	
AveVista Commercial (0394)	Oakland	CA	AveVista Commercial LLC	100%	0	Commercial	Yes	New Construction	2016		Stabilized	0.00%	(32,600)	0	0	(32,600)	N/A	0	0	N/A		N/A	N/A	
Belvedere Place (0224)	San Rafael	CA	CANAL HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	26	Family	Yes	Acquisition	1959	2002	Stabilized	99.34%	198,100	105,600	9,600	82,900	1.79	974,000	2,418,500	5/1/2033		N/A	CalHFA	
Casa Vista (0234)	San Rafael	CA	Casa Vista Housing LLC	100%	40	Family	No	Acquisition	1960	2002	Stabilized	98.59%	304,800	223,500	37,200	44,000	1.20	3,575,400	1,907,200	10/1/2029		N/A	US Bank N.A.	
Celadon at 9th & Broadway 4% (0348)	San Diego	CA	Broadway Upper Tower Associates, L.P.	0.01%	121	Family	Yes	New Construction	2015		Stabilized	94.95%	303,100	145,300	48,400	109,400	1.75	1,236,300	18,914,800	8/1/2030	PBV	US Bancorp	US Bank N.A.	
Celadon at 9th & Broadway 9% (0313)	San Diego	CA	Broadway Tower Associates, L.P.	0.01%	129	Mixed	Yes	New Construction	2015		Stabilized	90.89%	255,000	39,500	77,400	138,100	4.50	9,405,523	5,222,188	10/27/2071		COSR	US Bancorp	State of California Department of Housing and Community Development
CenterTown (0126)	San Rafael	CA	CenterTown Associates	50.5%	60	Family	Yes	New Construction	1992		Stabilized	96.58%	368,000	71,772	49,200	318,700	4.44	236,300	3,266,300	1/1/2022		N/A	Citibank	
Chelsea Gardens (0207)	Santa Rosa	CA	CHELSEA GARDENS ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	0.1%	120	Mixed	Yes	Acquisition	1981	2018	Stabilized	96.57%	1,537,600	317,100	30,000	1,190,500	4.75	2,405,500	968,700	12/23/2029	PBRA	Union Bank	CalHFA	
Chestnut Campus Inc. (0013)	Oakland	CA	Chestnut Campus Inc.	100%	0	Commercial	Yes	New Construction	2015		Stabilized	100.00%	307,200	248,500	0	58,700	1.24	9,120,000	0	11/20/2049		N/A	BCDI Subsidiary CDE II LLC	
Chestnut Creek (0211)	South San Francisco	CA	Chestnut Creek, Inc.	100%	40	Senior	No	New Construction	2003		Stabilized	98.97%	683,300	0	665,200	18,100	N/A	0	3,420,200	N/A	PBRA	N/A	N/A	
Chestnut Linden Court (0227)	Oakland	CA	Chestnut Linden Associates	0.01%	151	Family	Yes	New Construction	2003		Stabilized	99.05%	309,000	0	61,100	247,900	N/A	0	15,772,300	N/A	ACC	Alliant Tax Credit	N/A	
Church Street (0403)	San Francisco	CA	Hermann Street Associates, LP	0.01%	93	Family	Yes	New Construction	2002		Operational	99.65%	1,019,100	0	23,300	996,900	N/A	0	35,806,900	N/A	PBV	Merritt Community Capital	N/A	
Coggins Square (0186)	Walnut Creek	CA	COGGINS SQUARE ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	87	Family	Yes	New Construction	2001		Stabilized	96.46%	846,700	429,200	33,900	383,600	1.89	0	6,326,200	N/A	PBRA	N/A	N/A	
Cokeridge Park (0109)	San Francisco	CA	Bernal Senior Housing Partners, a California Limited Partnership	30%	49	Senior	No	New Construction	1989	2006	Stabilized	94.51%	165,300	93,400	42,900	28,900	1.31	870,900	911,000	7/1/2032		N/A	City and County of San Francisco	
Copper Creek 4% (0226)	San Marcos	CA	Copper Creek 4% Housing Associates, L.P.	100%	156	Family	Yes	New Construction	2005		Stabilized	96.09%	400,100	326,500	46,800	26,800	1.08	3,176,800	11,244,700	2/1/2036		N/A	CalHFA	
Copper Creek 9% (0264)	San Marcos	CA	Copper Creek 9% Housing Associates, L.P.	100%	48	Family	Yes	New Construction	2005		Stabilized	97.38%	74,200	44,800	14,400	15,100	1.34	32,700	1,155,300	9/1/2030		N/A	CalHFA	
Cornelius Place (0396)	Cornelius	OR	Cornelius Place Housing Associates, L.P.	0.01%	45	Senior	Yes	New Construction	2019		Leasing	85.22%	114,500	0	17,600	96,900	N/A	2,285,000	1,902,100	1/1/2040	PBV	Heritage Bank Fund L LLLP	Network of Oregon Affordable Housing	
Coronado Springs (0385)	Seattle	WA	Coronado Springs Associates LLC	100%	184	Family	Yes	Acquisition	1962		Leasing	94.84%	2,296,300	968,600	48,100	1,279,500	2.32	20,000,000	0	7/1/2020		N/A	Key Bank	
Coronado Springs Cottages (0423)	Seattle	WA	Coronado Springs Cottages LLLP	100%	148	Family	Yes	Acquisition	1962		Operational	89.14%	618,400	0	0	618,400	N/A	0	0	N/A		N/A	N/A	
Cottonwood Creek (0262)	Suisun City	CA	Cottonwood Creek Housing Associates, L.P.	0.01%	94	Family	Yes	New Construction	2008		Stabilized	97.04%	202,700	133,400	59,000	10,300	1.08	1,286,300	12,623,500	4/15/2020		Union Bank	California Community Reinvestment Corp. (CCRC)	



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Doretha Mitchell (0179)	Marin City	CA	Drake Marin Associates	1%	30	Family	Yes	New Construction	1997		Stabilized	100.0%	227,700	114,400	12,000	101,200	1.88	1,014,500	157,300	10/1/2037		The Richman Group	CalHFA
Dove Canyon (0241)	San Diego	CA	White Dove Canyon Housing Associates, L.P.	0.01%	120	Family	Yes	New Construction	2004		Stabilized	96.27%	640,000	498,800	41,000	108,300	1.22	5,885,000	1,304,100	1/1/2040		Union Bank	Citibank
Emery Villa (0133)	Emeryville	CA	Emeryville Senior Housing, Inc.	100%	50	Senior	No	New Construction	1992	2013	Stabilized	97.46%	811,900	245,700	22,500	543,800	3.21	3,486,300	0	10/1/2024	PBRA	NIA	Prudential MultiFamily Mortgage, LLC
Fell Street Apartments (0340)	San Francisco	CA	Gough Street Housing Associates, L.P.	0.01%	82	Family	Yes	New Construction	1994	2012	Stabilized	98.57%	425,600	182,700	33,000	209,900	2.15	2,433,500	4,940,800	8/1/2031		Wells Fargo Affordable Housing Community Development	Citibank
Foothill Farms (0329)	Sacramento	CA	Foothill Farms Associates, L.P.	0.01%	138	Senior	Yes	New Construction	2012		Stabilized	98.12%	195,100	122,400	55,200	17,500	1.14	830,000	8,500,000	1/1/2029		Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)
Gerardine Johnson (0183)	San Francisco	CA	Bayview Senior Housing, Inc.	100%	54	Senior	No	New Construction	1999		Stabilized	96.18%	24,700	0	23,500	1,100	N/A	0	0	N/A	PBRA	N/A	N/A
Grand Oak (0271)	South San Francisco	CA	Grand Oak Associates	0.01%	43	Family	Yes	New Construction	2007		Stabilized	97.86%	180,900	132,300	26,800	21,800	1.16	1,359,700	7,075,300	3/1/2038		MMA Financial	JP Morgan Chase
Grayson Creek (0203)	Pleasant Hill	CA	BRIDGE Grayson Creek Associates	100%	70	Family	Yes	New Construction	2003		Stabilized	99.66%	528,900	389,200	28,000	111,700	1.29	3,660,000	7,769,900	10/1/2033	RDA	NIA	CalHFA
Heritage Square (0353)	Pasadena	CA	Heritage Square Housing Partners, L.P.	0.01%	70	Senior	Yes	New Construction	2016		Stabilized	99.88%	567,300	312,300	18,300	238,600	1.76	4,941,000	1,538,600	06/01/2035	PBV	Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)
Holly Courts (0369)	San Francisco	CA	Holly Courts Housing Associates LP	0.01%	118	Family	Yes	Acquisition	1940	2017	Stabilized	96.63%	1,635,700	783,600	79,600	772,500	1.99	9,577,900	29,864,400	02/01/2035	PBV	Bank of America	Bank of America
Hunt's Grove (0119)	St. Helena	CA	Hunt Avenue Associates, a California Limited Partnership	100%	56	Family	Yes	New Construction	1992		Stabilized	99.12%	204,100	51,600	29,900	122,600	3.38	127,900	3,023,800	8/1/2022		NIA	Citibank
Ironhorse at Central Station (0287)	Oakland	CA	14th Street Associates	0.01%	99	Family	Yes	New Construction	2009		Stabilized	97.13%	614,300	329,600	59,400	225,300	1.68	3,522,100	17,178,400	12/21/2065	PBV	US Bancorp	Union Bank
Inglton Terrace (0265)	Fremont	CA	Inglton Development Group, L.P.	0.01%	100	Family	Yes	New Construction	2007		Stabilized	95.98%	348,800	267,200	76,100	3,500	1.01	2,723,300	11,803,800	4/1/2038		MMA Financial	California Community Reinvestment Corp. (CCRC)
Iyat College Park (0346)	Chino	CA	Iyat College Park, L.P.	0.01%	135	Family	Yes	New Construction	2014		Stabilized	95.45%	446,300	230,100	81,000	135,100	1.59	3,185,600	15,202,300	N/A		Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)
Iyat College Park Phase II (0376)	Chino	CA	BHC College Park II LP	0.01%	200	Family	Yes	New Construction	2017		Stabilized	94.37%	1,152,700	855,300	50,000	247,400	1.29	15,370,900	7,847,400	11/1/2033		NHT Equity, LLC	Prudential MultiFamily Mortgage, LLC
Kentfield (0293)	Stockton	CA	Kentfield Associates	0.01%	90	Family	Yes	Acquisition	1963	2009	Stabilized	96.40%	265,000	127,600	44,400	93,000	1.73	1,741,700	9,760,900	12/1/2045		Bank of America	Bank of America
La Pradera (0154)	Calistoga	CA	CALISTOGABRANNAN HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	48	Family	Yes	New Construction	1994		Stabilized	99.51%	139,700	44,800	32,200	62,700	2.40	191,500	2,275,000	7/1/2024		NIA	Citibank
Laguna Canyon (0240)	Irvine	CA	Laguna Canyon Housing Associates	0.01%	120	Family	Yes	New Construction	2006		Stabilized	96.69%	865,300	561,900	38,400	265,000	1.47	6,992,700	2,713,200	12/1/2041		Irvine Company	Citibank
Mabuhay Court (0205)	San Jose	CA	Northside Housing Associates, a California Limited Partnership	100%	96	Senior	Yes	New Construction	2003		Stabilized	98.06%	333,200	126,600	70,800	135,800	2.07	1,155,100	7,719,900	5/1/2033		NIA	Citibank
Madera Vista (0321)	Temecula	CA	Summerhouse Housing Associates, L.P.	0.01%	80	Family	Yes	New Construction	2014		Stabilized	96.82%	246,800	203,900	27,000	15,800	1.08	3,119,900	7,775,300	N/A		Wells Fargo Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)
Madera Vista Phase 3 (0359)	Temecula	CA	Summerhouse Housing 3, L.P.	0.01%	30	Family	Yes	New Construction	2017		Stabilized	98.85%	171,900	102,600	10,500	58,800	1.57	1,715,200	3,334,600	1/1/2035	PBV	National Equity Fund (NEF)	Citibank
Magnolia Plaza (0106)	South San Francisco	CA	South San Francisco Magnolia Plaza Associates	25%	125	Senior	Yes	New Construction	1988		Stabilized	96.22%	1,083,500	573,600	35,600	474,200	1.83	9,195,900	0	7/1/2022		NIA	Wells Fargo Bank
Mandela Commercial (0253)	Oakland	CA	Mandela Gateway Commercial, LLC	100%	0	Commercial	No	New Construction	2008		Stabilized	14.00%	(21,300)	100,600	0	(121,900)	N/A	1,002,900	0	6/13/2020		NIA	Presidio Bank
Mandela Gateway Apartments (0246)	Oakland	CA	MANDELA GATEWAY ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	0.01%	168	Family	Yes	New Construction	2005		Stabilized	99.02%	1,145,600	226,800	61,900	856,900	4.78	1,028,700	7,884,500	1/1/2020	PBV, ACC	Centerline Oakland Partners Inc.	CalHFA
Marea Alta (0306)	San Leandro	CA	Alameda Housing Associates, L.P.	0.01%	115	Family	Yes	New Construction	2017		Stabilized	97.11%	454,484	169,500	69,000	215,984	2.27	5,037,500	20,981,900	6/20/2054		Wells Fargo Affordable Housing Community Development	Wells Fargo Bank
Marina Tower Annex (0221)	Vallejo	CA	Marina Annex Associates	99.99%	57	Senior	Yes	Acquisition	1978	2002	Stabilized	93.68%	360,500	69,600	20,300	270,500	4.88	607,300	457,700	2/1/2032	PBRA	NIA	CalHFA
Marina Tower Apartments (0273)	Vallejo	CA	Marina Tower Associates	99.99%	155	Senior	Yes	Acquisition	1975	2006	Stabilized	96.03%	591,800	453,600	45,400	92,800	1.20	4,138,400	1,949,000	8/1/2032	PBRA	NIA	Union Bank
Metro Center (0349)	Foster City	CA	Metro Senior Homes, Inc.	100%	60	Senior	Yes	New Construction	1997	2014	Stabilized	99.23%	53,500	0	48,000	5,600	N/A	0	6,953,800	N/A		NIA	N/A
Mission Dolores (0371)	San Francisco	CA	Mission Dolores Housing Associates LP	0.01%	91	Senior	Yes	Acquisition	1971	2018	Stabilized	95.81%	863,600	531,400	54,600	277,700	1.52	9,780,700	21,225,200	11/1/2036	PBV	Bank of America	Bank of America
Montevista Apartments (0173)	Milpitas	CA	Milpitas Housing Associates, a California Limited Partnership	100%	306	Family	Yes	New Construction	1999		Operational	97.23%	3,338,800	809,400	58,200	2,471,300	4.05	0	36,029,600	929,2039		NIA	CalHFA
Mural Apartments (0297)	Oakland	CA	MacArthur Telegraph Associates, L.P.	0.01%	90	Family	Yes	New Construction	2016		Stabilized	98.28%	772,000	302,800	55,200	354,000	2.17	3,837,100	19,512,000	02/01/2031	PBV	Union Bank	US Bank NA
North Beach Place (0213)	San Francisco	CA	North Beach Housing Associates	0.01%	341	Mixed	Yes	New Construction	2004		Stabilized	99.12%	4,656,800	1,835,100	119,400	2,702,400	2.47	11,127,100	27,489,100	1/1/2021	PBV, ACC	Centerline Oakland Partners Inc.	Citibank
North Beach Retail Associates, Inc. (NBRA) (8402)	San Francisco	CA	North Beach Retail Associates, LLC	46.11%	0	Commercial	No	New Construction	2004		Stabilized	100.0%	923,700	498,000	18,000	407,700	1.82	2,411,900	125,400	05/01/2025		NIA	Union Bank



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Property	City	State	Ownership Entity	BRIDGE Ownership Interest	Unit Count	Target Population	Tax Credit Project	Construction Type	Year Built	Last Major Rehab Year	Project Status	YTD Economic Occ	NOI	Must-Pay Annual Debt Svc	Required Reserve Deposits	Cash Flow after Debt Service & Reserves	DCR (after reserves)	Must-Pay Loan Balance(s)	Subordinate Soft Debt Balance	Must-Pay Maturity Dates	Rental Subsidy	Investor	Lender	
Northpoint Village Apartments I (0177)	Santa Rosa	CA	Northpoint Housing Associates, a California Limited Partnership	100%	70	Family	Yes	New Construction	1999		Stabilized	96.98%	135,500	64,000	30,200	41,300	1.65	441,500	2,672,200	3/1/2030		N/A	WestAmerica Bank	
Northpoint Village Apartments II (0178)	Santa Rosa	CA	Northpoint II Housing Associates, L.P.	100%	40	Family	Yes	New Construction	2000		Stabilized	98.38%	125,400	66,200	28,100	31,100	1.47	479,000	1,310,000	3/1/2031		N/A	WestAmerica Bank	
Oak Circle (0220)	San Jose	CA	Roberts Avenue Senior Housing, L.P.	100%	100	Senior	Yes	New Construction	2003		Stabilized	99.20%	324,900	241,200	36,800	47,000	1.19	2,387,800	5,900,000	1/1/2033		N/A	CalHFA	
Oceanview (0377)	Pacifica	CA	Oceanview Housing Associates, L.P.	0.01%	100	Senior	Yes	Acquisition	1973	2016	Stabilized	97.53%	899,700	559,700	37,500	302,500	1.54	9,179,500	11,812,000	7/31/2057	PBV	Meritt Community Capital Fund XVII, LP	CalHFA	
Ohiome Court (0168)	San Jose	CA	Ohiome Housing Associates, a California Limited Partnership	100%	135	Family	Yes	New Construction	1997		Stabilized	99.68%	771,900	287,400	92,000	392,400	2.37	1,745,000	6,017,200	9/1/2027		N/A	Citibank	
Pacific Oaks (0083)	Pacifica	CA	Pacific Oaks Associates	25%	104	Senior	Yes	New Construction	1988	2015	Stabilized	97.96%	912,600	410,500	37,500	470,600	2.15	6,893,200	0	7/1/2022		N/A	Wells Fargo Bank	
Paseo at COMM22 (0343)	San Diego	CA	COMM22 Family Housing, L.P.	0.01%	130	Family	Yes	New Construction	2015		Stabilized	97.25%	614,300	264,800	65,000	284,500	2.07	3,173,200	21,736,500	09/01/2044		AEGON USA Realty Advisors, Inc.	Bank of America	
Peninsula Park (0209)	E. Palo Alto	CA	Nairobi Housing Associates, A California Limited Partnership	100%	129	Family	Yes	New Construction	2001		Stabilized	99.85%	1,350,100	627,300	49,900	672,900	2.07	11,451,800	5,449,500	10/1/2029		N/A	US Bank N.A.	
Pickweed (0103)	Mill Valley	CA	Alto Station, Inc.	100%	32	Family	No	New Construction	1986	2002	Stabilized	99.83%	231,800	125,700	44,300	61,700	1.49	1,064,100	0	7/1/2031		N/A	CalHFA	
Pinole Grove Senior Housing (0341)	Pinole	CA	John Street Housing Associates, L.P.	0.01%	70	Senior	Yes	New Construction	1994	2012	Stabilized	97.08%	187,000	94,300	23,700	68,900	1.73	1,256,700	5,278,100	7/1/2030		Wells Fargo Advisors Housing Community Development	California Community Reinvestment Corp. (CCRC)	
Pinonella Station (0215)	Carlsbad	CA	Pinonella Housing Associates	100%	92	Family	Yes	New Construction	2000		Stabilized	97.37%	688,300	352,900	38,900	306,500	1.87	7,181,900	0	10/1/2029		N/A	US Bank N.A.	
Pottery Court (0309)	Lake Elsinore	CA	Pottery Court Housing Associates, L.P.	0.01%	113	Family	Yes	New Construction	2012		Stabilized	92.88%	181,300	74,500	76,400	30,400	1.41	853,200	11,163,400	1/1/2031		Wachovia Affordable Housing Community Development	California Community Reinvestment Corp. (CCRC)	
Ramona Apartments (0398)	Portland	OR	Nurture 24 Limited Partnership	0.01%	138	Family	Yes	Acquisition	2011		Stabilized	97.16%	1,090,000	915,500	0	174,600	1.19	13,492,700	21,190,600	4/1/2027		USB LHFC Fund 2009-2	US Bank N.A.	
Redwood Shores (0159)	Vallejo	CA	Redwood Shores Senior Housing, Inc.	100%	120	Senior	No	New Construction	1997		Stabilized	97.54%	1,548,900	0	1,537,700	11,200	N/A	0	0	N/A	PBRA	N/A	N/A	
Richmond City Center Apartments (0354)	Richmond	CA	Richmond Housing Associates, L.P.	0.01%	64	Family	Yes	New Construction	1993	2014	Stabilized	99.02%	284,800	143,700	27,000	114,100	1.79	1,160,800	2,807,000	4/20/2029	PBV	Raymond James Housing Opportunities Fund II LLC	US Bank N.A.	
Rotary Valley (0169)	San Rafael	CA	ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	80	Senior	Yes	New Construction	1997		Stabilized	98.01%	134,900	56,500	47,900	30,600	1.54	383,300	1,077,000	1/1/2027		N/A	WestAmerica Bank	
Sage Canyon (0267)	San Marcos	CA	Area F1 Housing Associates, L.P.	0.01%	72	Family	Yes	New Construction	2007		Stabilized	97.33%	185,300	123,000	42,700	19,600	1.18	1,171,700	7,562,800	10/1/2037		National Equity Fund (NEF)	Union Bank	
Sage Park (0318)	Los Angeles	CA	BHC Sage Park, L.P.	0.01%	90	Family	Yes	New Construction	2014		Stabilized	99.18%	562,000	231,900	146,700	183,500	1.79	3,304,800	4,044,700	4/1/2033		Bank of America	California Community Reinvestment Corp. (CCRC)	
San Paulo Apartments (0143)	Irvine	CA	San Rafael Apartments L.P.	1%	382	Family	Yes	New Construction	1993		Stabilized	92.99%	4,150,400	0	0	4,150,400	N/A	0	60,298,700	N/A		Irvine Apartment Communities, L.P. (IAC)	N/A	
San Rafael Commons (0233)	San Rafael	CA	Sanraf Associates, a California Limited Partnership	0.1%	83	Senior	Yes	Acquisition	1979	2002	Stabilized	93.62%	1,157,100	604,400	30,000	522,700	1.86	4,560,000	2,391,000	12/1/2031	PBRA	Union Bank	N/A	
Santa Alicia (0175)	Irvine	CA	Santa Alicia Family Housing Associates	100%	84	Family	Yes	New Construction	1996		Stabilized	99.25%	644,300	197,900	44,500	401,900	3.03	4,462,800	5,000	10/1/2029		N/A	US Bank N.A.	
Silverado Creek (0191)	Napa	CA	Silverado Creek Partners, a California Limited Partnership	100%	102	Family	Yes	New Construction	2000		Stabilized	99.36%	439,300	229,400	41,000	168,900	1.74	1,876,000	5,187,500	6/1/2031		N/A	Bank of America	
Silka (0378)	Portland	OR	Block 14 LP	100%	209	Family	Yes	Acquisition	2005		Stabilized	96.54%	1,464,800	1,000,800	66,000	398,000	1.40	9,898,900	7,758,400	07/31/2021		N/A	US Bank N.A.	
St. Joseph's Senior Apartments (0324)	Oakland	CA	St. Joseph's Senior, L.P.	0.01%	84	Senior	Yes	Acquisition	1912	2011	Stabilized	95.28%	732,500	351,400	50,400	330,700	1.94	3,039,400	16,052,000	2/1/2032	PBV	Union Bank	US Bank N.A.	
Skamboat Point Apartments (0092)	San Francisco	CA	South Beach Family Associates, a California Limited Partnership	100%	108	Family	Yes	New Construction	1992		Stabilized	97.40%	684,100	95,900	90,700	497,500	6.19	263,900	4,174,800	1/1/2023		N/A	Citibank	
Strobridge Court (0170)	Castro Valley	CA	STROBRIDGE HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	1%	96	Mixed	Yes	New Construction	1998		Stabilized	97.91%	321,300	196,900	80,000	44,400	1.23	1,274,300	1,264,300	2/1/2028		Edison Capital Housing Investments	Citibank	
Sycamore Place (0222)	Danville	CA	Danville Senior Housing Associates	100%	74	Senior	Yes	New Construction	2003		Stabilized	97.40%	189,500	78,400	29,600	81,500	2.04	1,117,900	5,239,800	12/31/2020		N/A	Century Housing Corporation	
Terra Cotta (0184)	San Marcos	CA	Terra Cotta Housing Associates	100%	168	Family	Yes	New Construction	2000		Stabilized	99.08%	458,700	269,600	50,400	138,800	1.51	2,045,200	6,798,600	9/1/2031		N/A	JP Morgan Chase	
Terraza Palmera at St. Joseph's (0272)	Oakland	CA	St. Joseph's Family Associates, L.P.	0.01%	62	Family	Yes	New Construction	2014		Stabilized	94.86%	466,700	297,900	37,200	131,500	1.44	3,316,500	14,077,300	1/1/2029	PBV	Union Bank	US Bank N.A.	
The Abigail (0351)	Portland	OR	Abigail Housing Associates LP	0.01%	155	Family	Yes	New Construction	2016		Stabilized	94.22%	994,600	864,100	58,400	75,100	1.09	14,507,200	17,927,800	04/01/2037		NHT Equity, LLC	Wells Fargo Bank	
The Arbors (0189)	Hercules	CA	Hercules Senior Housing Associates, a California Limited Partnership	100%	60	Senior	Yes	New Construction	2000		Stabilized	99.52%	326,800	260,200	35,500	41,100	1.16	1,172,300	2,383,600	3/1/2025		RDA	N/A	CalHFA
The Carquinez (0308)	Richmond	CA	Carquinez Associates, L.P.	0.01%	36	Senior	Yes	Acquisition	1925	2010	Stabilized	94.58%	362,600	164,300	16,200	182,100	2.11	806,100	2,561,000	5/1/2026	PBV	Union Bank	Wells Fargo Bank	
The Coronet (0245)	San Francisco	CA	Geary Housing Partners, L.P.	0.01%	150	Mixed	Yes	New Construction	2010		Stabilized	98.99%	246,100	29,400	90,000	126,700	5.31	0	30,878,700	N/A	LOSP	Union Bank	N/A	
The Fountains (0107)	Mountain View	CA	SR Fountains LP	33%	124	Senior	No	New Construction	2003		Stabilized	97.94%	897,718	146,600	99,200	270,500	2.85	0	5,461,800	N/A		N/A	N/A	
The Parkview (0187)	Pleasanton	CA	BLP Partnership, Inc.	100%	105	Senior	No	New Construction	2007		Stabilized	100.00%	2,050,800	843,000	95,000	1,112,800	2.32	16,396,700	2,490,000	1/1/2040		N/A	Citibank	
The Rivermark (0315)	West Sacramento	CA	BRIDGE Triangle Associates, L.P.	0.01%	70	Family	Yes	New Construction	2015		Stabilized	93.96%	77,500	46,800	37,000	(6,200)	0.87	226,600	14,874,400	04/01/2031		Raymond James Housing Opportunities Fund 24 LP	California Community Reinvestment Corp. (CCRC)	
The Vera (0384)	Portland	OR	RiverPlace 3 Housing Limited Partnership	0.01%	203	Mixed	Yes	New Construction	2019		Leasing	3.60%	32,500	0	0	32,500	N/A	0	66,186,100	N/A		National Equity Fund (NEF)	N/A	
Tomeydel Mar (0217)	San Diego	CA	CARMEL VALLEY HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	100%	112	Family	Yes	New Construction	2003		Stabilized	95.56%	391,900	287,900	45,500	58,500	1.20	2,632,900	5,623,500	6/1/2033		N/A	CalHFA	
Tressa Apartments (0363)	Seattle	WA	Linden 143 LLC	0.01%	474	Family	Yes	Acquisition	2009		Stabilized	92.02%	3,986,100	2,499,500	146,600	1,339,900	1.54	40,844,800	5,475,200	06/05/2042		Bank of America	Citibank	



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Trestle Glen (0301)	Colma	CA	Trestle Glen Associates, a California Limited Partnership	0.01%	119	Family	Yes	New Construction	2010		Stabilized	99.77%	896,300	472,000	71,400	352,900	1.75	5,572,000	20,955,000	5/1/2041		Union Bank	Citibank
Victoria at COMM22 (0344)	San Diego	CA	COMM22 Senior Housing, L.P.	0.01%	70	Senior	Yes	New Construction	2015		Stabilized	96.03%	132,000	16,200	44,500	71,400	5.41	0	12,174,000	N/A	PBRA	Bank of America	N/A
Vila Loma Apartments (0339)	Carlsbad	CA	Tobria Terrace, LLC	100%	344	Family	Yes	New Construction	1996	2011	Stabilized	97.34%	2,065,000	999,100	294,800	811,000	1.85	20,584,200	150,000	10/1/2029		N/A	US Bank N/A
Village at Westlark Phase I (0389)	Ventura	CA	Villages at Westlark I LP	0.01%	131	Family	Yes	New Construction	2019		Leasing	100.00%	(259,800)	0	100	(259,900)	N/A	0	40,004,300	N/A		Wincofin Circle LLLP	N/A
Mistation Gardens (0193)	Brisbane	CA	Brisbane Senior Housing, Inc.	100%	14	Senior	No	New Construction	1998		Stabilized	96.53%	33,100	0	14,500	18,600	N/A	0	2,513,500	N/A		N/A	N/A
Windrow (0255)	Irvine	CA	Northwood Housing Associates, L.P.	0.01%	96	Family	Yes	New Construction	2006		Stabilized	99.60%	545,200	420,600	33,600	91,100	1.22	5,556,500	2,752,700	7/1/2042		Irvine Company	Citibank
Woodbury Walk (0284)	Irvine	CA	Woodbury Partners, a California limited partnership	0.01%	150	Family	Yes	New Construction	2007		Stabilized	99.56%	1,053,100	507,200	52,500	493,400	1.97	5,155,400	3,008,300	6/1/2038		MMA Financial	Citibank
Woodland Park (0386)	Hillsboro	OR	WOODLAND PARK ASSOCIATES, L.P.	0.01%	111	Mixed	Yes	Acquisition	1980	2017	Stabilized	94.33%	617,700	406,300	43,400	110,000	1.41	8,156,200	4,006,300	4/15/2036	PBRA	US Bancorp	JP Morgan Chase

Number of Units	11,977
Number of Properties	115
Weighted Avg. DCR	1.86
Weighted Avg. Econ Occupancy	95.07%

FORM OF THE BOND INDENTURE

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BOND INDENTURE

by and between

BRIDGE HOUSING CORPORATION

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Bond Trustee

Dated as of December 1, 2020

\$100,000,000
BRIDGE Housing Corporation
Taxable Bonds, Series 2020 (Sustainability Bonds)

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THIS BOND INDENTURE, made, entered into and dated as of December 1, 2020 (this “Bond Indenture”), by and between BRIDGE Housing Corporation (“BRIDGE”), a nonprofit public benefit corporation organized and existing under the laws of the State of California, and Wilmington Trust, National Association, a national banking association organized and existing under the laws of the United States of America, and being duly qualified to accept and administer the trusts created hereby (the “Bond Trustee”),

WITNESSETH:

WHEREAS, BRIDGE is authorized to finance any of its lawful corporate purposes and to issue its bonds for the purpose of carrying out any of its lawful corporate purposes;

WHEREAS, BRIDGE deems it desirable and intends to obtain financing with respect to such lawful corporate purposes through the issuance by BRIDGE of the Series 2020 Bonds (as defined herein); and

WHEREAS, the Bond Trustee agrees to accept and administer the trusts created hereby;

GRANTING CLAUSES

NOW, THEREFORE, THIS BOND INDENTURE FURTHER WITNESSETH: That in consideration of the premises, of the acceptance by the Bond Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds (as defined herein) by the holders thereof, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who shall from time to time be or become holders thereof, and in order to secure the payment of all of the Bonds at any time issued and outstanding hereunder and the principal of, interest and Redemption Price, if any, thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants and conditions therein and herein contained, BRIDGE has executed this Bond Indenture and does hereby grant a security interest in, release, assign, transfer, pledge and grant and convey unto the Bond Trustee and its successors and assigns forever the following described property:

Amounts on deposit from time to time in the Funds and Accounts created pursuant hereto, including the earnings on such pledged Funds and Accounts, subject to the provisions of this Bond Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth herein.

TO HAVE AND TO HOLD all said properties pledged, assigned and conveyed by BRIDGE hereunder, including all additional property which by the terms hereof has or may become subject to the encumbrance hereof, unto the Bond Trustee and its successors in trust and its assigns forever, subject, however, to permitted encumbrances and to the rights reserved hereunder.

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the holders from time to time of the Bonds issued, authenticated, delivered and outstanding hereunder, without preference, priority or distinction as to lien or otherwise of any of said Bonds over any other or others of said Bonds to the end that each holder of such Bonds has the same rights, privileges and lien under and by virtue hereof, and all other sums payable hereunder; and conditioned, however, that if BRIDGE shall well and truly pay or cause to be paid fully and promptly when due all liabilities, obligations and sums at any time secured hereby, and shall promptly, faithfully and strictly keep, perform or observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, then and in such event, this Bond Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereafter set forth.

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions. Unless the context shall otherwise require, the following words and terms as used in this Bond Indenture shall have the following meanings:

“1933 Act” shall have the meaning ascribed to such term in Section 2.02 of this Bond Indenture.

“2020 Project” shall mean any corporate purposes of BRIDGE, all to the extent financed with the proceeds of the Series 2020 Bonds.

“Account” shall mean any account created under this Bond Indenture.

“Additional Bonds” shall mean any Bonds issued after December 8, 2020, authorized pursuant to the terms of this Bond Indenture.

“Beneficial Owner” shall mean whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by a DTC participant on the records of such participant or such Person’s subrogee.

“Bond” or “Bonds” shall mean the Series 2020 Bonds and any series of Additional Bonds authorized pursuant to the terms of this Bond Indenture.

“Bond Fund” shall mean the fund created pursuant to Section 5.01(a) of this Bond Indenture.

“Bond Indenture” shall mean this Bond Indenture, dated as of December 1, 2020, by and between BRIDGE and the Bond Trustee, and when amended, restated or supplemented, this Bond Indenture, as so amended, restated or supplemented.

“Bond Indenture Event of Default” shall mean any one or more of those events set forth in Section 7.01 of this Bond Indenture.

“Bond Payment Date” shall mean each date on which interest or both principal and interest shall be payable on any of the Series 2020 Bonds according to their respective terms so long as any Series 2020 Bonds are Outstanding. Bond Payment Date for each series of Additional Bonds shall have the meaning set forth in the Supplement authorizing such series of Additional Bonds.

“Bond Trustee” shall mean Wilmington Trust, National Association, and any successor to its duties under this Bond Indenture.

“Book-Entry Bonds” shall mean the Series 2020 Bonds held by DTC as the registered owner thereof pursuant to the terms and provisions of Section 2.13 of this Bond Indenture.

“BRIDGE” shall mean the nonprofit public benefit corporation organized and existing under the laws of the State of California, the corporate name of which is BRIDGE Housing Corporation, and its successors.

“BRIDGE Representative” shall mean any of the President and Chief Executive Officer, Chief Financial Officer, Treasurer and any Executive or Senior Vice President (including without limitation the General Counsel) at the time designated to act on behalf of BRIDGE by a written certificate furnished to the Bond Trustee, containing the specimen signature of such Person and signed on behalf of BRIDGE by its

Secretary or Assistant Secretary. Such certificate may designate an alternate or alternates for any BRIDGE Representative who shall have the same authority, duties and powers as such BRIDGE Representative.

“Business Day” shall mean any day of the week other than Saturday, Sunday or a day which is in the City or the State of New York or in the location of the Corporate Trust Office a legal holiday or a day on which banking corporations or associations or trust companies in New York, New York, Costa Mesa, California or Wilmington, Delaware are authorized or obligated by law, regulation or executive order to close or remain closed.

“Callable Series 2020 Bonds” shall have the meaning ascribed to such term in Section 3.02(a) of this Bond Indenture.

“Code” shall mean the Internal Revenue Code of 1986, as amended, or any successor code or law, and any regulations in effect or promulgated thereunder.

“Corporate Trust Office” shall mean the office of the Bond Trustee at which its corporate trust administration with respect to this Bond Indenture is conducted, which at the date hereof is located at 650 Town Center Drive, Suite 800, Costa Mesa, California, Attention: Corporate Trust Department, except that with respect to presentation of Bonds for payment or for registration of transfer or exchange, such term shall mean the office or agency of the Bond Trustee at which, at any particular time, its corporate trust operations shall be conducted.

“Defeasance Obligations” shall mean: (i) non-callable direct obligations of (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations the timely payment of principal and interest on which are unconditionally guaranteed by, the United States of America; and (ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii) as appropriate, and (d) which are rated “AAA” by S&P Global Ratings, “Aaa” by Moody’s Investors Service, Inc., or “AAA” by Fitch Ratings, Inc.

“DTC” shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns, or any other depository which agrees to follow the procedures required to be followed by such depository in connection with the Bonds.

“Fund” shall mean any fund created under this Bond Indenture.

“Governing Body” shall mean BRIDGE’s Board of Directors.

“Holder” or “Bondholder” shall mean the registered owner of any Bond, including DTC or its nominee as the sole registered owner of Book-Entry Bonds.

“Interest Account” shall mean the account of the Bond Fund created pursuant to Section 5.01(a)(i) of this Bond Indenture.

“Make-Whole Redemption Price,” with respect to the Series 2020 Bonds shall mean the greater of the following and, with respect to any series of Additional Bonds, as set forth in the corresponding Supplement:

(1) 100% of the principal amount of any Series 2020 Bonds being redeemed; or

(2) the sum of the present values of the remaining scheduled payments of principal and interest to the Maturity Date of the Series 2020 Bonds being redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2020 Bonds are to be redeemed), discounted to the date on which such Series 2020 Bonds are to be redeemed on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at the Treasury Rate plus 35 basis points. BRIDGE shall retain, at its own expense, an independent accounting firm or financial advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Bond Trustee and BRIDGE may conclusively rely on such accounting firm’s or financial advisor’s calculations in connection with, and determination of, the Make-Whole Redemption Price, and neither of the Bond Trustee nor BRIDGE will have any liability for their reliance.

“Maturity Date” shall mean the applicable Maturity Date set forth in Section 2.02 hereof.

“Notice by Mail” or “notice” of any action or condition “by Mail” shall mean a written notice meeting the requirements of this Bond Indenture mailed by first-class mail to the Holders of specified registered Bonds, at the addresses shown on the registration books maintained pursuant to Section 2.07 hereof.

“Offering Memorandum” shall mean the Offering Memorandum of BRIDGE relating to the Series 2020 Bonds, containing information, data and statistics concerning BRIDGE, the Series 2020 Bonds and other information, and the appendices thereto, as the same shall be supplemented.

“Opinion of Counsel” shall mean a written opinion of an attorney or firm of attorneys who (except as otherwise expressly provided herein) may be either counsel for BRIDGE or for the Bond Trustee.

“Outstanding,” when used with reference to the Bonds, shall mean, as of any date of determination, all Bonds theretofore authenticated and delivered except: (i) Bonds theretofore cancelled by the Bond Trustee or delivered to the Bond Trustee for cancellation; (ii) Bonds which are deemed paid and no longer Outstanding as provided in Article X of this Bond Indenture; (iii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions of this Bond Indenture relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Bond Trustee has been received that any such Bond is held by a bona fide purchaser; (iv) Bonds paid pursuant to the last sentence of Section 2.04 hereof, and (v) for purposes of any consent or other action to be taken under this Bond Indenture by the Holders of a specified percentage of principal amount of Bonds, Bonds held by or for the account of BRIDGE, or any Person controlling, controlled by, or under common control with, BRIDGE (for purposes of this clause (v), the Bond Trustee shall be permitted to rely on a certificate of BRIDGE).

“Permitted Investments” shall mean and include any of the following, if and to the extent the same are at the time legal for the investment of BRIDGE’s money (provided that the Bond Trustee shall be entitled to rely upon any investment directions from BRIDGE as conclusive certification to the Bond Trustee that the investments described therein are Permitted Investments and/or legal investments for BRIDGE):

(a) Defeasance Obligations, or other direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America or any Federal Reserve Bank) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America;

(b) obligations, debentures, bonds, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Federal Housing Administration;

(c) bonds of any state in the United States or of any county or city of the State for which each rating agency then rating BRIDGE's bonds maintains a rating at least equal to "A" (or the equivalent) or its highest short-term rating;

(d) repurchase agreements:

(i) with any corporation or other entity that falls under the jurisdiction of the Bankruptcy Code, provided that:

(1) the term of such repurchase agreement is less than one year or due on demand,

(2) the Bond Trustee or third party acting solely as agent for the Bond Trustee has possession of the collateral,

(3) the market value of the collateral is maintained at an amount equal to at least 102% of the amount of cash transferred by the Bond Trustee to the dealer bank or securities firm under the repurchase agreement plus interest,

(4) failure to maintain the requisite collateral levels will require the Bond Trustee to liquidate the collateral immediately,

(5) the repurchase securities are either obligations of, or fully guaranteed as to principal and interest by, the United States or any United States agency,

(6) the repurchase securities are free and clear of any third-party lien or claim, and

(7) such corporation or other entity's long-term debt obligations are rated A or better by each rating agency then rating the Bonds, and

(ii) with financial institutions including the Bond Trustee and its affiliates, insured by the Federal Deposit Insurance Corporation or any broker-dealer with "retail customers" which falls under the jurisdiction of the Securities Investors Protection Corporation ("SIPC") provided that:

(1) the requirements specified in clause (i)(2), (3) and (4) are met,

(2) the Bond Trustee has a perfected first priority security interest in the collateral, and

(3) the collateral is free and clear of third-party liens and, in the case of a SIPC broker, was not acquired pursuant to a repurchase agreement or reverse repurchase agreement;

(e) interest bearing bankers acceptances and demand or time deposits (including certificates of deposit) in banks (including the Bond Trustee and its affiliates), providing such deposits are secured at all times, in the manner and to the extent provided by law, by collateral security described in clause (a) or (b) of this definition of a market value no less than the amount of moneys so invested and are maintained with banks the debt obligations of which are rated A or better by each rating agency then rating BRIDGE's bonds;

(f) United States Treasury Receipts and Stripped Treasury Coupons;

(g) taxable government money market portfolios composed of obligations issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States of America, including without limitation any portfolio for which the Bond Trustee's parent, affiliates or subsidiaries provide investment advisory or other management services, which are rated "AAAm" or "AAAmG" by S&P Global Ratings;

(h) commercial paper rated at the time of purchase A-2/P-2 or better by each rating agency then rating the Bonds and issued by corporations organized and operating within the United States and having total assets in excess of \$500,000,000;

(i) collateralized investment agreements or other collateralized contractual arrangements with corporations, financial institutions or national associations within the United States with such entities which are rated within the two highest rating categories of each rating agency then rating the Bonds and fully secured by collateral security described in clause (a) or (b) of this definition;

(j) money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated "A-1" or better by S&P Global Ratings and "P-1" by Moody's Investors Service, Inc.; and

(k) investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P Global Ratings or an equivalent rating by Moody's Investors Service, Inc. or any other nationally recognized rating agency, including funds for which the Bond Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Bond Trustee or such holding company provide investment advisory or other management services.

"Person" shall include an individual, association, unincorporated organization, corporation, limited liability company, partnership, joint venture, or government or agency or political subdivision thereof.

"Preliminary Offering Memorandum" shall mean the Preliminary Offering Memorandum, dated October 5, 2020, as supplemented on November 23, 2020, relating to the Series 2020 Bonds, containing information, data and statistics concerning BRIDGE and other information, and the appendices thereto, but without pricing, yield, redemption or maturity information on the Series 2020 Bonds.

"Principal Account" shall mean the account of the Bond Fund created pursuant to Section 5.01(a)(ii) of this Bond Indenture.

"Project" shall mean the 2020 Project and any project described in a Supplement and financed with the proceeds of any series of Additional Bonds.

"Purchase Contract" shall mean the purchase contract between BRIDGE and the Underwriter relating to the sale of the Series 2020 Bonds.

“Rating Agency” or “Rating Agencies” means, with respect to a Series of Bonds, Fitch Ratings, Inc. and its successors, if any, Moody’s Investors Service, Inc. and its successors, if any, or S&P Global Ratings and its successors, if any, or any other nationally-recognized credit rating agency or agencies specified in the related Supplement; provided that any such rating agency shall, at the time in question, be maintaining a rating on such Series of Bonds at the request of BRIDGE.

“Record Date” shall mean each January 1 and July 1 (whether or not a Business Day).

“Redemption Account” shall mean the account of the Bond Fund created pursuant to Section 5.01(a)(iii) of this Bond Indenture.

“Redemption Price” shall mean, the redemption price equal to the principal amount plus premium, if applicable, payable pursuant to an optional redemption under Section 3.01 hereof or a mandatory redemption pursuant to Section 3.03 hereof, in each case, together with accrued interest to the date fixed for redemption.

“Representation Letter” shall mean the Letter of Representations from BRIDGE to DTC with respect to the Bonds.

“Series 2020 Bonds” shall mean BRIDGE’s \$100,000,000 aggregate principal amount of Taxable Bonds, Series 2020 (Sustainability Bonds), dated their date of delivery and issued under this Bond Indenture to finance costs of the 2020 Project.

“State” shall mean the State of California.

“Supplement” shall mean an indenture supplementing or modifying the provisions of this Bond Indenture entered into by BRIDGE and the Bond Trustee in accordance with Article IX of this Bond Indenture.

“Term Bonds” means Series 2020 Bonds which are payable on their specified Maturity Dates from payments deposited with the Bond Trustee.

“Treasury Rate” shall mean, with respect to any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the Maturity Date of the Series 2020 Bonds to be redeemed. However, if the period from the redemption date to such Maturity Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“Underwriter” shall mean Morgan Stanley & Co. LLC.

Section 1.02. Interpretation. (a) Any reference herein to BRIDGE, the Governing Body or any officer thereof shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine and feminine gender.

(c) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(d) Words importing the redemption of a Bond or the calling of a Bond for redemption do not mean or include the payment of a Bond at its stated maturity or the purchase of a Bond.

Section 1.03. All Bonds Equally and Ratably Secured; Bonds Are General Obligations of BRIDGE. All Bonds issued hereunder and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds, so that all Bonds at any time issued and Outstanding hereunder shall have the same right, lien, and preference hereunder, and shall all be equally and ratably secured hereby. The Bonds are general obligations of BRIDGE.

Section 1.04. Payments of Principal, Redemption Price and Interest. BRIDGE covenants that it will duly and punctually pay the principal of and interest and any Redemption Price on the Bonds on the dates and in the places and manner mentioned therein and herein subject, however, to the limitations with respect to sources of such payment provided in Sections 1.05 and 11.14 hereof. Notwithstanding any schedule of payments to be made on the Bonds set forth therein or herein, BRIDGE agrees to make payments upon the Bonds and be liable therefor at the times and in the amounts equal to the amounts to be paid as principal or Redemption Price of or interest on the Bonds from time to time Outstanding under this Bond Indenture as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

All amounts payable with respect to the Bonds or hereunder by BRIDGE, except as otherwise expressly provided herein, shall be paid to the Bond Trustee so long as any Bonds remain Outstanding.

BRIDGE agrees and represents that it has received fair consideration in return for the obligations undertaken and to be undertaken by BRIDGE resulting from each Bond issued or to be issued by BRIDGE hereunder.

Section 1.05. Obligations Unconditional; Sources of Payment Limited. (a) This Bond Indenture is a general obligation of BRIDGE and the obligations of BRIDGE to make payments pursuant hereto and pursuant to the Bonds and to perform and observe all agreements on its part contained herein shall be absolute and unconditional. Until this Bond Indenture is terminated or payment in full of all Bonds is made or is provided for in accordance with this Bond Indenture, BRIDGE: (i) will not suspend or discontinue any payments hereunder or neglect to perform any of its duties required hereunder; (ii) will perform and observe all of its obligations set forth in this Bond Indenture; and (iii) except as provided herein, will not terminate this Bond Indenture for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration; commercial frustration of purpose; any change in the tax or other laws or administrative rulings of, or administrative actions by or under authority of, the United States of America or of the State.

(b) All payment obligations arising under this Indenture shall be payable from all amounts that are legally available to BRIDGE for such purpose.

Section 1.06. Representations, Warranties and Covenants of BRIDGE. (a) BRIDGE represents that it is a nonprofit public benefit corporation duly incorporated, validly existing and in good standing under the laws of the State, it has full legal right, power and authority to enter into this Bond Indenture, and to carry out and consummate all transactions contemplated hereby, and it has, by proper action, duly authorized the execution and delivery of this Bond Indenture and the Bonds.

(b) BRIDGE is an organization described in Section 501(c)(3) of the Code, and is exempt from federal income tax under Section 501(a) of such Code, except with respect to any unrelated business income of BRIDGE. The facts and circumstances which formed the basis of BRIDGE's status as an organization described in Section 501(c)(3) of the Code as represented to the Internal Revenue Service continue substantially to exist. BRIDGE is an organization organized and operated exclusively for charitable purposes and not for pecuniary profit, and no part of BRIDGE's net earnings inures to the benefit of any person, private stockholder or individual, all within the meaning of the Securities Act of 1933, as amended. BRIDGE at all times will

maintain its status as an organization described in Section 501(c)(3) of the Code and its exemption from federal income tax under Section 501(a) of the Code or corresponding provisions of future federal income tax laws and will remain organized and operated for charitable purposes and not for pecuniary profit. BRIDGE has not impaired its status as an exempt organization and a charitable organization as described in this paragraph, and will not, while any of the Bonds remain outstanding, impair its status as an exempt organization and a charitable organization.

(c) BRIDGE shall deposit, or cause to be deposited, all proceeds of the Bonds received by BRIDGE pursuant to this Bond Indenture into either a separate account, segregated from all other assets of BRIDGE or into a co-mingled account with other assets of BRIDGE, provided that the application of such proceeds is tracked. BRIDGE shall use such proceeds for costs of the Project, which use constitutes a purpose related to the qualification of BRIDGE as an organization described in Section 501(c)(3) of the Code, and for working capital (including costs associated with the issuance of the Bonds) and other eligible corporate purposes related to the qualification of BRIDGE as an organization described in Section 501(c)(3) of the Code.

Section 1.07. Content of Certificates and Opinions. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Bond Indenture, and every direction or request that the Bond Trustee take, or refrain from taking, any action that is subject to such a condition or covenant, shall include: (i) a statement that the person or persons making or giving such certificate or opinion have read such condition or covenant and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such condition or covenant has been complied with; and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of BRIDGE may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion made or given by counsel may be based, insofar as it relates to factual matters (with respect to which information is in the possession of BRIDGE) upon the certificate or opinion of or representations by an officer of BRIDGE, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his or her opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous.

Any written representation of BRIDGE or determination of the Bond Trustee given in accordance with Article IX (regarding supplements to this Bond Indenture) may, at the option of such party, be based solely on the written representation of a financial consultant or advisor or the opinion or advice of counsel selected by BRIDGE.

ARTICLE II

AUTHORIZATION AND TERMS OF BONDS

Section 2.01. Authorization. BRIDGE hereby authorizes the issuance of a series of Bonds in the aggregate principal amount of \$100,000,000 for the purpose of providing funds for BRIDGE to aid in financing the cost of the 2020 Project. The series of Bonds so authorized shall be designated “BRIDGE Housing Corporation Taxable Bonds, Series 2020 (Sustainability Bonds)” and shall be issued and sold as directed by the Governing Body in accordance herewith.

Section 2.02. Terms. The Series 2020 Bonds shall be issued in fully registered form as herein provided. The Series 2020 Bonds are issued as Term Bonds, shall mature on the date and in the principal amount set forth below. Interest on the Series 2020 Bonds shall be payable on January 15 and July 15 in each year, commencing January 15, 2021, at the rate per annum set forth below:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 15, 2030	\$100,000,000	3.250%

Interest on the Series 2020 Bonds shall be calculated based on a 360-day year of twelve thirty-day months. The Series 2020 Bonds shall be dated and bear interest from their date of delivery, except with respect to Series 2020 Bonds authenticated and delivered on and after the first Bond Payment Date, which Series 2020 Bonds shall bear interest: (a) as of the Bond Payment Date next preceding the date of their authentication or as of the date of their authentication if authenticated on a Bond Payment Date; or (b) if on the date of their authentication payment of interest thereon is in default, as of the date to which interest has been paid. Interest on all Series 2020 Bonds initially delivered shall accrue from their date of delivery. Thereafter, interest on all Series 2020 Bonds shall accrue from the dated date or from the most recent Bond Payment Date to which interest has been paid.

The Series 2020 Bonds shall be lettered R and numbered 1 and upwards in order of maturity. The Series 2020 Bonds shall be issuable in the denomination of \$5,000 and any integral multiple in excess thereof.

The Series 2020 Bonds are not registered under the Securities Act of 1933, as amended (the “1933 Act”) in reliance upon the exemption from registration set forth in Section 3(a)(4) of the 1933 Act.

Any series of Additional Bonds shall contain the terms specified in the Supplement authorizing such series of Additional Bonds. Any Additional Bonds that are to be consolidated with the Series 2020 Bonds pursuant to Section 2.14 of this Bond Indenture shall have the same Bond Payment Dates and Maturity Date, shall bear interest at the same rate per annum, shall be subject to redemption at the same times and at the same Redemption Price, and shall have the same minimum denominations as the Series 2020 Bonds.

Section 2.03. Medium and Place of Payment. (a) Principal of, Redemption Price, if any, and interest on the Bonds shall be payable in the currency of the United States of America which, on the respective dates of payment of principal and interest, is tender for the payment of public and private debts.

(b) Except for Book-Entry Bonds held by DTC in accordance with the terms and provisions of Section 2.13 hereof, interest on the Bonds shall be payable by check drawn upon the Bond Trustee and mailed on the Bond Payment Date to the registered Holders of such Bonds at the addresses of such Holders as they appear on the books of the Bond Trustee on the Record Date; provided, however, that interest may be paid by wire or electronic transfer to the Holder of at least \$1,000,000 aggregate principal amount of Bonds to the address designated by written notice by such Holder to the Bond Trustee not less than fifteen (15) days prior to the Record Date for such payment. Any such written request shall remain in effect until rescinded in writing by such Holder given to the Bond Trustee. Except for Book-Entry Bonds held by DTC in accordance with the terms and provisions of Section 2.13 hereof, principal of and Redemption Price, if any, on the Bonds shall be paid when due by check upon presentation and surrender of such Bonds at the Corporate Trust Office of the Bond Trustee.

(c) In the event of a default by BRIDGE in the payment of interest due on a Bond on a Bond Payment Date, such defaulted interest will be payable to the Person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed, at the written request of and on behalf of BRIDGE, by the Bond Trustee to the registered owners of Bonds not less than ten (10) days preceding such special record date.

(d) BRIDGE or the Bond Trustee may make a charge against any Bondholder sufficient for the reimbursement of any tax or other governmental charge required to be paid in the event that such Bondholder fails to provide a correct taxpayer identification number to the Bond Trustee. Such charge may be deducted from any interest or principal payment due to the Bondholder.

Section 2.04. Mutilated, Destroyed, Lost and Stolen Bonds. If: (i) any mutilated Bond is surrendered to the Bond Trustee or if BRIDGE or the Bond Trustee receives evidence to their satisfaction of the destruction, loss or theft of any Bond; and (ii) there is delivered to BRIDGE and the Bond Trustee such security or indemnity as may be required by BRIDGE or the Bond Trustee to hold them harmless, then, in the absence of notice to the Bond Trustee that such Bond has been acquired by a bona fide purchaser and upon the Holder paying the reasonable expenses of BRIDGE and the Bond Trustee, BRIDGE shall cause to be executed and the Bond Trustee shall authenticate and deliver, in exchange for such mutilated Bond or in lieu of such destroyed, lost or stolen Bond, a new Bond of like principal amount, date and tenor. If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, then the Bond Trustee may, at the written direction of BRIDGE, pay such Bond when due instead of delivering a new Bond upon the timely receipt of the above-described indemnity.

Section 2.05. Execution and Authentication of Bonds. All Bonds shall be executed for and on behalf of BRIDGE by a BRIDGE Representative and attested by its Secretary or Assistant Secretary. The signatures of such officers may be mechanically or photographically reproduced on the Bonds. If any officer of BRIDGE whose signature appears on any Bond ceases to be such officer before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such officer had remained in office until such delivery. Each Bond shall be manually authenticated by an authorized officer of the Bond Trustee, upon the receipt of a written authentication order of BRIDGE, without which authentication no Bond shall be entitled to the benefits hereof.

Section 2.06. Exchange of Bonds. Except for Book-Entry Bonds held by DTC in accordance with the terms and provisions of Section 2.13 hereof, Bonds, upon presentation and surrender thereof to the Bond Trustee together with written instructions satisfactory to the Bond Trustee, duly executed by the registered Holder or his or her attorney duly authorized in writing, may be exchanged for an equal aggregate face amount of fully registered Bonds of the same series with the same interest rate and maturity of any other authorized denominations.

Section 2.07. Negotiability and Transfer of Bonds. Except for Book-Entry Bonds held by DTC in accordance with the terms and provisions of Section 2.13 hereof:

(a) All Bonds issued hereunder shall be negotiable, subject to the provisions for registration and transfer thereof contained herein or in the Bonds.

(b) So long as any Bonds are Outstanding, BRIDGE shall cause to be maintained at the Corporate Trust Office of the Bond Trustee books for the registration and transfer of Bonds, and shall provide for the registration and transfer of any Bond under such reasonable regulations as BRIDGE or the Bond Trustee may prescribe. The Bond Trustee shall act as bond registrar for purposes of exchanging and registering Bonds in accordance with the provisions hereof.

(c) Each Bond shall be transferable only upon the registration books maintained by the Bond Trustee, by the Holder thereof in person or by his or her attorney duly authorized in writing, upon presentation and surrender of such Bond together with a written instrument of transfer satisfactory to the Bond Trustee duly executed by the registered Holder or his or her duly authorized attorney. Upon surrender for transfer of any such Bond, BRIDGE shall cause to be executed and the Bond Trustee, upon receipt of a written authentication order of BRIDGE, shall authenticate and deliver, in the name of the transferee, one or more new Bonds of the same aggregate face amount, maturity, series and rate of interest as the surrendered Bond, as fully registered Bonds only.

Section 2.08. Persons Deemed Owners. As to any Bond, the Person in whose name such Bond shall be recorded on the Bond register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal or interest on any Bond shall be made only to or upon the written order of the registered Holder thereof. Such payment shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the amount so paid.

Section 2.09. Provisions with Respect to Transfers and Exchanges. (a) All Bonds surrendered in any exchange or transfer of Bonds shall forthwith be cancelled and disposed of by the Bond Trustee in accordance with the Bond Trustee's then customary procedures.

(b) In connection with any such exchange or transfer of Bonds the Holder requesting such exchange or transfer shall as a condition precedent to the exercise of the privilege of making such exchange or transfer remit to the Bond Trustee an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. The cost of printing and any services rendered or expenses incurred by the Bond Trustee in connection with any transfer and exchange of Bonds shall be paid by the Holder.

(c) Neither BRIDGE nor the Bond Trustee shall be obligated to: (i) issue, exchange or transfer any Bond during the period of fifteen (15) days preceding any Bond Payment Date; or (ii) transfer or exchange any Bond which has been or is being called for redemption in whole or in part.

Section 2.10. Conditions for Delivery of Series 2020 Bonds. Upon the execution and delivery hereof, BRIDGE shall execute and deliver to the Bond Trustee, and the Bond Trustee shall authenticate, the Series 2020 Bonds and deliver them to or for the account of the Underwriter as directed by BRIDGE; provided, however, that prior to delivery by the Bond Trustee of the Series 2020 Bonds there shall be delivered to the Bond Trustee the following:

(a) Executed original counterparts or certified copies of this Bond Indenture and the Purchase Contract.

(b) A request and authorization by BRIDGE to the Bond Trustee to authenticate and deliver the Series 2020 Bonds describing such Series 2020 Bonds, designating the Underwriter to whom such Series 2020 Bonds are to be delivered upon payment therefor and stating the amount to be paid therefor to the Bond Trustee for the account of BRIDGE.

(c) A certificate of BRIDGE, signed by a BRIDGE Representative, stating that BRIDGE has no reason to believe that, upon issuance of the Series 2020 Bonds, it will be in default in the performance of any of the terms, provisions or covenants of this Bond Indenture or of the Series 2020 Bonds and that all conditions precedent to the issuance and delivery of the Series 2020 Bonds have not been satisfied and complied with.

(d) One or more Opinions of Counsel addressed to the Bond Trustee or upon which the Bond Trustee may rely to the effect that this Bond Indenture has been duly authorized, executed and delivered by BRIDGE and, assuming due authorization, execution and delivery by the Bond Trustee, constitutes a valid, legal and binding agreement between the parties hereto and the Series 2020 Bonds constitute valid, binding, general obligations of BRIDGE, enforceable in accordance with their terms and the terms of this Bond Indenture.

(e) A rating on the Series 2020 Bonds assigned by S&P Global Ratings.

Section 2.11. Form of Bonds. The definitive Bonds shall be in substantially the form set forth as Exhibit A to this Bond Indenture, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing such Bonds on behalf of BRIDGE. Execution thereof by such officers shall constitute conclusive evidence of such approval.

Section 2.12. Temporary Bonds. (a) Until definitive Bonds are prepared, BRIDGE may execute and, upon receipt of a written authentication order of BRIDGE, the Bond Trustee shall authenticate and deliver temporary Bonds which may be typewritten, printed or otherwise reproduced in lieu of definitive Bonds subject to the same provisions, limitations and conditions as definitive Bonds. The temporary Bonds shall be dated as of the initial date of the definitive Bonds, shall be in such denomination or denominations and shall be numbered as prepared and executed by BRIDGE, shall be substantially of the tenor of the definitive Bonds, but

with such omissions, insertions and variations as the officers of BRIDGE executing the same may determine, may only be issued in fully registered form, and may be issued in the form of a single Bond. Where the Bonds are Book-Entry Bonds held by DTC, typewritten certificates shall constitute definitive Bonds.

(b) Without unreasonable delay after the issuance of temporary Bonds, if any, BRIDGE shall cause the definitive Bonds to be prepared, executed and delivered to the Bond Trustee. The definitive Bonds shall be prepared in such fashion as is acceptable to the Underwriter. Any temporary Bonds issued shall be exchangeable for definitive Bonds upon surrender to the Bond Trustee at its Corporate Trust Office (or such other location as may be designated by it) of any such temporary Bond or Bonds, and, upon such surrender, BRIDGE shall execute and, upon receipt of a certificate of a BRIDGE Representative, the Bond Trustee shall authenticate and deliver to the Holder of the temporary Bond or Bonds, in exchange therefor, a like face amount of definitive Bonds in authorized denominations. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefits as definitive Bonds authenticated and issued pursuant hereto.

(c) Interest on temporary Bonds, when and as payable, shall be paid to the registered owner thereof.

(d) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall forthwith be cancelled and disposed of by the Bond Trustee in accordance with the Bond Trustee's then customary procedures.

Section 2.13. Book-Entry Bonds. (a) Except as provided in subparagraph (c) of this Section 2.13 and in any Supplement, the registered owner of all of the Bonds shall be DTC and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of semiannual interest for any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire or electronic transfer of funds to the account of Cede & Co. on the Bond Payment Date for the Bonds as indicated on the regular Record Date or special record date for Cede & Co. in the registry books of BRIDGE kept by the Bond Trustee or as otherwise directed by Cede & Co.

(b) The Series 2020 Bonds shall be initially issued in the form of a single fully registered Series 2020 Bond for each series and maturity, authenticated by the Bond Trustee. Upon initial issuance, the ownership of such Bonds shall be registered in the registry books of BRIDGE kept by the Bond Trustee in the name of Cede & Co., as nominee of DTC. The Bond Trustee and BRIDGE may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal, Redemption Price, if any, or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of the Bonds under this Bond Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Holders of the Bonds and for all other purposes whatsoever, and neither the Bond Trustee nor BRIDGE shall be affected by any notice to the contrary. Neither the Bond Trustee nor BRIDGE shall have any responsibility or obligation to any DTC participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any DTC participant, or any other Person which is not shown on the registration books of the Bond Trustee as being a Holder of a Bond, with respect to the accuracy of any records maintained by DTC or any DTC participant; the payment of DTC or any DTC participant of any amount in respect of the principal, Redemption Price, if any, or interest on the Bonds; any notice which is permitted or required to be given to Bondholders under this Bond Indenture; or any consent given or other action or inaction taken by DTC as Holder of a Bond. The Bond Trustee shall pay all principal of, Redemption Price, if any, and interest on the Bonds only to or "upon the order of" DTC (as that term is used in the Uniform Commercial Code as adopted in the State of New York), and all such payments shall be valid and effective to fully satisfy and discharge BRIDGE's obligations with respect to the principal of, Redemption Price, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Bond evidencing the obligation of BRIDGE to make payments of principal, Redemption Price, if any, and interest pursuant to this Bond Indenture. Upon delivery by DTC to the Bond Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Bond Indenture shall refer to such new nominee of DTC.

(c) In the event BRIDGE determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, BRIDGE may notify DTC and the Bond Trustee, whereupon DTC will notify the DTC participants, of the availability through DTC of Bond certificates. In such event, the Bond Trustee shall issue, transfer and exchange Bond certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to BRIDGE and the Bond Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), BRIDGE and the Bond Trustee shall be obligated to deliver Bond certificates as described herein. In the event Bond certificates are issued, the provisions of this Bond Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, Redemption Price, if any, and interest on such certificates. Whenever DTC requests BRIDGE and the Bond Trustee to do so, the Bond Trustee and BRIDGE will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate certificates evidencing the Bonds to any DTC participant having Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Bond Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, Redemption Price, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Holders of Bonds pursuant to this Bond Indenture by BRIDGE or the Bond Trustee with respect to any consent or other action to be taken by Holders of Bonds, BRIDGE or the Bond Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Holder of the Bonds.

(f) The Bond Trustee and BRIDGE may rely on instructions from DTC and its participants as to the names of the Beneficial Owners of the Bonds and neither BRIDGE nor the Bond Trustee shall be liable for the delay or delivery of such instructions and conclusively may rely on, and shall be protected in relying on, such instructions. The cost of printing Bond certificates and expenses of the Bond Trustee shall be paid for by BRIDGE.

Section 2.14. Authorization of Additional Bonds; Limitation on Incurrence of Additional Indebtedness. After the execution, authentication and delivery of the Series 2020 Bonds, Additional Bonds may be authorized to be issued under this Bond Indenture and a Supplement, which may be secured on a parity basis with the Series 2020 Bonds, and upon receipt by the Bond Trustee of the items listed below in this Section 2.14. Such Additional Bonds may be issued to be consolidated with the Series 2020 Bonds in such amount as may be duly authorized by BRIDGE for any corporate purpose of BRIDGE, including refinancing indebtedness of BRIDGE, provided that items listed below in this Section 2.14 are met. No Bondholder consent is required in connection with the issuance of Additional Bonds.

(a) An executed original counterpart or certified copy of the Supplement authorizing the series of Additional Bonds.

(b) A request and authorization by BRIDGE to the Bond Trustee to authenticate and deliver the series of Additional Bonds describing such Additional Bonds, designating the purchasers or underwriters to whom such Additional Bonds are to be delivered upon payment therefor and stating the amount to be paid therefor to the Bond Trustee for the account of BRIDGE.

(c) A certificate of BRIDGE, signed by a BRIDGE Representative, stating that BRIDGE has no reason to believe that, upon issuance of the Additional Bonds, it will be in

default in the performance of any of the terms, provisions or covenants of this Bond Indenture or of the Bonds and that all conditions precedent to the issuance and delivery of the Additional Bonds have not been satisfied and complied with.

(d) One or more Opinions of Counsel addressed to the Bond Trustee or upon which the Bond Trustee may rely to the effect that the Supplement has been duly authorized, executed and delivered by BRIDGE and, assuming due authorization, execution and delivery by the Bond Trustee, constitutes a valid, legal and binding agreement between the parties thereto and the Additional Bonds constitute valid, binding, general obligations of BRIDGE, enforceable in accordance with their terms and the terms of this Bond Indenture as supplemented by the Supplement.

BRIDGE in issuing the Bonds may use “CUSIP” numbers (if then generally in use), and, if so, the Bond Trustee shall use “CUSIP” numbers in notices of redemption as a convenience to Bondholders; provided that the Bond Trustee shall have no liability for any defect in the “CUSIP” numbers as they appear on any Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. BRIDGE will promptly notify the Bond Trustee in writing of any change in the “CUSIP” numbers.

Notwithstanding anything to the contrary contained in this Bond Indenture, BRIDGE shall not incur additional general long-term corporate indebtedness secured on a parity with the Series 2020 Bonds unless BRIDGE certifies to the Trustee that, as of the date of incurrence of such indebtedness:

(i) Income Available For Debt Service (as defined below) is either (a) projected by BRIDGE for the next fiscal year to be two times (2x) the amount of interest paid on outstanding general long-term indebtedness of BRIDGE and its Affiliates (as defined below), together with the amount of interest to be paid on the long-term corporate indebtedness proposed to be incurred or (b) at least one-and-one-half times (1.5x) the amount of interest paid on outstanding general long-term indebtedness, together with the amount of interest to be paid on the long-term corporate indebtedness proposed to be incurred; and

(ii) Unrestricted net assets of BRIDGE and its Affiliates are at least three times the principal amount of outstanding long-term corporate indebtedness, together with the principal amount of the long-term corporate indebtedness proposed to be incurred. Unrestricted net assets shall be exclusive of donor restricted assets.

BRIDGE further covenants that any such additional long-term corporate indebtedness shall not be secured by a pledge of revenues or assets that is senior to the pledge provided to the Series 2020 Bonds in this Bond Indenture unless such pledge is granted to all debt holders equally.

For purposes hereof:

“Bridge and its Affiliates” means BRIDGE and all entities included in the audited BRIDGE Housing Corporation and Affiliates Consolidated Financial Statements.

“Income Available for Debt Service” means, as to any period of 12 consecutive calendar months, the excess of revenues over expenses of BRIDGE and its Affiliates before depreciation, amortization and interest expense on long-term indebtedness, as determined in accordance with GAAP consistently applied; provided, however, that (1) expenses shall not include other partnership expense and financing expense (interest), as those items are characterized in note 18 on page 41 of the audited financial statements of BRIDGE for fiscal year ended December 31, 2019, and (2) revenues shall not include earnings from investment income.

“long-term corporate indebtedness” means all obligations of BRIDGE to repay BRIDGE-borrowed money with a term of more than one year.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Optional Redemption. The Series 2020 Bonds shall be subject to redemption prior to their stated maturity in whole or in part, at the option of BRIDGE, on any Business Day, (a) on or after January 15, 2030, at a redemption price equal to 100% of the aggregate principal amount of such Bonds to be redeemed, together with the interest, if any, accrued thereon from the most recent Bond Payment Date to which interest has been duly paid or provided for to the date fixed for redemption, or (b) prior to January 15, 2030, at the Make-Whole Redemption Price, together with accrued interest to the date fixed for redemption.

The terms of any optional redemption for any series of Additional Bonds shall be specified in the Supplement authorizing such series of Additional Bonds.

BRIDGE shall give the Bond Trustee written notice of its intention to prepay the Series 2020 Bonds under this Section 3.01 and the amount of the Redemption Price therefor (including, as applicable, the Make-Whole Redemption Price therefor) in sufficient time in accordance with Section 3.05 below, to enable the Bond Trustee to give notice of such prepayment to Bondholders in accordance with such Section 3.05.

Section 3.02. Purchase In Lieu of Optional Redemption.

(a) BRIDGE shall have the option to purchase any Series 2020 Bonds called for optional redemption (the “Callable Series 2020 Bonds”) in lieu of optional redemption of those Series 2020 Bonds. Such option may only be exercised by BRIDGE upon delivery to the Bond Trustee of written notice from BRIDGE at least two (2) Business Days prior to the date set for dissemination of the notice of optional redemption for the Callable Series 2020 Bonds preceding the proposed optional redemption date for the Callable Series 2020 Bonds specifying that the Callable Series 2020 Bonds shall not be redeemed, but instead shall be purchased pursuant to this Bond Indenture. Upon delivery of such notice from BRIDGE, the Callable Series 2020 Bonds shall not be redeemed, but shall instead be subject to mandatory tender on the date that would have been the optional redemption date at a purchase price equal to the redemption price that would have been payable with respect to such Callable Series 2020 Bonds. BRIDGE’s option to purchase the Callable Series 2020 Bonds shall be effective and contained in the notice of optional redemption/tender sent to the Holders of the Series 2020 Bonds indicating that BRIDGE has exercised, or intends to exercise, such option. No further or additional notice to the Holders of the Series 2020 Bonds shall be required in connection with the purchase of Callable Series 2020 Bonds in lieu of optional redemption. The Callable Series 2020 Bonds purchased shall (i) not be cancelled or retired, but shall continue to be Outstanding under this Bond Indenture, (ii) be registered in the name of, or as directed by, BRIDGE, and (iii) continue to bear interest at the rate provided for in this Bond Indenture. Notwithstanding any provision of this Bond Indenture to the contrary, if at any time the consent of the Holders of the Bonds of a particular percentage of the Bonds then Outstanding is required pursuant to the provisions of this Bond Indenture, any Series 2020 Bonds which have been purchased by BRIDGE and are registered in the name of BRIDGE or any of its affiliates in accordance with the provisions of this Bond Indenture shall be deemed not to be Outstanding under this Bond Indenture for purposes of obtaining such consent.

(b) The terms of any purchase in lieu of optional redemption for any series of Additional Bonds shall be specified in the Supplement authorizing such series of Additional Bonds.

Section 3.03. [Reserved].

Section 3.04. Selection of Bonds for Redemption. If less than all of the Bonds are called for optional redemption, the Bond Trustee shall select the Bonds or any given portion thereof to be redeemed

from the Bonds Outstanding or such given portion thereof not previously called for redemption, as directed in writing by BRIDGE or, in the absence of direction, *pro rata*.

If the Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Bonds, if less than all of the Bonds are called for redemption prior to maturity, the particular Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect.

It is BRIDGE's intent that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, BRIDGE can provide no assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Bonds will be selected for redemption randomly in accordance with DTC procedures, by lot. BRIDGE can provide no assurance how DTC and other parties allocate redemption payments.

Section 3.05. Notice of Redemption. So long as DTC is acting as securities depository for the Bonds, notice of optional redemption (which direction shall be given by BRIDGE to the Bond Trustee at least five (5) Business Days prior to the date of mailing of the notice of optional redemption), containing any information required by this Bond Indenture, will be mailed by first class mail, postage prepaid, not less than 20 days nor more than 60 days prior to the date fixed for optional redemption, by the Bond Trustee to DTC (not to the Beneficial Owners of any Bonds designated for optional redemption). Pursuant to this Bond Indenture, if DTC is not acting as securities depository for the Bonds, notice of optional redemption will be mailed by the Bond Trustee to (i) the respective Holders of any Bonds designated for optional redemption at their addresses appearing on the Bond registration books of the Bond Trustee on the date such notice is mailed and (ii) any successor securities depository. Notices to DTC shall be given by telecopy or by other electronic means at the time of the mailing of notices to Bondholders.

The notice with respect to any optional redemption of Bonds by BRIDGE may state that: (i) such optional redemption is conditional upon the receipt by the Bond Trustee, on or prior to the date fixed for such optional redemption, of such moneys sufficient to pay the Redemption Price of, and accrued but unpaid interest to the redemption date on, such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and such Bonds shall not be required to be redeemed; and (ii) such notice is revocable at any time by the Bond Trustee, at the direction of BRIDGE, prior to the date fixed for redemption. In the event a notice of optional redemption of Bonds contains such conditions and sufficient moneys are not so received or the notice is so revoked, the optional redemption of Bonds as described in the conditional notice of redemption shall not be made and the Bond Trustee shall, within a reasonable time after the date on which such optional redemption was to occur, give notice to the persons and in the manner in which the notice of optional redemption was given, that sufficient moneys were not so received or the notice was so revoked and that there will be no optional redemption of Bonds pursuant to the notice of redemption.

The receipt by any Bondholder of any notice mailed pursuant to the provisions of this Article III shall not be a condition precedent to the redemption of any Bond. Failure by a Bondholder to receive any notice of optional redemption pursuant to this Section 3.05, or the insufficiency of any such notice, shall not affect the sufficiency of the proceedings for optional redemption.

Section 3.06. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Bond Trustee shall provide a replacement Bond of the same maturity in a principal amount equal to the portion of such Bond not redeemed, and deliver it to the registered owner thereof. The Bond so surrendered shall be cancelled by the Bond Trustee as provided herein. BRIDGE and the Bond Trustee shall be fully released and discharged from all liability to the extent of payment of the redemption price for such partial redemption.

Section 3.07. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price being held by the Bond Trustee, the Bonds, or portions thereof, so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price specified in such notice, interest on the Bonds, or portions thereof, so called for redemption shall cease to accrue, said Bonds shall cease to be entitled to any lien, benefit or security under this Bond Indenture, and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. All Bonds fully redeemed pursuant to the provisions of this Article III shall be cancelled upon surrender thereof and may be destroyed by the Bond Trustee (as specified in Section 8.14 hereof).

ARTICLE IV

[RESERVED.]

ARTICLE V

REVENUES AND FUNDS

Section 5.01. Creation of Funds and Accounts. Upon the issuance of the Series 2020 Bonds, there shall be created the following funds and accounts:

- (a) The Bond Fund, to be held by the Bond Trustee, which shall contain the following accounts:
 - (i) The Interest Account;
 - (ii) The Principal Account; and
 - (iii) The Redemption Account.
- (b) [Reserved.]

Section 5.02. Application of Bond Proceeds. All Series 2020 Bond proceeds shall be applied as set forth in written instructions of BRIDGE delivered to the Bond Trustee on the date of issuance of the Series 2020 Bonds.

Section 5.03. Flow of Funds. So long as any Bonds are Outstanding, in each year, payments received by the Bond Trustee from BRIDGE shall be deposited into the accounts of the Bond Fund as received and shall be applied in the following manner and order of priority:

(a) Interest Account. The Bond Trustee shall deposit to the Interest Account from payments of BRIDGE (which shall be made by BRIDGE by wire transfer of immediately available funds) on or before the second Business Day prior to each January 15 and July 15, commencing on January 15, 2021, the amount, if any, necessary to cause the amount then being credited to the Interest Account, together with investment earnings on investments then on deposit in the Interest Account, if such earnings will be received before the next Bond Payment Date (but only to the extent that such amount or investment earnings have not previously been credited for purposes of such calculation), to be not less than the amount of interest to be paid on Outstanding Bonds on the next Bond Payment Date. Moneys in the Interest Account shall be used to pay interest on Bonds as it becomes due.

(b) Principal Account. The Bond Trustee shall deposit to the Principal Account from payments of BRIDGE (which shall be made by BRIDGE by wire transfer of immediately available funds) on or before the second Business Day prior to the Maturity Date the amount necessary to cause the amount then being credited to the Principal Account, together with the investment earnings on investments then on deposit in the

Principal Account, if such earnings will be received before the Maturity Date, as applicable (but only to the extent that such amount or investment earnings have not previously been credited for purposes of such calculation), to be not less than the principal amount of the Bonds Outstanding which will mature and become due on the Maturity Date. Moneys in the Principal Account shall be used to retire the Bonds (as set forth in Section 3.03 of this Bond Indenture) by purchase, mandatory redemption or payment at their scheduled maturity.

(c) Redemption Account. If BRIDGE makes an optional prepayment of any principal due on the Bonds, the amount so paid or transferred shall be credited to the Redemption Account and applied promptly by the Bond Trustee, first, to cause the amounts credited to the Interest Account or the Principal Account of the Bond Fund, in that order, to be not less than the amounts then required to be credited thereto and, then to retire Bonds by purchase, redemption or both purchase and redemption in accordance with BRIDGE's directions. Any such purchase shall not be at a cost or price (including brokerage fees or commissions or other charges) which exceeds the Redemption Price at which such Bond could be redeemed on the date of purchase or on the next succeeding date upon which such Bond is subject to optional redemption plus accrued interest to the date of purchase. Any such redemption shall be of Bonds then subject to optional redemption at the Redemption Price then applicable for optional redemption of such Bonds.

Any balance of an optional prepayment remaining in the Redemption Account after the purchase or redemption of all Bonds for the redemption of which such optional prepayment of principal was made, in accordance with BRIDGE's directions, or in any event on the day following the Bond Payment Date next succeeding the prepayment by BRIDGE, shall be transferred to the Interest Account.

Section 5.04. Investment of Moneys Held by the Bond Trustee. All moneys in any of the Funds and Accounts that are held by the Bond Trustee shall be invested by the Bond Trustee solely in such Permitted Investments as are specified in a written request of BRIDGE filed at least one Business Day prior to investing, provided, however, that, if BRIDGE does not file such a request with the Bond Trustee, the Bond Trustee shall hold such moneys uninvested.

Investments in any and all Funds and Accounts that are held by the Bond Trustee may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in a particular fund amounts received or held by the Bond Trustee hereunder, provided that the Bond Trustee shall at all times account for such investments strictly in accordance with the particular Funds or Account to which they are credited and otherwise as provided in this Bond Indenture. The Bond Trustee and its affiliates may act as sponsor, principal or agent in the making or disposing of any investment. The Bond Trustee may sell or present for redemption, any securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Fund or Account to which such securities are credited, and the Bond Trustee shall not be liable or responsible for any loss, tax, fee or other charge resulting from such investment, reinvestment or liquidation of an investment. The Bond Trustee will furnish BRIDGE periodic transaction statements which include detail for all investment transactions made by the Bond Trustee hereunder. In lieu of investment confirmations, such transaction statements shall be deemed confirmation of investments and other activity unless objected to in writing within 30 days of receipt.

Any amounts remaining in the Bond Fund or any other Fund or Account established hereunder after payment in full of the Bonds (or after provision for payment thereof as provided herein), and the fees, charges and expenses of the Bond Trustee, shall belong and be paid to BRIDGE by the Bond Trustee free and clear of any lien of this Bond Indenture.

Section 5.05. Liability of Bond Trustee for Investments. The parties acknowledge that the Bond Trustee is not providing investment supervision, recommendations, or advice. The Bond Trustee shall not be liable for the making of any investment authorized by the provisions of this Article V in the manner provided in this Article V or for any loss, tax, fee or other charge resulting from any such investment, reinvestment or liquidation of an investment so made, except as a result of its own gross negligence or of its willful misconduct, all as determined by a court of competent jurisdiction.

Section 5.06. Investment Income. Except as otherwise provided herein, interest income and gain received, or loss realized, from investments of moneys in any Fund or Account that is held by the Bond Trustee shall be credited, or charged, as the case may be, to such respective Fund or Account. All income and gain from Bond Fund investments may be transferred to any other Fund or Account upon written direction of BRIDGE to the Bond Trustee.

ARTICLE VI

GENERAL COVENANTS OF BRIDGE

Section 6.01. Principal and Interest. BRIDGE covenants that it will promptly pay or cause to be paid the principal of, Redemption Price, if any, and interest on each Bond issued hereunder at the place, on the dates and in the manner provided herein and in said Bonds according to the terms thereof. BRIDGE shall deliver funds to the Bond Trustee sufficient to make any payment principal or Redemption Price of and interest on the Bonds no less than two Business Days prior to the date on which such payment is due hereunder.

BRIDGE shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement except with the written consent of the Bondholders in accordance with Section 9.02 and, if the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended without the written consent of the Bondholders, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Bond Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 6.01 shall be deemed to limit the right of BRIDGE to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.02. Performance of Covenants. BRIDGE covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed as provided herein, in each and every Bond executed, authenticated and delivered hereunder and in all proceedings of BRIDGE pertaining thereto. BRIDGE is duly authorized pursuant to law to issue the Bonds and to enter into the Purchase Contract and this Bond Indenture and to pledge and assign the assets purported to be pledged and assigned, respectively, under this Bond Indenture in the manner and to the extent provided in this Bond Indenture. The Bonds and the provisions of the Purchase Contract and this Bond Indenture are and will be the legal, valid and binding general obligations of BRIDGE enforceable in accordance with their terms, and BRIDGE and the Bond Trustee shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of any such assets and all the rights of the Bondholders under this Bond Indenture against all claims and demands of all Persons whomsoever.

Section 6.03. Instruments of Further Assurance. BRIDGE covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Bond Trustee all interests, revenues and receipts pledged hereby to the payment of the principal of, Redemption Price, if any, and interest on the Bonds in the manner and to the extent contemplated herein.

Section 6.04. Protection of Lien. BRIDGE hereby agrees not to make or create or suffer to be made or created any assignment or lien having priority or preference over the assignment and lien hereof upon the interests granted hereby in the amounts on deposit from time to time in the Funds and Accounts created pursuant hereto, including the earnings on such pledged Funds and Accounts, or any part thereof, subject to the provisions of this Bond Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth herein.

Section 6.05. Securities Law Status. BRIDGE affirmatively represents and warrants that, as of the date of this Bond Indenture, it is an organization organized and operated: (i) exclusively for charitable purposes; (ii) not for pecuniary profit; and (iii) in a manner such that no part of the net earnings thereof inure to the benefit of any Person, private stockholder or individual, all within the meaning, respectively, of the 1933 Act and of the Securities Exchange Act of 1934, as amended. BRIDGE covenants that it shall not perform any act nor enter into any agreement which shall change such status as set forth in this Section 6.05.

Section 6.06. Indemnity. (a) BRIDGE will indemnify, defend and hold harmless the Bond Trustee (including its officers, directors, employees, agents, stockholders and affiliates) from and against all claims, liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), suits and judgments arising out of or in connection with the acceptance or administration of this trust and this Bond Indenture including but not limited to: (i) injury to or death of any Person or damage to property in or upon any property of BRIDGE financed or refinanced, directly or indirectly, out of the proceeds of the Bonds or the occupation, use, possession or condition of such property or any part thereof or related to the foregoing; (ii) any violation of any law, ordinance or regulation affecting such property or any part thereof or the ownership, occupation, use, possession or condition thereof; (iii) the issuance and sale of the Bonds or any portion thereof; (iv) the execution and delivery thereof or of this Bond Indenture or of any document required by this Bond Indenture or in furtherance of the transactions contemplated by this Bond Indenture; or (v) the performance of any act required of any indemnitee under this Section 6.06 or otherwise hereunder; provided, however that this indemnification shall not cover any claims that are solely or primarily the result of gross negligence or willful misconduct of the Bond Trustee, all as determined by a court of competent jurisdiction.

(b) The Bond Trustee shall reasonably promptly, upon receipt of written notice of the existence of a claim or the commencement of a proceeding regarding which indemnity under this Section 6.06 may be sought, notify BRIDGE in writing thereof. If such a proceeding is commenced against the Bond Trustee, BRIDGE shall have the right to assume the defense thereof and shall be responsible for the fees, costs and expenses of BRIDGE in conducting such defense with counsel reasonably satisfactory to the Bond Trustee. Alternatively, BRIDGE may elect to participate in any such proceedings or allow the Bond Trustee to assume its own defense. In such case, BRIDGE shall be responsible for the reasonable fees, costs and expenses of the Bond Trustee in conducting its defense. If, however, the Bond Trustee is advised in an Opinion of Counsel that there may be legal defenses available to it which are different from or in addition to those available to BRIDGE, or if BRIDGE fails to assume the defense of such proceeding or to employ such counsel for that purpose within 20 calendar days after notice of commencement of the proceeding from the Bond Trustee, BRIDGE shall not be entitled to assume the defense of the proceeding on behalf of the Bond Trustee, but shall remain responsible for the reasonable fees, costs and expenses of the Bond Trustee in conducting its defense.

(c) BRIDGE shall have the exclusive right to compromise and settle any claim regarding which indemnity under this Section 6.06 may be sought; provided, however, that the Bond Trustee must approve (such approval not to be unreasonably withheld) the terms of any settlement or compromise that may impose any un-indemnified monetary liability or any nonmonetary liability on the Bond Trustee.

(d) The provisions of this Section 6.06 shall survive the termination of the Bond Indenture and the resignation or removal of the Bond Trustee.

Section 6.07. Continuing Disclosure. BRIDGE hereby agrees to use commercially reasonable efforts to post or cause to be posted on BRIDGE's website, not later than 180 days after the end of each fiscal year of BRIDGE, commencing with the fiscal year ended December 31, 2020, (i) copies of BRIDGE's annual audited financial statements for each fiscal year, (ii) disclosure regarding any additional properties financed with Bond proceeds, in similar form to that in the Sustainability Bond Framework (as described in the Offering Memorandum), highlighting such properties' alignment with BRIDGE's Sustainability Bond Framework, and (iii) a copy of its Affordable Housing Real Estate Portfolio, as shown in "APPENDIX B-3 — Affordable Housing Real Estate Portfolio" to the Offering Memorandum, provided, however, (a) once all net proceeds of the Bonds have been spent, no further updates will be provided in connection with (ii) above with respect to the Bonds and (b) that upon the receipt by BRIDGE of the advice of its auditors or other consultants,

BRIDGE may change the make-up, presentation style, etc. of such tables from time to time, and shall describe on its website any such changes. BRIDGE hereby further agrees (i) to provide (a) quarterly unaudited consolidated financial statements within sixty (60) days of the end of each of the first three quarters and ninety (90) days of the end of the fourth quarter each year, and (b) on a quarterly basis, information on its real estate portfolio, and (ii) to use its best efforts to host a live annual investor call within thirty (30) days of the posting of its annual audit. The failure of BRIDGE to comply with the covenants of this Section 6.07 shall not be considered a Bond Indenture Event of Default. As the sole and exclusive remedy for BRIDGE's failure to comply with this Section 6.07, the Bond Trustee may (and, at the request of the holders of at least 51% in aggregate principal amount of the Outstanding Bonds and provision of satisfactory indemnity, shall), or any Bondholder or any owner of a beneficial interest in a Bond or Bonds may, take such actions to seek specific performance by court order and to cause BRIDGE to comply with its obligations under this Section 6.07, and no person, including any Holder or any Beneficial Owner of the Bonds, may recover monetary damages with respect thereto.

Section 6.08. Rating. BRIDGE hereby covenants to maintain a rating on the Series 2020 Bonds by S&P Global Ratings.

ARTICLE VII DEFAULT AND REMEDIES

Section 7.01. Bond Indenture Events of Default. Each of the following is hereby declared a "Bond Indenture Event of Default" hereunder:

(a) If payment by BRIDGE in respect of any installment of interest on any Bond shall not be made in full when the same becomes due and payable;

(b) If payment by BRIDGE in respect of the principal of or Redemption Price, if any, on any Bond shall not be made in full when the same becomes due and payable, whether at maturity or by proceedings for redemption or by declaration of acceleration or otherwise;

(c) BRIDGE shall fail to observe or perform any covenant or agreement (other than as set forth in Section 6.07 hereof) on its part under this Bond Indenture (other than as described in clauses (a) or (b) above) for a period of sixty (60) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been received by BRIDGE and by the Bond Trustee, or to BRIDGE and the Bond Trustee by the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding. If the breach of the covenant or agreement is one which cannot be completely remedied within the sixty (60) days after written notice has been received, it shall not be a Bond Indenture Event of Default as long as BRIDGE has provided the Bond Trustee written notice executed by a BRIDGE Representative certifying that BRIDGE has taken active steps within the sixty (60) days after written notice has been received to remedy the failure and is diligently pursuing such remedy;

(d) BRIDGE shall default in the payment of any indebtedness for borrowed moneys (not including payment of any amounts due in connection with the transactions contemplated hereunder), which indebtedness is in an outstanding principal amount in excess of \$20,000,000, whether such indebtedness now exists or shall hereafter be created, and any period of grace with respect thereto shall have expired where the effect of such default is to accelerate the maturity of such indebtedness prior to its stated maturity; provided, however, that such default shall not constitute a Bond Indenture Event of Default within the meaning of this Section 7.01 if within ninety (90) days after such indebtedness is accelerated, such default shall have been remedied by amendment or otherwise, waived or excused;

(e) The entry of a decree or order by a court having jurisdiction in the premises adjudging BRIDGE bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of BRIDGE under the Federal Bankruptcy Code or any other applicable Federal or state law, or appointing a receiver, liquidator, assignee, or sequestrator (or other similar

official) of BRIDGE or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days;

(f) BRIDGE institutes proceedings to be adjudicated bankrupt or insolvent, or the consent by BRIDGE is given to bankruptcy or insolvency proceedings being instituted against it, or the filing by BRIDGE of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or the consent by BRIDGE to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of BRIDGE or of any substantial part of its property, or the making by BRIDGE of an assignment for the benefit of creditors, or the admission by BRIDGE in writing of its inability to pay its debts generally as they become due.

Section 7.02. Acceleration; Annulment of Acceleration. (a) Upon the occurrence of a Bond Indenture Event of Default, the Bond Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding shall, without any further action, declare the principal of all Bonds Outstanding, and the interest accrued thereon, to be immediately due and payable, anything in the Bonds or herein to the contrary notwithstanding. The Bond Trustee shall declare such acceleration without regard to receipt of prior indemnification under Section 8.08 hereof. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon prior to such acceleration and all interest which accrues thereon to the date of payment. The Make-Whole Redemption Price shall not be payable in the event of an acceleration of the Bonds. The Bond Trustee shall give written notice of such acceleration to BRIDGE and the Bondholders stating the accelerated date on which the Bonds shall be due and payable.

(b) If at any time after the principal of the Bonds shall have been so declared to be due and payable as a result of a Bond Indenture Event of Default, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Bond Indenture, moneys shall have accumulated in the appropriate Funds and Accounts created under this Bond Indenture sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all Bonds then Outstanding (except the principal of any Bonds not then due and payable by their terms and the interest accrued on such Bonds since the last Bond Payment Date), and the charges, compensation, expenses, disbursements, advances and liabilities of the Bond Trustee and all other amounts then payable by BRIDGE hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Bond Trustee, and every other Bond Indenture Event of Default known to the Bond Trustee in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds or in this Bond Indenture (other than a default in the payment of the principal of such Bonds then due and payable only because of the declaration under this Section 7.02) shall have been remedied to the satisfaction of the Bond Trustee, then and in every such case the Bond Trustee shall, by written notice to BRIDGE, rescind and annul such declaration and its consequences, and the Bond Trustee shall promptly give written notice of such annulment in the same manner as provided in subsection (a) of this Section 7.02 for giving notice of acceleration. No such annulment shall extend to or affect any subsequent Bond Indenture Event of Default or impair any right consequent thereon.

Section 7.03. Additional Remedies and Enforcement of Remedies. (i) Upon the occurrence and continuance of any Bond Indenture Event of Default, the Bond Trustee may or upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Bond Trustee to its satisfaction therefor, shall proceed forthwith to protect and enforce its rights and the rights of the Bondholders hereunder and the Bonds by such suits, actions or proceedings as the Bond Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(ii) Civil action to recover money or damages due and owing;

(iii) Civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders of Bonds; and

(iv) Enforcement of any other right of the Bondholders conferred by law or hereby.

(b) Regardless of the happening of a Bond Indenture Event of Default, the Bond Trustee, if requested in writing by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, shall upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient: (i) to prevent any impairment of the security hereunder by any acts which may be unlawful or in violation hereof; or (ii) to preserve or protect the interests of the Holders, provided that such request is in accordance with law and the provisions hereof and is not unduly prejudicial to the interest of the Holders of Bonds not making such request.

Section 7.04. Application of Revenues and Other Moneys After Default. During the continuance of a Bond Indenture Event of Default all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of this Bond Indenture shall, after payment of any fees owed to the Bond Trustee and the reasonable costs and expenses of the proceedings which result in the collection of such moneys and of the reasonable fees, expenses and advances incurred or made by the Bond Trustee with respect thereto, and the payments of any amounts due hereunder be deposited in the Bond Fund, and all amounts held by the Bond Trustee hereunder shall be applied as follows:

(a) Unless the principal of all Outstanding Bonds shall have become or have been declared due and payable:

First: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal amounts or Redemption Price of any Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions hereof), whether at maturity or by call for redemption, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

(b) If the principal amounts of all Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal amounts and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amounts and interest, to the Persons entitled thereto without any discrimination or preference.

(c) If the principal amounts of all Outstanding Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VII, then, subject to the provisions of paragraph (b) of this Section 7.04 in the event that the principal amounts of all Outstanding Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section 7.04.

Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of this Section 7.04, such moneys shall be applied by it at such times, and from time to time, as the Bond Trustee shall

determine, in accordance with the provisions hereof. Whenever the Bond Trustee shall apply such moneys, it shall fix the date (which shall be a Bond Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such date shall cease to accrue. The Bond Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all Bonds and interest thereon have been paid under the provisions of this Section 7.04, and all reasonable fees, expenses and charges of the Bond Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to BRIDGE or as a court of competent jurisdiction may direct.

Section 7.05. Remedies Not Exclusive. No remedy by the terms hereof conferred upon or reserved to the Bond Trustee or the Bondholders is intended to be exclusive of any other remedy but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity on or after the date hereof.

Section 7.06. Remedies Vested in the Bond Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Bond Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Bond Trustee may be brought in its name as the Bond Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 7.04 hereof, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Bonds.

Section 7.07. Bondholders' Control of Proceedings. If a Bond Indenture Event of Default shall have occurred and be continuing, notwithstanding anything herein to the contrary, the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Bond Trustee to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions hereof, provided that such direction is in accordance with law and the provisions hereof (including indemnity to the Bond Trustee as provided herein) and is not unduly prejudicial to the interest of Bondholders not joining in such direction and provided further that nothing in this Section 7.07 shall impair the right of the Bond Trustee to take any other action hereunder which it may deem proper and which is not inconsistent with such direction by Bondholders.

Section 7.08. Individual Bondholder Action Restricted. (i) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder unless:

(ii) a Bond Indenture Event of Default has occurred (A) under subsection (a) or (b) of Section 7.01 hereof of which the Bond Trustee is deemed to have notice, or (B) under subsection (c), (d), (e) or (f) of Section 7.01 hereof as to which the Bond Trustee has actual knowledge or as to which the Bond Trustee has been notified in writing;

(iii) the Holders of not less than a majority in aggregate principal amount of Bonds Outstanding shall have made written request to the Bond Trustee to proceed to exercise the powers granted herein or to institute such action, suit or proceeding in its own name;

(iv) such Bondholders shall have offered the Bond Trustee indemnity as provided in Section 8.08 hereof;

(v) the Bond Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity; and

(vi) during such sixty (60) day period no direction inconsistent with such written request has been delivered to the Bond Trustee by the Holders of a majority in aggregate principal amount of Bonds then Outstanding in accordance with Section 7.07 hereof.

(b) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Bonds Outstanding.

(c) Nothing contained herein shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond (it being understood that the Bond Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders): (i) to receive payment of the principal of or interest on such Bond on or after the due date thereof; or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien hereof on the moneys, funds and properties pledged hereunder for the equal and ratable benefit of all Holders of Bonds or for the benefit of the Bond Trustee.

Section 7.09. Termination of Proceedings. In case any proceeding taken by the Bond Trustee on account of a Bond Indenture Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee or to the Bondholders, then BRIDGE, the Bond Trustee and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Bond Trustee and the Bondholders shall continue as if no such proceeding had been taken.

Section 7.10. Waiver of Bond Indenture Event of Default. (a) No delay or omission of the Bond Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any Bond Indenture Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Bond Indenture Event of Default or an acquiescence therein. Every power and remedy given by this Article VII to the Bond Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by them.

(b) The Bond Trustee may waive, at the direction of a majority of the Holders of the Bonds, any Bond Indenture Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

(c) Notwithstanding anything contained herein to the contrary, the Bond Trustee, upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding, shall waive any Bond Indenture Event of Default hereunder and its consequences; provided, however, that, except under the circumstances set forth in subsection (b) of Section 7.02 hereof, a default in the payment of the principal amount of, Redemption Price, if any, or interest on any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds at the time Outstanding.

(d) In case of any waiver by the Bond Trustee of a Bond Indenture Event of Default hereunder, BRIDGE, the Bond Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Bond Indenture Event of Default or impair any right consequent thereon. The Bond Trustee shall not be responsible to any person for waiving or refraining from waiving any Bond Indenture Event of Default in accordance with this Section 7.10.

Section 7.11. Notice of Default. (a) Promptly, but in any event within thirty (30) days after: (i) the occurrence of a Bond Indenture Event of Default under Section 7.01(a) or (b) hereof, which the Bond Trustee is deemed to have notice; or (ii) the receipt, in writing or otherwise, by the Bond Trustee of actual knowledge or notice of a Bond Indenture Event of Default under Section 7.01 (c), (d), (e) or (f) hereof, the Bond Trustee shall, unless such Bond Indenture Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each Holder of a Bond then Outstanding; provided that, except in the case of a default in the payment of principal amounts or the Redemption Price of or interest on any of the Bonds, the Bond Trustee may withhold such notice to such Holders if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Bondholders.

(b) The Bond Trustee shall promptly notify BRIDGE: (i) of the occurrence of a Bond Indenture Event of Default under Section 7.01(a) or (b) hereof; and (ii) when the Bond Trustee has received actual knowledge or notice, in writing or otherwise, of a Bond Indenture Event of Default under Section 7.01(c), (d), (e) or (f) hereof.

Section 7.12. Limitations on Remedies. It is the purpose and intention of this Article VII to provide rights and remedies to the Bond Trustee and Bondholders which may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Bond Trustee and the Bondholders shall be entitled as above set forth, to every other right and remedy provided in this Bond Indenture and by law.

ARTICLE VIII

THE BOND TRUSTEE

Section 8.01. Duties, Immunities and Liabilities of Bond Trustee.

(a) The Bond Trustee shall perform such duties and only such duties as are specifically set forth in this Bond Indenture. The Bond Trustee shall, during the existence of any Bond Indenture Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by this Bond Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. By execution hereof, the Bond Trustee shall evidence the acceptance of the powers, duties and obligations of the Bond Trustee as set forth herein. All Bonds shall be authenticated by the Bond Trustee before delivery in the manner and form provided herein. The Bond Trustee shall have no duty, responsibility or obligation for the issuance of Bonds or for the validity or exactness hereof, or of any other document relating to such issuance. The Bond Trustee makes no representations as to the validity or sufficiency of this Bond Indenture, any Bond or any pledge or security for the Bonds and further is not responsible for, and makes no representations with respect to, matters set forth in any offering memorandum, official statement or similar document prepared and distributed in connection with the sale of the Bonds. The Bond Trustee shall have no duty, responsibility or obligation for the payment of Bonds except for payment in accordance with the terms and provisions hereof from, and to the extent of, funds which are held in trust by the Bond Trustee for the purpose of such payment.

The Bond Trustee shall have no liability for any act or omission to act hereunder, or under any other instrument or document executed pursuant hereto except for the Bond Trustee's own gross negligence or of its willful misconduct, all as determined by a court of competent jurisdiction. The Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee, under this Bond Indenture. The duties and obligations of the Bond Trustee shall be determined solely by the express provisions hereof and no implied covenants or obligations against the Bond Trustee shall be read into this Bond Indenture.

The Bond Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the

Bond Trustee, except as may result from its own gross negligence or of its willful misconduct, all as determined by a court of competent jurisdiction.

(b) BRIDGE may remove the Bond Trustee at any time unless a Bond Indenture Event of Default shall have occurred and then be continuing, and shall remove the Bond Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Bond Trustee shall cease to be eligible in accordance with subsection (e) of this Section 8.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bond Trustee or its respective property shall be appointed, or any public officer shall take control or charge of the Bond Trustee or of its respective property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Bond Trustee, as the case may be, and thereupon shall appoint a successor Bond Trustee by an instrument in writing.

(c) The Bond Trustee may at any time resign and be discharged from its duties and obligations hereunder at any time by giving thirty (30) days' prior written notice of such resignation to BRIDGE, the Bondholders by posting an electronic notice of such resignation through the Depository, and by electronic means to each rating agency then rating the Bonds. Upon receiving such notice of resignation, BRIDGE shall promptly appoint a successor Bond Trustee by an instrument in writing.

(d) Any removal or resignation of the Bond Trustee and appointment of a successor thereto shall become effective upon acceptance of appointment by the successor Bond Trustee. If no successor Bond Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Bond Trustee shall be entitled (at the sole cost and expense of BRIDGE, including with respect to reasonable attorneys' fees and expenses), or any Bondholder (on behalf of himself and all other Bondholders) may petition, at BRIDGE's expense, any court of competent jurisdiction for the appointment of a successor Bond Trustee or for other appropriate relief at the expense of BRIDGE, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Bond Trustee, and any such resulting appointment or relief shall be binding upon all of the parties in interest hereto. Any successor Bond Trustee appointed under this Bond Indenture shall signify its acceptance of such appointment by executing and delivering to BRIDGE and to its predecessor Bond Trustee a written acceptance thereof, and thereupon such successor Bond Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Bond Trustee, with like effect as if originally named Bond Trustee herein; but, nevertheless at the request of BRIDGE or the request of the successor Bond Trustee, such predecessor Bond Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Bond Trustee all the right, title and interest of such predecessor Bond Trustee in and to any property held by it under this Bond Indenture and shall pay over, transfer, assign and deliver to the successor Bond Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Bond Trustee, BRIDGE shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Bond Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Bond Trustee as provided in this subsection, such successor Bond Trustee shall mail a notice of the succession of such Bond Trustee to the trusts hereunder to the Bondholders at the addresses shown on the bond registration books maintained by the Bond Trustee, to BRIDGE and to each rating agency then rating the Bonds.

(e) Any Bond Trustee appointed under the provisions of this Bond Indenture shall be a trust company, association, corporation or bank having trust powers, having a corporate trust office in the State or, if it shall not have a principal corporate trust office in the State, having the power under State law to perform all the duties of the Bond Trustee hereunder as evidenced by an opinion of its counsel, having a combined capital (exclusive of borrowed capital) and surplus (or the parent holding company of which has a combined capital and surplus) of at least \$50,000,000 and subject to supervision or examination by State or federal authorities. In case

at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Bond Trustee shall resign immediately in the manner and with the effect specified in this Section 8.01.

Section 8.02. Merger or Consolidation. Any company into which the Bond Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Bond Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Bond Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Rights of Bond Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of BRIDGE, and the Bond Trustee does not assume any responsibility or liability for the correctness of the same or for any statement contained in any offering memorandum or disclosure material prepared in connection with the issuance of the Bonds or make any representations as to the validity or sufficiency of this Bond Indenture or the Bonds, or incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Bond Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Bond Trustee shall not be liable in connection with the performance of its respective duties hereunder, except for its own gross negligence or of its willful misconduct, all as determined by a court of competent jurisdiction.

(b) The Bond Trustee shall not be liable for any error of judgment made in good faith unless it shall be proved that such party was grossly negligent in ascertaining the pertinent facts.

(c) The Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee under this Bond Indenture. The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty, and, with respect to such permissive rights, the Bond Trustee shall not be answerable for other than its negligence or willful misconduct. The Bond Trustee undertakes to perform such duties and only such duties as are specifically and expressly set forth in this Indenture. These duties shall be deemed purely ministerial in nature, and the Bond Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Indenture against the Bond Trustee.

(d) Except as otherwise expressly provided for herein, the Bond Trustee shall not be under any obligation to exercise any of the rights or powers vested in it by this Bond Indenture at the request, order or direction of any of the Bondholders pursuant to the provisions of this Bond Indenture unless such Bondholders shall have offered to the Bond Trustee reasonable indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby.

(e) The Bond Trustee shall not be deemed to have knowledge of any Bond Indenture Event of Default, other than a Bond Indenture Event of Default described in Section 7.01(a) or (b) hereof, unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof, at its Corporate Trust Office. Except as otherwise expressly provided herein, the Bond Trustee shall not be bound to ascertain or inquire as to, nor shall the Bond Trustee be responsible for or chargeable with, knowledge of, the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the instruments or documents executed in connection with the Bonds or as to the existence of a Bond Indenture Event of Default hereunder. Neither the Bond Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of BRIDGE or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Bond Trustee may assume performance by all such

Persons of their respective obligations. The Bond Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(f) No provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. The Bond Trustee has no obligation or liability to the Bondholders for the payment of the principal of or the interest or Redemption Price, if any, on the Bonds. The Bond Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of BRIDGE pursuant to the provisions of this Indenture, unless BRIDGE shall have offered to the Bond Trustee security or indemnity (satisfactory to the Bond Trustee in its sole and absolute discretion) against the costs, expenses (including fees and expenses of its attorneys) and liabilities which may be incurred by it in compliance with such request or direction.

(g) The Bond Trustee shall not be bound to ascertain or inquire as to the validity or genuineness of any collateral given to or held by it. The Bond Trustee shall not be responsible for the recording or filing of any document relating to this Bond Indenture or of financing statements (or continuation statements in connection therewith) or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests in any collateral given to or held by it.

(h) The Bond Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(i) The Bond Trustee makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by BRIDGE of the Project. In no event shall the Bond Trustee be liable for incidental, punitive, indirect, special or consequential loss or damages of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Bond Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action, in connection with or arising from this Bond Indenture.

(j) The Bond Trustee agrees to accept and act upon instructions or directions pursuant to this Bond Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that: (i) the Bond Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing; and (ii) BRIDGE shall send an executed version, with an original signature, of such instruction or direction as soon as reasonably possible thereafter to the attention of the Bond Trustee. If BRIDGE elects to give the Bond Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Bond Trustee elects to act upon such instructions, the Bond Trustee's understanding of such instructions shall be deemed controlling. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such instructions notwithstanding if such instructions conflict or are inconsistent with a subsequent written instruction, other than any such loss that is deemed a direct result of the Bond Trustee's gross negligence or of its willful misconduct, all as determined by a court of competent jurisdiction. BRIDGE agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(k) From the effective date of this Bond Indenture, the Bond Trustee, or any successor in interest, shall not be considered in breach of or in default in its obligations with respect to any obligations created hereunder or progress in respect thereto, in the event of an unavoidable delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, or of the public enemy, acts of a government, acts of the other party, fires, floods,

epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of supplies or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Bond Trustee.

(l) The parties hereto acknowledge that, in accordance with Section 326 of the U.S.A. Patriot Act, the Bond Trustee may be required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Bond Trustee. BRIDGE agrees that it will provide the Bond Trustee with such information as is reasonably available to BRIDGE and as the Bond Trustee may request in order for the Bond Trustee to satisfy the requirements of the U.S.A. Patriot Act.

(m) The Bond Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

Section 8.04. Right of Bond Trustee to Rely on Documents. The Bond Trustee may, at the expense of BRIDGE, request, conclusively rely on and shall be protected in acting upon, or otherwise relying upon, any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bond Trustee may consult with counsel of its selection, who may be counsel of or to BRIDGE, with regard to legal questions, and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in accordance therewith.

The Bond Trustee shall not be bound to recognize any person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed.

Whenever in the administration of the trusts imposed upon it by this Bond Indenture the Bond Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of BRIDGE, signed by a BRIDGE Representative, and such certificate shall be full warrant to the Bond Trustee for any action taken or suffered under the provisions of this Bond Indenture in reliance upon such certificate, but the Bond Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. Until all liability of the Bond Trustee with respect to the moneys hereunder shall have ceased in accordance with Section 10.01, all documents received by the Bond Trustee under the provisions of this Bond Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of BRIDGE and any Bondholder, and their agents and representatives duly authorized in writing, at reasonable hours, upon reasonable prior written notice and under reasonable conditions.

Section 8.06. Compensation of Bond Trustee. BRIDGE shall pay to the Bond Trustee from time to time such reasonable compensation as shall be agreed in writing between BRIDGE and the Bond Trustee for all services rendered hereunder and all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees incurred in and about the performance of its powers and duties hereunder. The obligations of BRIDGE under this Section 8.06 and under Section 6.06 shall survive resignation or removal of the Bond Trustee hereunder and payment of the Bonds and discharge of this Bond Indenture. The rights of the Bond Trustee to compensation for services and to payment or reimbursement for expenses, disbursements, liabilities and advances shall have a lien prior to the Bonds in respect of all property and funds held or collected by the Bond Trustee.

Section 8.07. Agents. The Bond Trustee may execute any of the trusts and powers hereunder or perform any duties hereunder (including, without limitation, the powers and duties of a paying agent for the payment of the principal of and Redemption Price, if any, and interest on the Bonds, of an authenticating agent and of a registrar) either directly or by or through agents, attorneys, affiliates or receivers, shall be entitled to rely on advice of counsel concerning all matters of trust and its duties hereunder, and shall not be responsible for the negligence or willful misconduct of any such agent, attorney, affiliate or receiver appointed by it with due care.

Section 8.08. The Bond Trustee Not Required to Take Action Unless Indemnified. Except as expressly required herein, the Bond Trustee shall neither be required to institute any suit or action or other proceeding hereunder or appear in any suit or action or other proceeding in which it may be a defendant, or to take any steps to enforce its rights and expose it to liability, nor shall the Bond Trustee be deemed liable for failure to take any such action, unless and until it shall have been indemnified, to its satisfaction, against any and all reasonable costs, expenses, outlays, including counsel fees and expenses and other fees, other disbursements including its own reasonable fees and against all liabilities and damages (including but not limited to liability related to environmental laws and regulations). The Bond Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else which in its judgment is proper to be done by it as the Bond Trustee, without prior assurance of indemnity, and in such case BRIDGE shall reimburse the Bond Trustee for all costs, expenses, outlays, including counsel fees and expenses and other fees previously agreed upon in writing, and other reasonable disbursements including its own fees, and for all liabilities and damages (including but not limited to liability related to environmental laws and regulations) suffered by the Bond Trustee in connection therewith, except for the Bond Trustee's gross negligence, or of its willful misconduct, all as determined by a court of competent jurisdiction. If the Bond Trustee begins, appears in or defends such a suit, the Bond Trustee shall give reasonably prompt notice of such action to BRIDGE, and shall give such notice prior to taking such action if possible. If BRIDGE shall fail to make such reimbursement, the Bond Trustee may reimburse itself from any surplus money created hereby; provided, however, that if the Bond Trustee shall collect any amounts or obtain a judgment, decree or recovery, by exercising the remedies available to it hereunder, the Bond Trustee shall have a first claim upon the amount recovered for payment of its reasonable costs, expenses, outlays, including counsel fees and expenses and other fees incurred. The obligations of BRIDGE under this Section 8.08 shall survive resignation or removal of the Bond Trustee hereunder and payment of the Bonds and discharge of this Bond Indenture.

Section 8.09. Employment of Experts. The Bond Trustee is hereby authorized to employ as its agents such attorneys at law, certified public accountants, appraisers, engineers, and recognized authorities in their fields (who are not employees of the Bond Trustee), as it may deem necessary to carry out any of its obligations hereunder, and shall be reimbursed by BRIDGE for all reasonable costs, expenses and charges in so doing. The Bond Trustee shall not be responsible for any misconduct or negligence of any such agent appointed with due care by the Bond Trustee.

The Bond Trustee may consult with counsel of its selection and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect to any action taken or not taken by the Bond Trustee hereunder in good faith and in reliance thereon.

Section 8.10. Enforcement of Performance by Others. It shall not be the duty of the Bond Trustee, except as herein provided, to see that any duties and obligations herein imposed upon BRIDGE are performed.

Section 8.11. Right to Deal in Bonds and Take Other Actions. The Bond Trustee may in good faith buy, sell or hold and deal in any Bonds with like effect as if it were not such Bond Trustee and may commence or join in any action which a Holder is entitled to take with like effect as if the Bond Trustee were not the Bond Trustee. It is understood and agreed that the Bond Trustee engages in a general banking business and no provision hereof is to be construed to limit or restrict the right of the Bond Trustee or any affiliate of the Bond Trustee to engage in business with BRIDGE or any Holder. So engaging in such business shall not, in and of itself, constitute a breach of trust on the part of the Bond Trustee.

Section 8.12. Proof of Claim. The Bond Trustee shall have the right and power to act in its name or in the name and place of the Holders to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered by the Bond Trustee as a result of any such claim, after payment of all fees (including reasonable attorneys' fees and expenses), costs, expenses and advances incurred by the Bond Trustee or its agents in pursuing such claim, shall be for the equal benefit of all of the Holders of Bonds Outstanding.

Section 8.13. Recitals and Representations. The recitals, statements and representations contained herein or in any Bond (excluding the Bond Trustee's authentication on the Bonds) shall be taken and construed as made by and on the part of BRIDGE, and not by the Bond Trustee, and the Bond Trustee neither assumes nor shall be under any responsibility or liability for the correctness of the same.

The Bond Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof or, except as herein required, the filing or recording or registering of any document. The Bond Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the validity or sufficiency of such document. The Bond Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof. The Bond Trustee shall not be responsible or liable for any loss, tax, fee or other charge suffered in connection with the investment, reinvestment or liquidation of an investment of any funds made by it in accordance with the provisions hereof. Except with respect to Bond Indenture Events of Default described in Section 7.01(a) and (b) hereof, the Bond Trustee shall have no duty of inquiry with respect to any Bond Indenture Events of Default described herein without actual knowledge of or receipt by the Bond Trustee of written notice of a Bond Indenture Event of Default from BRIDGE or any Holder.

Section 8.14. Destruction of Bonds. Upon payment of or surrender to the Bond Trustee for cancellation of any Bond, the Bond Trustee shall cancel and/or dispose of such Bond in accordance with applicable law and in accordance with the Bond Trustee's then customary procedures. Whenever in this Bond Indenture provision is made for the cancellation by the Bond Trustee and the delivery to BRIDGE of any Bonds, the Bond Trustee shall, in lieu of such cancellation and delivery, dispose of such Bonds in accordance with the Bond Trustee's then customary procedures.

Section 8.15. Reports. The Bond Trustee shall prepare and submit to BRIDGE on a monthly basis reports or statements covering all moneys received and all payments, expenditures and investments made as the Bond Trustee hereunder since the last previous report. In addition, the Bond Trustee shall provide a written bill to BRIDGE, no later than fifteen (15) Business Days prior to the due date, reflecting any amounts due from BRIDGE to the Bond Trustee under this Bond Indenture, including, but not limited to, bills for debt service; provided, however, that the failure by the Bond Trustee to so provide any such bill shall not relieve the obligation of BRIDGE to pay any such amounts due.

ARTICLE IX

SUPPLEMENTS

Section 9.01. Supplements Not Requiring Consent of Bondholders. BRIDGE and the Bond Trustee may, without the consent of or notice to any of the Holders, enter into one or more Supplements, which Supplement or Supplements thereafter shall form a part of this Bond Indenture, for one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission herein;
- (b) To correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make or modify any other provisions with respect to matters or questions arising hereunder which shall not materially adversely affect the interests of the Holders;

(c) To grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them;

(d) To qualify this Bond Indenture under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect;

(e) To secure additional revenues or provide additional security or reserves for payment of the Bonds;

(f) To replace the Bond Trustee in accordance with Section 8.01 hereof; and

(g) To provide for the issuance of Additional Bonds on a parity with other Bonds issued hereunder.

Any Supplement authorized by the provisions of this Section 9.01 may be executed by BRIDGE and the Bond Trustee without the consent of the Holders of any of the Bonds at the time Outstanding, notwithstanding any of the provisions of Section 9.02, but the Bond Trustee shall not be obligated to enter into any such Supplement which affects the Bond Trustee's own rights, duties or immunities under this Bond Indenture or otherwise.

Upon the written request of BRIDGE, the Bond Trustee shall mail or send by electronic means an executed copy of a Supplement authorized by this Section 9.01 to BRIDGE and any rating agency, as specified in such request, then rating the Bonds reasonably promptly after execution by BRIDGE and the Bond Trustee.

Section 9.02. Supplements Requiring Consent of Bondholders. (i) Other than Supplements referred to in Section 9.01 hereof and subject to the terms and provisions and limitations contained in this Article IX and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to consent to and approve the execution by BRIDGE and the Bond Trustee of such Supplements as shall be deemed necessary and desirable by BRIDGE for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein; provided, however, nothing in this Section 9.02 shall permit or be construed as permitting a Supplement which would:

(ii) extend the stated maturity of or time for paying interest on any Bond or reduce the principal amount of or the Redemption Price or rate of interest payable on any Bond without the consent of the Holder of such Bond;

(iii) prefer or give a priority to any Bond over any other Bond without the consent of the Holder of each Bond then Outstanding not receiving such preference or priority; or

(iv) reduce the aggregate principal amount of Bonds then Outstanding, the consent of the Holders of which is required to authorize such Supplement, without the consent of the Holders of all Bonds then Outstanding.

(b) If at any time BRIDGE shall request the Bond Trustee to enter into a Supplement pursuant to this Section 9.02, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause written notice, such notice to be prepared by BRIDGE, of the proposed execution of such Supplement to be mailed by first class mail, postage prepaid, or by electronic means, to all Holders of Bonds then Outstanding at their addresses as they appear on the registration books herein provided for. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail, or the failure of such Bondholder to receive, the notice required by this Section 9.02, and any such failure shall not affect the validity of such Supplement when consented to and approved as provided in this Section 9.02. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that copies thereof are on file at the corporate trust office of the Bond Trustee for inspection by all Bondholders.

(c) If within such period, not exceeding three years, as shall be prescribed by BRIDGE, following the first giving of such notice, the Bond Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the aggregate principal amount or number of Bonds specified in subsection 9.02(a) for the Supplement in question which instrument or instruments shall refer to the proposed Supplement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Bond Trustee, thereupon, but not otherwise, the Bond Trustee may execute such Supplement in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

(d) Any such consent shall be binding upon the Holder of the Bond giving such consent and upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bond giving such consent or by a subsequent Holder thereof by filing with the Bond Trustee, prior to the execution by the Bond Trustee of such Supplement, such revocation. At any time after the Holders of the required principal amount or number of Bonds shall have filed their consents to the Supplement, the Bond Trustee shall make and file with BRIDGE a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(e) If the Holders of the required principal amount or number of the Bonds Outstanding shall have consented to and approved the execution of such Supplement as herein provided, no Holder of any Bond shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or BRIDGE from executing the same or from taking any action pursuant to the provisions thereof.

Section 9.03. Execution and Effect of Supplements. (a) In executing any Supplement permitted by this Article IX, the Bond Trustee shall be provided and may rely upon a certificate of a BRIDGE Representative as to factual matters and upon an Opinion of Counsel stating that the execution of such Supplement is the legal, valid and binding obligation of BRIDGE, legally authorized or permitted hereby. The Bond Trustee may, but shall not be obligated to, enter into any such Supplement which affects the Bond Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Supplement in accordance with this Article IX, the provisions hereof shall be modified in accordance therewith and such Supplement shall form a part hereof for all purposes and every Holder of a Bond theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

(c) Any Bond authenticated and delivered after the execution and delivery of any Supplement in accordance with this Article IX may, and if required by BRIDGE or the Bond Trustee shall, bear a notation in form approved by BRIDGE and Bond Trustee as to any matter provided for in such Supplement. If BRIDGE shall so determine, new Bonds so modified as to conform, in the opinion of BRIDGE set forth in an Officer's Certificate, to any such Supplement may be prepared and executed by BRIDGE and, upon the receipt of a written authentication order of BRIDGE, authenticated and delivered by the Bond Trustee in exchange for and upon surrender of Bonds then Outstanding.

ARTICLE X

SATISFACTION AND DISCHARGE

Section 10.01. Discharge. If payment of all principal of, Redemption Price, if any, and interest on the Bonds in accordance with their terms and as provided herein is made, and if all other sums payable by BRIDGE hereunder shall be paid or provided for, then the liens, estates and security interests granted hereby shall cease. Thereupon, upon the written request of BRIDGE, and upon receipt by the Bond Trustee of a certificate of a BRIDGE Representative and an Opinion of Counsel stating that all legal conditions hereunder

that are precedent to the satisfaction and discharge of the lien hereof have been satisfied, the Bond Trustee shall execute and deliver proper instruments acknowledging such satisfaction and discharging the lien hereof and the Bond Trustee shall transfer all property held by it hereunder, other than moneys or obligations held by the Bond Trustee for payment of amounts due or to become due on the Bonds, to BRIDGE or such other Person as may be entitled thereto as their respective interests may appear. Such satisfaction and discharge shall be without prejudice to the rights of the Bond Trustee thereafter to charge and be compensated or reimbursed for services rendered and expenditures incurred in connection herewith.

BRIDGE may at any time surrender to the Bond Trustee for cancellation any Bond previously authenticated and delivered which BRIDGE may have acquired in any manner whatsoever and such Bond upon such surrender and cancellation shall be deemed to be paid and retired.

Bonds may be paid by BRIDGE in any of the following ways, provided that BRIDGE also pays or causes to be paid any other sums payable hereunder by BRIDGE:

- (a) by paying or causing to be paid the principal of and interest on the Bonds Outstanding, as and when the same become due and payable;
- (b) by depositing with the Bond Trustee, in trust, at or before maturity, money or securities (which securities must have a maturity date on or prior to the date of maturity or redemption for the Bonds) in the necessary amount (as provided in Section 10.03(b) hereof) to pay or redeem all Bonds Outstanding; or
- (c) by delivering to the Bond Trustee, for cancellation by it, all Bonds Outstanding.

If BRIDGE shall pay all Bonds then Outstanding as provided above and shall also pay or cause to be paid all other sums payable hereunder by BRIDGE, then and in that case, at the election of BRIDGE (evidenced by a certificate of BRIDGE, executed by a BRIDGE Representative, filed with the Bond Trustee, signifying the intention of BRIDGE to discharge all such indebtedness and this Bond Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Bond Indenture and the pledge made under this Bond Indenture and all covenants, agreements and other obligations of BRIDGE under this Bond Indenture shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 10.02 hereof and the obligations set forth in Sections 6.06 and 8.06 hereof. In such event, upon request of BRIDGE, the Bond Trustee shall cause a statement for such period or periods as may be requested by BRIDGE to be prepared and filed with BRIDGE and shall execute and deliver to BRIDGE all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Bond Trustee shall pay over, transfer, assign or deliver to BRIDGE all moneys or securities or other property held by it pursuant to this Bond Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption and which are not required for the payment of fees and expenses of the Bond Trustee.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or securities (which securities must have a maturity date on or prior to the date of maturity or redemption for the Bonds) in the necessary amount (as provided in Section 10.03 hereof) to pay or redeem any Outstanding Bond, whether upon or prior to the maturity of such Bond or the redemption date of such Bond (provided that, if such Bond is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article III hereof or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice prior to its maturity or redemption date), then all liability of BRIDGE in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the Holder thereof shall be entitled to payment of the principal of and interest on such Bond by BRIDGE, and BRIDGE shall remain liable for such payment but only out of the money or securities deposited with the Bond Trustee as aforesaid for its payment, provided further, however, that the provisions of Section 10.04 hereof shall apply in all events.

BRIDGE may at any time surrender to the Bond Trustee for cancellation by it any Bonds previously issued and delivered, which BRIDGE may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Defeasance. (a) If BRIDGE shall pay or cause to be paid, or there shall be otherwise paid, to the registered owners of all or any of the Bonds then Outstanding, the principal or Redemption Price of and interest thereon, at the times and in the manner stipulated therein and in this Bond Indenture and any Supplement, and all fees and expenses of the Bond Trustee, then the pledge of any moneys and securities hereby pledged to such Bonds and all other rights granted hereby to such Bonds shall be discharged and satisfied. In such event, the Bond Trustee shall, upon the request of BRIDGE, execute and deliver to BRIDGE all such instruments as may be desirable to evidence such discharge and satisfaction and the Bond Trustee or other fiduciary shall pay or deliver to BRIDGE all moneys or securities held by it pursuant to this Bond Indenture and any Supplement which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption to be used by BRIDGE in any lawful manner including distribution to BRIDGE.

(b) Any Bonds for which moneys shall then be held by a trustee, which may be the Bond Trustee (through deposit by BRIDGE of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in this Section 10.03. Any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subparagraph (a) of this Section 10.03 if: (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, BRIDGE shall have given to the Bond Trustee, in form satisfactory to the Bond Trustee, irrevocable instructions to give notice of redemption on such date of such Bonds; (ii) there shall have been deposited with the Bond Trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations (which must have a maturity date prior to the maturity date or redemption date for the Bonds, as applicable), the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Bond Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be; (iii) there shall have been filed with the Bond Trustee and BRIDGE (x) a verification report of a firm of certified public accountants, acceptable to BRIDGE, confirming the arithmetical accuracy of the computations showing the cash or Defeasance Obligations, the principal of and interest on which when due, together with cash, if any, deposited at the same time will be sufficient to pay when due, the principal or Redemption Price, if applicable, and interest due or to become due on such Bonds, on and prior to the redemption date or maturity date thereof, as the case may be and (y) an Opinion of Counsel, acceptable to BRIDGE, to the effect that upon provision for the payment of the principal or Redemption Price, if applicable, of, and interest due or to become due on such Bonds, the pledge of any moneys and securities hereunder and the grant of all rights to the registered owners of such Bonds hereunder shall be discharged and satisfied; and (iv) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, BRIDGE shall have given the Bond Trustee, in form satisfactory to the Bond Trustee, irrevocable instructions to mail, as soon as practicable, a notice to the registered owners of such Bonds that the deposit required by (ii) above has been made with the Bond Trustee and that such Bonds are deemed to have been paid in accordance with this Section 10.03 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on such Bonds. Neither Defeasance Obligations deposited with the Bond Trustee pursuant to this Section 10.03 nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than the payment of the principal or Redemption Price, if applicable, and interest on such Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Bond Trustee, if not then needed for such purpose, may, to the extent practicable and upon the written direction of BRIDGE, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on such Bonds on and prior to such redemption date or Maturity Date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to BRIDGE to be used by it in any lawful manner in furtherance of its "exempt purpose" as defined in Section 501(c)(3) of the Code, provided all amounts owing to the Bond Trustee have been satisfied, free and clear of any trust, lien or pledge. Nothing in this paragraph (b) shall be, or be deemed to be, a restriction on BRIDGE's ability to provide

for Defeasance Obligation substitutions or restructuring provided that the Defeasance Obligations shall at all times be in compliance with clause (ii) above, as evidenced by a verification report of a firm of certified public accountants in compliance with clause (iii)(x) above. Notwithstanding any provision of this Bond Indenture, the Bond Trustee shall have no right of set-off against any moneys and securities deposited under this subsection (b).

(c) Anything in this Bond Indenture to the contrary notwithstanding, any moneys held by the Bond Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when all of the Bonds have become due and payable either at their stated Maturity Date or by a call for earlier redemption, if such moneys were held by the Bond Trustee at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Bond Trustee after such date when all of the Bonds become due and payable, shall, at the written request of BRIDGE and subject to applicable escheat laws be repaid by the Bond Trustee to BRIDGE as its absolute property and free from trust (to the extent permitted by law) to be used by BRIDGE in any lawful manner in furtherance of its “exempt purpose” as defined in Section 501(c)(3) of the Code, and BRIDGE and the Bond Trustee shall thereupon be released and discharged of their obligations with respect to the Bonds; provided, however, that, before being required to make any such payment to BRIDGE, the Bond Trustee shall mail to the Bondholders a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than forty (40) nor more than ninety (90) days after the date of mailing of such notice, the balance of such moneys then unclaimed shall be returned to BRIDGE to be used by BRIDGE in any lawful manner in furtherance of its “exempt purpose” as defined in Section 501(c)(3) of the Code.

Section 10.04. Payment of Bonds after Discharge. Notwithstanding the discharge of the lien hereof as in this Article X provided, the Bond Trustee shall nevertheless retain such rights, indemnities, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein.

Section 10.05. Notice to Rating Agencies. Upon the written request of BRIDGE, the Bond Trustee shall give Notice by Mail or electronic means of any discharge pursuant to this Article X to each Rating Agency then rating the Bonds, which shall be specified in such written request or notice from BRIDGE; provided that failure to provide such Notice shall not affect the sufficiency of the proceedings for such discharge. The Bond Trustee makes this covenant as a matter of courtesy and accommodation only and shall not be liable to any person for any failure to comply therewith.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Evidence of Acts of Bondholders. Any request, direction, consent or other instrument provided hereby to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof and shall be conclusive in favor of the Bond Trustee and BRIDGE, with regard to any action taken by them, or either of them, under such request or other instrument.

The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the Person signing such writing acknowledged before him the execution thereof, including, but not limited to, acknowledgement by a notary public, or by the affidavit of a witness of such execution; and the ownership of all Bonds shall be proved by the register of such Bonds maintained by the Bond Trustee.

Nothing in this Section 11.01 shall be construed as limiting the Bond Trustee to the proof herein specified, it being intended that the Bond Trustee may accept any other evidence of the matters herein stated

which it may deem sufficient. In addition, the assignment of ownership of a Bond shall be accompanied by a signature guaranty to the satisfaction of the Bond Trustee.

Any action taken or suffered by the Bond Trustee pursuant to any provision hereof, upon the request or with the assent of any Person who at the time is the Holder of any Bond or Bonds shall be conclusive and binding upon all future Holders of the same Bond or Bonds.

Whenever in this Bond Indenture either BRIDGE or the Bond Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Bond Indenture contained by or on behalf of BRIDGE or the Bond Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, and the Holders of the Bonds any legal or equitable right, remedy or claim under or in respect to this Bond Indenture or any covenants, conditions and provisions herein contained; this Bond Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, and the Holders of the Bonds as herein provided.

Section 11.03. Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the Bonds issued pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged. BRIDGE hereby declares that it would have entered into this Bond Indenture and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Bond Indenture may be held illegal, invalid or unenforceable.

Section 11.04. Action Not on Business Day. Except as otherwise specifically provided in this Bond Indenture, if any date specified for the payment of any principal of, Redemption Price, if any, or interest on any Bond or the performance of any act falls on a day which is not a Business Day, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date. In the case of the payment of the principal of, Redemption Price, if any, or the interest on any Bond which shall be due on a day which is not a Business Day, and such payment is made on the next succeeding Business Day, no additional interest shall accrue as a result of such delayed payment. When any other action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 11.05. Governing Law; Venue. This Bond Indenture and the Bonds are contracts made under the laws of the State and shall be governed and construed in accordance with such laws. This Bond Indenture shall be enforceable in the State, and any action arising out of this Bond Indenture shall be filed and maintained in the Superior Court of California, County of San Francisco unless BRIDGE waives this requirement.

Section 11.06. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given: (i) if hand delivered or delivered by courier, when delivered to the appropriate notice address; (ii) if mailed by first class mail, postage prepaid, three Business Days after deposit in the United States mail addressed to the appropriate notice address; or (iii) as between the Bond Trustee and BRIDGE, if sent in portable document format to the appropriate email address and subsequently delivered by hand delivery, courier or first class mail within a reasonable amount of time thereafter (though such delivery by hand delivery, courier or first class mail, if sent pursuant to this subsection (iii), shall not be required in order for such notices, certificates or other communications hereunder to be deemed sufficiently given). The parties

listed below may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice required or permitted hereunder shall be directed to the following notice address:

- (i) If to the Bond Trustee, addressed to:

Wilmington Trust, National Association
650 Town Center Drive, Suite 800
Costa Mesa, California 92626
Attention: Corporate Trust Department

- (ii) If to the registered Holder of a Bond, addressed to such Holder at the address shown on the registration books of the Bond Trustee kept pursuant hereto.

- (iii) If to BRIDGE, addressed to:

BRIDGE Housing Corporation
600 California Street, Suite 900
San Francisco, California 94108
Attention: President and Chief Executive Officer

and with a copy to

Orrick, Herrington & Sutcliffe
405 Howard Street
San Francisco, California 94105
Attention: Justin Cooper, Esq.
Email: jcooper@orrick.com

Section 11.07. Waiver of Notice. Whenever in this Bond Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.08. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Bond Indenture, Bonds which are owned or held by or for the account of BRIDGE or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, BRIDGE shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, that the Bond Trustee shall not be deemed to have knowledge that any Bond is owned or held by or for the account of BRIDGE or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, BRIDGE unless BRIDGE is the registered owner of such Bond and provides the Bond Trustee written notice thereof. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 11.08 if the pledgee shall certify in writing to the Bond Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, BRIDGE. In case of a dispute as to such right, any decision by the Bond Trustee taken in reliance upon such a pledgee's written certificate that is reasonably believed by the Bond Trustee to be bona fide or taken upon the advice of counsel shall be full protection to the Bond Trustee. After receipt of written notice from BRIDGE as provided in the first sentence of this Section 11.08 and upon written request from BRIDGE, BRIDGE shall designate those Bonds disqualified pursuant to the terms of this Section 11.08.

Section 11.09. Money Held for Particular Bonds. The money held by the Bond Trustee for the payment of the interest or principal or Redemption Price due on any date with respect to particular Bonds

(or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.02.

Section 11.10. Funds and Accounts. Any Fund or Account required by this Bond Indenture to be established and maintained by the Bond Trustee may be established and maintained in the accounting records of the Bond Trustee, either as a Fund or an Account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a Fund or as an Account; but all such records with respect to all such Funds or Accounts shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of every Holder thereof.

Section 11.11. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Bond Indenture.

All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Bond Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 11.12. Complete Agreement. This Bond Indenture represents the complete agreement between the parties with respect to the Bonds and related matters.

Section 11.13. Counterparts. This Bond Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument. The exchange of copies of this Bond Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Bond Indenture as to the parties hereto and may be used in lieu of the original Bond Indenture and signature pages for all purposes.

Section 11.14. Immunity of Individuals; No Recourse to Certain BRIDGE Assets. No recourse shall be had for the payment of the principal of, Redemption Price, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement herein against any past, present or future trustee, director, officer, employee, agent or consultant of BRIDGE, whether directly or indirectly, and all such liability of any such individual as such is hereby expressly waived and released by the Bond Trustee and each Holder, as evidenced by the execution hereof by the Bond Trustee and the acceptance by such Holder of a Bond, in each case on behalf of itself and all successors in interest, as a condition of and in consideration for the execution hereof and the issuance of the Bonds hereunder by BRIDGE. By virtue of this Bond Indenture and the issuance of its Bonds, including the Series 2020 Bonds, BRIDGE has made no grant or pledge of, or created any lien on or provided any security interest in, any property or other assets of BRIDGE, whether now owned or acquired in the future, other than the pledge hereunder of the amounts on deposit from time to time in the Funds and Accounts created pursuant hereto, including the earnings on such pledged Funds and Accounts, subject to the provisions of this Bond Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth herein.

Section 11.15. Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns subject to the limitations contained herein.

IN WITNESS WHEREOF, BRIDGE Housing Corporation has caused these presents to be signed in its name and on its behalf by its duly authorized officer, and to evidence its acceptance of the trusts hereby created the Bond Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

BRIDGE HOUSING CORPORATION

By: _____
Name: Cynthia A. Parker
Title: President and Chief Executive Officer

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Bond Trustee**

By: _____
Name: Tom Demchuk
Title: Vice President

(Form of Bond)

BRIDGE HOUSING CORPORATION
Taxable Bonds, Series 2020 (Sustainability Bonds)

No. R-1		\$100,000,000
INTEREST RATE:	3.250%	
DATED DATE:	December 8, 2020	
MATURITY DATE:	July 15, 2030	
REGISTERED OWNER:	Cede & Co.	
PRINCIPAL SUM:	\$100,000,000	
CUSIP:	10806CAA6	

FOR VALUE RECEIVED, BRIDGE Housing Corporation (“BRIDGE”), a nonprofit public benefit corporation organized and existing under the laws of the State of California, hereby acknowledges itself obligated to, and promises to pay to, the Registered Owner stated above, or registered assigns, on the Maturity Date stated above, the Principal Sum stated above, and to pay interest on the unpaid balance of said Principal Sum from the Dated Date stated above at the Interest Rate stated above per annum, payable on January 15, 2021 and semiannually thereafter on January 15 and July 15 in each year until maturity, as provided in the Bond Indenture, dated as of December 1, 2020, as amended and supplemented (the “Bond Indenture”), by and between BRIDGE and the Bond Trustee thereunder.

Subject to the provisions of the Bond Indenture relating to Book-Entry Bonds held by DTC, interest accruing on this bond on and prior to the Maturity Date hereof shall be payable by check drawn upon Wilmington Trust, National Association, as Bond Trustee, and mailed to the registered Holder hereof as of the Record Date (each January 1 and July 1) at the address of such Holder as it appears on the books of the Bond Trustee on the date such interest comes due or by electronic or wire transfer to the Holder of at least \$1,000,000 aggregate principal amount of Bonds to the address designated by written notice by such Holder to the Bond Trustee not less than fifteen (15) days prior to the Record Date for such payment, containing the electronic transfer instructions required by the Bond Indenture. Subject to the provisions of the Bond Indenture relating to Book-Entry Bonds held by DTC, principal and redemption price, if any, shall be paid by check or draft when due upon presentation and surrender of this bond for payment at the corporate trust office of the Bond Trustee or such other places designated by the Bond Trustee.

This bond is one of an issue of Bonds in the aggregate principal amount of \$100,000,000 authorized and issued to provide funds to aid in the financing of the cost of certain projects and other lawful corporate purposes of BRIDGE, all pursuant to the Bond Indenture. This bond and all Bonds issued under the Bond Indenture are unsecured general obligations of BRIDGE and are payable from any general funds of BRIDGE and any funds provided therefor under the Bond Indenture; subject, however, to the express limitations upon sources of payment therefor provided by the Bond Indenture. Reference is hereby made to the Bond Indenture as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of BRIDGE, the Bond Trustee, and the holders of the

Bonds, including without limitation the definitions of certain terms used but not defined herein and the terms upon which Additional Bonds may be issued. Executed counterparts or certified copies of such instruments are on file at the corporate trust office of the Bond Trustee at 650 Town Center Drive, Suite 800, Costa Mesa, California, Attention: Corporate Trust Department, or such other place or places designated by the Bond Trustee.

Bonds of this issue are subject to optional redemption and purchase in lieu of optional redemption prior to their stated Maturity Date as provided in the Bond Indenture.

The Holder of this bond shall have no right to enforce the provisions of the Bond Indenture or to institute an action in equity or at law to enforce the covenants thereof, or to take any action with respect to a default thereof, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Indenture.

Modifications or amendments of the Bond Indenture may be made only to the extent and in the circumstances permitted by the Bond Indenture.

This bond must be registered in accordance with the provisions hereof, and may, singly or with other Bonds of this issue, be surrendered to the Bond Trustee and exchanged for other fully registered Bonds, upon the terms set forth in the Bond Indenture. Neither BRIDGE nor the Bond Trustee shall be required to (i) register or transfer this bond or exchange other Bonds for this bond within fifteen (15) days immediately preceding any Bond Payment Date or (ii) transfer or exchange any Bond which has been or is being called for redemption in whole or in part.

It is hereby further certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this bond have existed, have happened and have been performed in due form, time and manner as required by law.

IN TESTIMONY WHEREOF, BRIDGE Housing Corporation has caused this bond to be executed and attested by the manual or facsimile signature of a BRIDGE Representative, and by the manual or facsimile signature of its Secretary or Assistant Secretary; and this bond to be authenticated by the manual signature of an authorized signatory of the Bond Trustee, without which authentication this bond shall not be valid nor entitled to the benefits of the Bond Indenture, all as of the Dated Date stated above.

BRIDGE HOUSING CORPORATION

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name:
Title: Assistant Secretary

CERTIFICATE OF AUTHENTICATION

The undersigned hereby certifies that this is one of the Bonds described in the within-mentioned Bond Indenture.

**WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Bond Trustee**

By _____
Authorized Signatory

Date of Authentication: _____

Assignment

For value received the undersigned do(es) hereby sell, assign and transfer unto

(print or type name, address, taxpayer identification no. and zip code of assignee)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Bond Trustee with full power of substitution in the premises.

Dated: _____

Signature

NOTE: The signature to the assignment must correspond to the name as written on the face of this bond in every particular, without any alteration or change whatsoever.

Signature Guaranteed By: _____

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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PROPOSED FORM OF OPINION OF SPECIAL FINANCE COUNSEL TO BRIDGE

December 8, 2020

BRIDGE Housing Corporation
San Francisco, California

Ladies and Gentlemen:

We have acted as special finance counsel to BRIDGE Housing Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State of California (“BRIDGE”), in connection with its issuance of \$100,000,000 aggregate principal amount of its Taxable Bonds, Series 2020 (Sustainability Bonds) (the “Bonds”), pursuant to a resolution adopted by the Board of Directors of the BRIDGE on September 24, 2020 (the “Board Resolution”) and the Bond Indenture, dated as of December 1, 2020 (the “Indenture”), between BRIDGE and Wilmington Trust, National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In connection with this opinion, we have examined: the Bonds; the Board Resolution; the Indenture; certificates of BRIDGE, the Trustee and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have examined and relied on, as to factual matters, the representations of BRIDGE and others and on originals or copies certified or otherwise identified to our satisfaction of all such corporate records of BRIDGE and such other instruments and other certificates of public officials, officers and representatives of BRIDGE, and have made such investigations of law, as we have deemed appropriate as a basis for the opinions expressed below.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter.

We have assumed the following: (a) the authenticity of original documents and the genuineness of all signatures; (b) the conformity to the originals of all documents submitted to us as copies; (c) the truth, accuracy and completeness of the information, factual matters, representations and warranties and legal conclusions contained in the records, documents, instruments, certificates and legal opinions we have reviewed; (d) the legal capacity of all natural persons executing any documents; (e) the due authorization, execution and delivery of the Indenture on behalf of the Trustee, the power and authority of the Trustee to execute, deliver and perform its obligations under the Indenture and the legal, valid and binding effect of the Indenture on the Trustee; (f) the compliance by each party to the Indenture with all covenants and agreements in such documents; (g) the absence of any evidence extrinsic to the provisions of the written agreements between the parties that the parties intended a meaning contrary to that expressed by those provisions; (h) there has not been any mutual mistake of fact, fraud, duress or undue influence; (i) the compliance by each party to the Indenture with any applicable requirements to file returns and pay taxes under the California Franchise Tax Law; and (j) the Trustee has complied with all licensing laws and regulatory matters applicable to it.

Our opinion that any document is legal, valid, binding or enforceable in accordance with its terms is further subject to: (1) limitations imposed by bankruptcy, insolvency, fraudulent conveyance, reorganization, receivership,

arrangement, moratorium or other laws relating to or affecting the enforcement of creditors' rights generally; (2) general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law and to the exercise of judicial discretion in appropriate cases; and (3) applicable law which may affect the availability of remedies (but which applicable law (subject to the limitations set forth herein and in clauses (1) and (2) above) does not, in our opinion, make the available remedies inadequate for the practical realization of the benefits intended to be provided thereby). We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, severability or waiver provisions. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Offering Memorandum, dated December 1, 2020, relating to the Bonds, or other offering material relating to the Bonds and express no opinion with respect thereto.

Based upon such examination and having regard for legal considerations which we deem relevant, subject to the assumptions, qualifications and exceptions set forth herein, as of the date hereof, we are of the following opinions:

1. BRIDGE has the requisite corporate power and corporate authority to execute and deliver the Indenture and issue the Bonds.

2. The Indenture has been duly authorized, executed and delivered by BRIDGE and constitutes a valid and binding agreement of BRIDGE enforceable against it in accordance with the terms thereof.

3. The Bonds are valid and binding general obligations of BRIDGE enforceable against BRIDGE in accordance with their terms.

Interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. We express no opinion regarding any federal or state tax consequences relating to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Respectfully submitted,

BOOK-ENTRY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and neither BRIDGE nor the Underwriter take any responsibility for the accuracy thereof. NEITHER BRIDGE NOR THE UNDERWRITERS ASSUME ANY RESPONSIBILITY FOR THIS SECTION.

AS LONG AS CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE, IS THE OWNER OF THE BONDS, REFERENCES HEREIN TO "OWNERS" OF THE BONDS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

THE BENEFICIAL OWNERS WILL NOT RECEIVE BONDS REPRESENTING THEIR BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS.

General

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the amount of the principal amount of such maturity of the Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants," and together with Direct Participants, "Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase; Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as defaults, and proposed amendment to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to BRIDGE as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, Make-Whole Redemption Price and interest on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from BRIDGE or the Bond Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, its nominee, the Bond Trustee or BRIDGE, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, Make-Whole Redemption Price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is not the responsibility of BRIDGE or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to BRIDGE and the Bond Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, such Bond certificates are required to be printed and delivered. BRIDGE, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if BRIDGE determines that (i) DTC is unable to discharge its responsibilities with respect to the Bonds, or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Bond Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by BRIDGE or restricted registration is no longer in effect, Bond certificates will be delivered. See "Certificated Bonds" below.

Each person for whom a Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such person, to be forwarded in writing by such Participant and to have notification made of all interest payments.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Bond Trustee to DTC only.

For every transfer and exchange of Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

BRIDGE and the Bond Trustee cannot and do not give any assurances that DTC will distribute to Participants, or that Participants or others will distribute payments of principal or interest with respect to the Bonds paid to DTC or its nominee as the registered owner or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Offering Memorandum. BRIDGE and the Bond Trustee are not responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto. Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Bond Trustee to DTC and DTC will credit such distributions to the accounts of the Beneficial Owners either directly or indirectly through Participants. BRIDGE and the Bond Trustee shall be entitled to treat Cede & Co. (or any Bondholder in whose name the Bonds are subsequently registered) as the Bondholder for all purposes of the Bond Indenture and any applicable laws, notwithstanding any notice to the contrary received by any such party; and BRIDGE and the Bond Trustee shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with any Beneficial Owners of the Bonds.

NONE OF BRIDGE, THE UNDERWRITER OR THE BOND TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE BOND INDENTURE; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR MAKE-WHOLE REDEMPTION PRICE, IF ANY, OR INTEREST DUE WITH RESPECT TO THE BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE BONDS; OR (VI) ANY OTHER MATTER.

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FRAMEWORK OVERVIEW AND SECOND OPINION BY SUSTAINALYTICS

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Second-Party Opinion

BRIDGE Housing Sustainability Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the BRIDGE Housing Sustainability Bond Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds, Affordable Housing, Transit Oriented Development, Green Building and Energy Efficiency, are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 1, 7, 10 and 11.



PROJECT EVALUATION / SELECTION BRIDGE will evaluate and select projects using a two-tiered review and approval approach for all potential projects. This process starts with an evaluation of social impact and financial feasibility and is followed by a review against the Organization’s existing underwriting criteria. As part of this process, the Organization’s Project Review Committee is responsible for final project approval. This is in line with market practice.



MANAGEMENT OF PROCEEDS The proceeds of the bonds, net transaction costs, will be deposited and held in a separate account, held by BRIDGE. The bond proceeds will be disbursed to refinance all previously described, pre-identified refinanced projects, while the remainder of the bond proceeds will be deposited into a separate interest-bearing account until dispersed to finance an eligible property that meets the required criteria. This is in line with market practice.



REPORTING BRIDGE is committed to providing reporting for any additional properties financed with its bond proceeds, on its website on an annual basis and until full allocation. This disclosure includes information on target populations, income distribution of set-aside units, and green building certifications. Sustainalytics views BRIDGE’s allocation and impact reporting as aligned with market practice.

Evaluation date	September 22, 2020
Issuer Location	San Francisco, California, United States

Report Sections

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Introduction

Based in San Francisco, California and founded in 1983, BRIDGE Housing (“BRIDGE”, or the “Organization”) is a non-profit affordable housing developer. Since its inception, BRIDGE has participated in the development of approximately 18,000 homes and apartments in California, Oregon and Washington with total development cost of over USD 3 billion, of which 78% have been affordable to tenants or families earning less than 80% of the area median income (AMI).

BRIDGE has developed the BRIDGE Housing Sustainability Bond Framework (the “Framework”) under which it intends to issue sustainability bonds and use the proceeds to finance and/or refinance existing or future projects that will contribute to the Organization’s mission of developing affordable housing for low-income households. The Framework defines eligibility criteria in three areas:

1. Affordable Housing
2. Transit Oriented Development
3. Green Building and Energy Efficiency

A list of eligible projects and projected allocations for the 2020 sustainability bond issuance is provided in Appendix 1.

BRIDGE engaged Sustainalytics to review the BRIDGE Housing Sustainability Bond Framework, dated September 2020, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2018 (SBG).¹ This Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, Social Bond Principles 2020, and Sustainability Bond Guidelines 2018, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds;
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.5, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of BRIDGE’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. BRIDGE representatives have confirmed (1) they understand it is the sole responsibility of BRIDGE to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and BRIDGE.

¹ The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

² The BRIDGE Housing Sustainability Bond Framework is available on BRIDGE Housing’s website at: <https://bridgehousing.com/bond-framework>

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that BRIDGE has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the BRIDGE Housing Sustainability Bond Framework

Sustainalytics is of the opinion that the BRIDGE Housing Sustainability Bond Framework is credible, impactful and aligns with the four core components of the Green Bond Principles 2018 (GBP) and Social Bond Principles 2020 (SBP). Sustainalytics highlights the following elements of BRIDGE's Sustainability Bond Framework:

- Use of Proceeds:
 - The eligible categories, Affordable Housing, Transit Oriented Development, Green Building and Energy Efficiency, are aligned with those recognized by the GBP and SBP.
 - Proceeds from the bonds are expected to be used to finance the creation and preservation of affordable housing projects that will have environmentally-friendly features and that aim to spur holistic community revitalization. Sustainalytics notes that the majority of the projects financed in the environmental categories will also satisfy social criteria.
 - The Framework states that the majority of BRIDGE's projects will be financed with either 4% or 9% Low Income Housing Tax Credits (LIHTC) and that in order to qualify for funding, developers must meet state regulatory criteria for affordability.^{4,5}
 - Sustainalytics has assessed BRIDGE's affordability criteria⁶ and views the required thresholds positively and the initiatives to create and preserve affordable homes to be aligned with market expectations.
 - Sustainalytics views the targeted nature of BRIDGE's projects positively and notes that, as of September 2020, the BRIDGE portfolio includes a majority (54%) of units targeting 30% of AMI and below households, with 94% of all units within its portfolio affordable to households earning 79% and below of AMI. BRIDGE will also pursue the acquisition of Naturally Occurring Affordable Housing (NOAH)⁷ to ensure continued affordability, which is viewed positively by Sustainalytics.
 - In addition to the Framework's social eligibility criteria, BRIDGE has defined environmental criteria in two specific categories, which make up the "green" portion of its Framework. These

⁴ Developers must meet requirements administered by the Washington/Oregon/California governmental body which administers the tax credit allocation, all of which require rental costs for LIHTC units to be limited to a maximum of 80% of AMI.

⁵ The buildings comprising the BRIDGE development may qualify as meeting BRIDGE's charitable purpose of providing housing for low-income households. Most of this development will be exempt from Federal and State income taxes because it meets the IRS Safe Harbor for relieving the poor and distressed by providing affordable housing in which 75% of the units are occupied by households with incomes at 80% of Area Median Income (AMI) or less; and (1) at least 20% of the units are occupied by households at 50% of AMI or less; or (2) 40% of the units are occupied by households at 60% of median income or less.

⁶ BRIDGE shared with Sustainalytics its underwriting criteria for eligible affordable housing projects. Sustainalytics has assessed this document and deems the required thresholds to be aligned with market expectations and notes the following: BRIDGE projects target primarily family units at the lesser of either 60% or less of AMI or 15% below market while Senior units target 50% or less of AMI. All thresholds may be regulated at a higher AMI depending on jurisdiction/market.

⁷ NOAH refers to residential rental properties that maintain low rents without federal subsidies. See more, at:

<https://noahimpactfund.com/#:~:text=What%20is%20Naturally%20Occurring%20Affordable,affordable%20housing%20in%20the%20U.S.>

include financing projects in the areas of 'Transit-Oriented Development' and 'Green Building and Energy Efficiency':

- Through its Transit-Oriented Development ("TOD") category, BRIDGE intends to promote an increase in affordable housing developments that are situated near public transportation, with the goal of reducing transportation-related emissions and workforce commute times, while also promoting healthier habits. The Framework defines TOD or transit-friendly sites as being ¼ mile away from transit. While specific qualification for this category is at the discretion of BRIDGE's internal assessments, Sustainalytics notes the high greenhouse gas ("GHG") mitigation potential of these activities, and in particular encourages consideration of projects near higher-order transit and projects that serve low-income and working communities.
 - Sustainalytics views positively that the properties that are under consideration for BRIDGE's sustainability bond issuance that qualify within this category will also meet additional green and/or social criteria.
- BRIDGE has communicated to Sustainalytics that new developments utilizing bond proceeds qualifying under the LEED criteria will be built to at least LEED Silver standard, with most properties qualifying for LEED Gold.
 - Sustainalytics notes that the properties that will be refinanced with the proceeds of its sustainability bond that have been certified under LEED Silver will also meet additional social criteria.
 - Sustainalytics views LEED Gold positively and notes that it aligns with the green bond market expectations, allowing such projects to qualify as green without having to meet additional social criteria.
- Projects may also qualify within this category by obtaining the GreenPoint Rated label for existing buildings.
 - Sustainalytics views the environmental benefits of this standard positively in the context of BRIDGE's Framework, in which GreenPoint Rated projects will likely meet the Framework's social criteria in addition. Please see Appendix 1 for an overview of both schemes.
- BRIDGE may rely on approval of LIHTC status to determine if projects are to be classified within the Green Buildings and Energy Efficiency category, as the LIHTC designation relies on meeting minimum construction and environmental standards for both new construction and rehabilitation projects, and scoring full points on various environmental and energy metrics⁸ is generally required to be competitive in the awarding of LIHTC investments.⁹ Sustainalytics views the assessment process, requirements, and scope of the LIHTC programs positively and is of the opinion that such affordable housing developments will have an overall positive environmental impact.
- Project Selection and Evaluation:
 - BRIDGE will select projects using a two-tiered review and approval approach, in accordance with its ongoing processes. This process applies to both new developments and acquisitions as well as existing projects that require additional pre-development or financing.
 - Once the Business Development team has carried out appropriate due diligence, BRIDGE will conduct a 'project evaluation of social impact and financial feasibility' which takes into consideration several factors such as affordability targets, community benefit guidelines and services provision. The results of this assessment are then presented to the Internal Project Review Committee (the "Internal Projects Committee") for approval, which is comprised of the BRIDGE Executive Team, which includes the President and CEO, Chief Financial Officer, Chief Operating Officer, Chief Investment Officer, Executive Vice Presidents for all development regions, Executive Vice President of Business Development, and General Counsel. As part of this process, BRIDGE staff members are responsible for presenting comprehensive project reports that draw on various social impact metrics. The Internal Projects Committee is responsible for

⁸ Including sustainable design, building methods and materials, including compliance with various recognized green building standards and the integration of energy and water efficiency measures

⁹ California State Treasurer, California Tax Credit Allocation Committee (CTCAC): <https://www.treasurer.ca.gov/ctcac/index.asp>

reviewing these metrics against current company underwriting criteria in order to ensure a balanced portfolio.

- Projects that have been approved by the Internal Projects Committee Review are submitted to the Projects Committee of the BRIDGE Board of Directors (the "Projects Committee") for review. The Projects Committee meets monthly and often reviews a project multiple times throughout the stages of its development. As with Internal Projects Review, BRIDGE staff members present to the Projects Committee comprehensive project reports that draw on various social impact metrics and review of these metrics against current company underwriting criteria. The Projects Committee reviews and approves project capital expenditures and financing over a dollar threshold established from time to time by the BRIDGE Board of Directors. (The President and Chief Executive Officer reviews and approves project capital expenditures and financing in amounts under such threshold). The Projects Committee also reviews and approves all project related property acquisitions and project-related corporate guaranties.
- Based on the leveraging of existing procedures in its selection process and the clear delegation of duties, Sustainalytics considers the project selection and evaluation process to be in line with market practice.
- Management of Proceeds:
 - Upon issuance, the net proceeds of the bonds will be deposited into a separate account held by BRIDGE. The bond proceeds will be disbursed to refinance all previously described, pre-identified refinanced properties. The remainder of the funds will not be comingled with existing investment accounts or invested as part of the Organization's investment portfolio, and will instead be deposited in a separate interest-bearing account until dispersed to finance an eligible property that meets the required criteria.
 - Based on BRIDGE's outlined commitments, Sustainalytics considers this process to be in line with market practice, and notes that there is no need to disclose an approach for the management of unallocated proceeds.
- Reporting:
 - BRIDGE has provided reporting on its refinanced properties, and as such does not intend to provide additional annual updates on this portion of its portfolio. For any additional properties financed with bond proceeds, on an annual basis, BRIDGE will provide a report similar to that of the refinanced properties, highlighting the properties' alignment with the Framework.
 - This disclosure includes information on target populations, income distribution of set-aside units, and green building certifications. BRIDGE intends to publish its ongoing property disclosure on its website, until full allocation. Once all the bond proceeds have been dispersed, there will be no additional impact reporting provided.
 - Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2018

Sustainalytics has determined that the BRIDGE Housing Sustainability Bond Framework aligns to the four core components of the Green Bond Principles (2018) and Social Bond Principles (2020). For detailed information please refer to Appendix 3: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Strategy of BRIDGE

Contribution of Framework to BRIDGE Housing's sustainability mandate

As a mission-driven non-profit organization with the goal to "strengthen communities and improve the lives of its residents, beginning – but not ending – with affordable housing",¹⁰ sustainability lies at the core of BRIDGE's operations. Since its inception, BRIDGE has invested approximately USD 3 billion in sustainable affordable housing projects, which has translated into the creation of 18,083 homes and apartment units. Of this total number, 14,078 properties (78%) have been affordable to tenants or families earning less than 80% of the AMI. In line with its mission, BRIDGE integrates environmental considerations within its portfolio, and at present, 29% of the Organization's properties retain sustainable and regenerative development features and meet green building standards. As a non-profit organization dedicated to scaling affordable housing, BRIDGE's overall objectives are highly aligned with the focus of its sustainability bonds.

¹⁰ BRIDGE, Impact: <https://bridgehousing.com/about/impact/>

BRIDGE is committed to addressing the shortage of affordable housing through a two-pronged strategy. Its first area of focus is on building and preserving housing in high poverty areas, with the goal of providing critical programs and services to stabilize families and provide access to greater economic opportunity. Its second area of focus is on building affordable housing in high-cost areas that are near quality schools, public transportation and employment centers in order to provide working families with increased chances to access such amenities and services.¹¹ At present, the majority of BRIDGE's portfolio (54%) target households at 30% of AMI or less (extremely low-income), with 94% of all units in its portfolio affordable to households earning 79% and below of AMI. In addition to fulfilling its social mission, BRIDGE is committed to integrating environmental considerations throughout the development process. The Organization has achieved this by seeking green building certifications, namely LEED (Gold), which requires design approaches and equipment that reduce energy and water use, resulting in lower utility costs and reduced stress on the environment. Through such measures, BRIDGE has achieved a 42% reduction in energy-use throughout its portfolio.

According to its most recent Annual Report,¹² BRIDGE completed the construction or major rehabilitation of five developments, comprising over 1,000 units, with over 99% of units affordable to households earning 80% or below AMI. Between 2018 and 2019, BRIDGE began 11 new construction and rehabilitation projects and in the same year, BRIDGE achieved USD 3.8 billion in construction and approvals, including a pipeline of diverse development types, such as transit-oriented development, mixed-use, mixed-income and large-scale community transformation. At the end of 2018, BRIDGE launched its 2019-2023 Strategic Plan, a five-year road map that outlines the Organization's commitment to fostering its continued growth as a leader of affordable housing in the context of promoting holistic communities. It is also worth noting that in 2019, the average AMI for BRIDGE created and/or preserved units was 50% of AMI, signalling BRIDGE's commitment to creating housing with affordability as the key focus. As of 2020, BRIDGE has a pipeline of 9,000 units with total development costs of USD 3.5 billion.

Sustainalytics is of the opinion that the BRIDGE Housing Sustainability Bond Framework is aligned with and complementary to Organization's overall sustainability strategy and business initiatives and will further the Company's action on its key social and environmental priorities.

Well positioned to address common environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the sustainability bonds issued under the Framework will be directed towards eligible projects that will generate positive social impact. However, as with any construction and development-oriented projects, there may be both environmental and social risks associated that need to be taken into consideration. Social risks include those related to occupational health and safety and the exacerbation of social inequities if projects are not appropriately targeted to vulnerable populations, while some of the environmental risks may include adverse impact on local biodiversity and communities such as pollution.

Sustainalytics is of the opinion that BRIDGE is well positioned to manage and mitigate these risks through the following policies and procedures, and the context in which it operates:

- During the project selection process, BRIDGE applies a rigorous two-tiered approach that prioritizes projects which will yield the greatest social benefit. This process takes into consideration several social metrics, including affordability targets, community benefits guidelines and services provision as well as the environmental attributes of the projects and whether projects are located in the vicinity of transportation, medical services, high quality schools/day care and senior services.
- In order to mitigate social risks and ensure that its housing projects yield long-lasting positive impacts for residents and communities, BRIDGE integrates holistic community development practices in order to provide housing with ongoing supportive resident services. Through its Community Development (CD) Initiative, BRIDGE applies a CD framework at the beginning of the development process to ensure that neighborhood conditions are systemically accounted for early in the process and subsequently integrated into all aspects of the Organization's development and management practice. As part of this process, BRIDGE will prepare a Neighborhood Environmental Assessment (NEA) for each property being considered where it will draw on publicly available data to decipher environmental conditions such as demographics, a stabilization index, access to transit and quality of school. Based on the outcome of the NEA and ongoing iterative community dialogue, BRIDGE will choose suitable programming for tenants from a selection of over 350 programs. The programs are in the following areas: Adult Education, Community Building, Youth Programming and Service Coordination.

¹¹ 44% of BRIDGE's properties are in distressed areas, while 56% are in high-cost and non-distressed areas.

¹² Bridge Housing, 2018/2019 Annual Report: https://bridgehousing.com/wp-content/uploads/2019/12/BHC_AR1819.pdf

- BRIDGE maintains an enterprise-wide Illness and Injury Prevention (IIP) Program¹³ to ensure ongoing compliance with safe and healthy work practices. As part of this program, all new workers receive IIP training with job-specific safety topics where necessary. In addition, IIP Program Administrators conduct periodic and annual inspections to identify and evaluate workplace hazards. Additional inspections are performed according to CAL/OHSA, Oregon OHSA and/or Washington OHSA requirements.
- In regards to adverse impacts on biodiversity and communities, Sustainalytics considers that these impacts are mitigated by the laws and regulations in place in the jurisdictions in which BRIDGE operates as well as BRIDGE's internal selection process which prioritizes environmentally sustainable practices with a commitment to environmentally sound smart-growth development. In addition, the LIHTC program, through which majority of BRIDGE's projects are ultimately financed, requires the incorporation of sustainable design, building methods and materials from the beginning of each development.
- BRIDGE's affordable housing initiatives are often delivered in cooperation with government bodies, such as the California Tax Credit Allocation Committee, Oregon Housing and Community Services and the Washington State House Finance Commission and in alignment with national environmental standards such as the National Environment Policy Act Part 58. Sustainalytics considers this cooperation with regulatory authorities as supporting responsible development and important for addressing potential stakeholder concerns.

Overall, Sustainalytics is of the opinion that through its own efforts as well as its adherence to and compliance with applicable laws and regulations, BRIDGE is well positioned to mitigate the environmental and social risks associated with the projects financed under its Framework.

Section 3: Impact of Use of Proceeds

All three use of proceeds categories are aligned with those recognized by GBP or SBP. Sustainalytics has focused below where the impact is specifically relevant in the local context.

The importance of promoting affordable housing in the context of the COVID-19 pandemic

According to the 2020 Annual Report published by the National Low-Income Housing Coalition,¹⁴ Washington, Oregon and California have some of the lowest number of rental homes affordable to extremely low-income families (0-30% of AMI). Very low-income and low income (31-80% of AMI) households have also struggled, with +80% of very low-income (50% and under of AMI) households across the 3 states considered rent burdened.^{15,16,17} In these jurisdictions, the shortage of affordable housing has significantly increased the number of people who are homeless and has also put many working families one or two paychecks away from homelessness. According to the U.S. Department of Housing and Urban Development, prior to the onset of the Covid-19 pandemic, 211,000 people in the U.S. were experiencing homelessness on sidewalks or other unsheltered locations.¹⁸ In the face of the crisis, these numbers have increased, and homeless populations face a considerably higher risk of becoming ill with nowhere to self-quarantine. For example, 356,000 people have been experiencing homelessness in crowded emergency shelters, and more than 2.7 million renters have been living in overcrowded housing conditions, making social distancing from ill housemates nearly impossible. At the same time, unemployment rates have skyrocketed, with U.S. workers filing nearly 28 million new claims for unemployment in the first six weeks of state-wide shutdown.¹⁹ In April 2020, the unemployment rate increased to 14.7% – the highest rate and the largest one-month increase since the Bureau of Labor Statistics started tracking monthly data in 1948.²⁰ As millions grapple with the consequences of unemployment, many more renters are struggling to afford their monthly rent payments. BRIDGE has completed and/or commenced several “lease ups”²¹ during the pandemic, increasing the availability of affordable housing options by providing earlier occupancy dates. In this context, Sustainalytics views BRIDGE's two-pronged strategy for creating and preserving affordable housing through a holistic community development approach to be particularly impactful, while further noting that through such initiatives the

¹³ BRIDGE shared with Sustainalytics information on its Injury and Illness Prevention Program. The details of this document have been reviewed and assessed by Sustainalytics.

¹⁴ National Low-Income Housing Coalition, “Out of Reach – the High Cost of Housing”: https://reports.nlihc.org/sites/default/files/oor/OOR_2020.pdf

¹⁵ National Low-Income Housing Coalition, Housing Needs by State, Washington: <https://nlihc.org/housing-needs-by-state/washington>

¹⁶ National Low-Income Housing Coalition, Housing Needs by State, California: <https://nlihc.org/housing-needs-by-state/california>

¹⁷ National Low-Income Housing Coalition, Housing Needs by State, Oregon: <https://nlihc.org/housing-needs-by-state/oregon>

¹⁸ The U.S. Department of Housing and Urban Development, “The 2019 Annual Homeless Assessment Report (AHAR) to Congress”:

<https://files.hudexchange.info/resources/documents/2019-AHAR-Part-1.pdf>

¹⁹ National Low-Income Housing Coalition, “Out of Reach – the High Cost of Housing”: https://reports.nlihc.org/sites/default/files/oor/OOR_2020.pdf

²⁰ *Ibid.*

²¹ Referring to initial tenant occupation of new complexes

Organization can play a key role in the revitalization of hardest-hit communities in Washington, Oregon and California.

The benefits of incorporating environmentally friendly attributes into affordable housing planning

The buildings sector is a significant contributor to GHG emissions in the West Coast of the United States, with the sector accounting for the second-largest source of such emissions in the states of California²², Washington²³ and Oregon²⁴. It is estimated that U.S. landowners could save USD 126 billion in energy costs through to 2040 by following green building recognized building codes such as LEED, thereby potentially decreasing rental costs for prospective tenants.²⁵ From an energy savings perspective, the United Nations Environment Programme has found that while commercial and residential buildings currently consume approximately one third of the world’s energy, these types of buildings could account for 50% of global energy savings by 2050 if construction and operating practices become more energy-efficient.²⁶ In this context, Sustainalytics views BRIDGE’s Green Building and Energy Efficiency category and associated criteria, namely LEED Gold, to be particularly impactful.

The environmental lens is also particularly important when assessing affordable housing features as low-income and minority communities “often bear the most severe consequences of environmental degradation and pollution”.²⁷ A study from Yale University found that, in major U.S. metro areas, communities with higher rates of poverty and unemployment were more likely to be exposed to higher levels of fine particulate air pollution, including toxic substances, and face commensurately greater health risks.²⁸ Open dumping and mismanagement of waste resulting in heavy metal pollution and marine litter often occurs in lower-income neighborhoods.²⁹ In the context of affordable housing, green building techniques and considerations, including siting and designing, has the potential to yield positive impact for low-income communities.

In addition to the above, BRIDGE aims to prioritize developments that are in walkable-distance to transit through its TOD category. Through such infrastructure developments, BRIDGE aims to promote healthier habits and reduce transport-related expenses for low-income households, while also contributing to positive environmental outcomes both directly and indirectly. TOD can directly reduce overall vehicle-miles traveled by promoting alternative modes of transport, while also presenting indirect positive impacts such as increased suitability for energy conservation and district energy applications, improved stormwater management as less impermeable surfaces are required for parking, and greater opportunities for solar power usage.³⁰ Studies show that the environmental footprint of well-developed TODs is estimated to be ~35% lower than that of conventional developments.³¹

Considering the above, Sustainalytics views positively both the specific green attributes considered under the Framework, as well as the broader positive impact of environmentally friendly affordable housing.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This sustainability bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Affordable Housing	1. No Poverty	1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions

²² California Air Resources Board, “Research on Green Buildings”: <https://ww2.arb.ca.gov/research/research-green-buildings>
²³ State of Washington, Department of Ecology, 2017 greenhouse gas data: <https://ecology.wa.gov/Air-Climate/Climate-change/Greenhouse-gases/2017-greenhouse-gas-data>
²⁴ Oregon Government, Greenhouse Gas Emissions Data: <https://www.oregon.gov/energy/energy-oregon/Pages/Greenhouse-Gas-Snapshot.aspx>
²⁵ BioFriendly Planet, ‘Why Green Building May Be a Key To Affordable Housing’: <https://biofriendlyplanet.com/green-ideas/eco-friendly/design/why-green-building-may-be-a-key-to-affordable-housing/>
²⁶ World Green Building Council, ‘The benefits of green buildings’: <https://www.worldgbc.org/benefits-green-buildings>
²⁷ Massey,R, ‘Environmental Justice: Income, Race, and Health’: http://www.ase.tufts.edu/gdae/education_materials/modules/environmental_justice.pdf
²⁸ Katz, C, ‘People in Poor Neighborhoods Breathe More Hazardous Particles’: <https://www.scientificamerican.com/article/people-poor-neighborhoodsbreathe-more-hazardous-particles/>
²⁹ BioFriendly Planet, ‘Why Green Building May Be a Key To Affordable Housing’: <https://biofriendlyplanet.com/green-ideas/eco-friendly/design/why-green-building-may-be-a-key-to-affordable-housing/>
³⁰ Center for Neighborhood Technology, “Transit Oriented Development and The Potential for VMT-related Greenhouse Gas Emissions Growth Reduction”, https://www.cnt.org/sites/default/files/publications/TOD-Potential-GHG-Emissions-Growth.FINAL_.pdf
³¹ Cervero & Sullivan, “Toward Green TODs”, <https://trid.trb.org/view/1084149>

	10. Reduced Inequalities	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
Transit Oriented Development	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Green Building and Energy Efficiency	7. Affordable and Clean Energy	7.3 Double the global rate of improvement in energy efficiency by 2030
	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

Conclusion

BRIDGE has developed the BRIDGE Housing Sustainability Bond Framework under which it will issue sustainability bonds and use the proceeds to finance the creation and preservation of affordable housing projects that will have environmentally-friendly features and that aim to spur holistic community revitalization. Sustainalytics considers that the projects funded by the sustainability bond proceeds will provide positive environmental and social impact.

The BRIDGE Housing Sustainability Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that BRIDGE Housing Sustainability Bond Framework is aligned with the overall sustainability strategy of the company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 1, 7, 10 and 11. Additionally, Sustainalytics is of the opinion that BRIDGE has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that BRIDGE Housing is well-positioned to issue sustainability bonds and that that BRIDGE Housing Sustainability Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2018) and Social Bond Principles (2020).

Appendices

Appendix 1: List of Projects for the 2020 Sustainability Bond Issuance

Property Name	Amount (\$)	% of Total	Allocation of LIHTC	Environmental Characteristics
4840 Mission	400,000	0.47%	Yes	GreenPoint Rating
El Cerrito	1,850,000	2.16%	Yes	Transit Oriented Development, GreenPoint Rating
South San Francisco	1,750,000	2.05%	Yes	Transit Oriented Development, GreenPoint Rating
Centertown	750,000	0.87%	Yes	GreenPoint Rating
Coleridge	200,000	0.23%	Yes	GreenPoint Rating
Sycamore Place	500,000	0.58%	Yes	LEED Silver, GreenPoint Rating
Acorn Phase 1	3,750,000	4.39%	Yes	N/A
Coronado Springs Tower	1,900,000	2.22%	No	N/A



South Cooper Mountain	3,600,000	4.21%	Yes	Earth Advantage Green Building Platinum
Balboa Reservoir	5,287,000	6.18%	Yes	LEED Gold, GHG Neutral
Aloha	2,400,000	2.80%	Yes	Earth Advantage Green Building Platinum
Northgate ETOD	3,000,000	3.50%	Yes	Transit Oriented Development
Vermont and Manchester	9,000,000	10.52%	Yes	LEED Gold, Transit Oriented Development
Westview 2	1,250,000	1.46%	Yes	LEED Gold
Jordan Downs 3	1,500,000	1.75%	Yes	LEED Silver
Jordan Downs 4	3,000,000	3.50%	Yes	LEED Silver
Jordan Downs 5	2,000,000	2.33%	Yes	LEED Silver
New Hampshire HHH	1,500,000	1.75%	Yes	Transit Oriented Development

Watts HHH	1,500,000	1.75%	Yes	Transit Oriented Development
Cedar and Kettner	2,000,000	2.33%	Yes	LEED Gold
1501 Sixth Avenue	1,500,000	1.75%	Yes	LEED Gold
Los Lirios	1,750,000	2.05%	Yes	Transit Oriented Development
Anaheim & Walnut	1,337,000	1.56%	Yes	GreenPoint Rated Gold
RiverPlace (Phase 2 & 3)	3,332,000	3.90%	Yes	LEED Gold, Transit Oriented Development
Heritage 2	1,250,000	1.46%	Yes	LEED Gold, GreenPoint Rated
Tressa	900,000	1.05%	Yes	N/A
Ramona	2,958,000	3.50%	Yes	N/A
The Abigail	2,971,000	3.74%	Yes	LEED Gold
Hunt's Grove	3,040,000	3.55%	Yes	N/A

Northpoint Village Apartments II	2,778,000	3.25%	Yes	N/A
Terra Cotta	10,478,000	12.25%	Yes	N/A
La Padera	1,586,408	1.85%	Yes	N/A
Northpoint Village Apartments I	3,487,000	4.07%	Yes	N/A
COMM 22 lofts	1,000,000	1.17%	Yes	LEED Gold, Transit Oriented Development
Totals	\$85,504,408	100.00%		

Appendix 2: An Overview of LEED and GreenPoint Rated

	LEED	GreenPoint Rated
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings	GreenPoint Rated was developed by Build it Green, a professional non-profit membership organization with a mission of promoting healthy, energy and resource efficient buildings. Ratings are performed by certified GreenPoint Raters, independent professionals who are trained and certified by Build it Green. GreenPoint Rated offers labels in the following two areas: GreenPoint Rated New Home and GreenPoint Rated Existing Home.
Scope of Scheme	<ul style="list-style-type: none"> • Energy and Atmosphere • Sustainable Sites • Location and Transportation • Materials and Resources • Water Efficiency • Indoor Environmental Quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Energy Efficiency • Indoor Air Quality/Health • Water Conservation • Resource Conservation • Community
Certification Levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<p>GreenPoint Rated New Home:</p> <ul style="list-style-type: none"> • Platinum • Gold • Silver • Certified <p>GreenPoint Rated Existing Home: These are binary certifications. Eligible projects must obtain a minimum number of points and fulfill all prerequisites in order to achieve labels for either Single Family Homes or Multifamily Homes.</p>
Awarding Points under the Scheme	<p>Prerequisites (independent of level of certification) and credits with associated points.</p> <p>These points are then added together to obtain the LEED level of certification</p> <p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>	<p>GreenPoint Rated New Home:</p> <ul style="list-style-type: none"> • Score-based performance levels with a total of 300 points available. The higher tiers signify that more green features were incorporated into a project. All GreenPoint Rated new homes have a baseline of satisfying prerequisites depending on the type of unit (Multifamily or Single Family). This includes meeting meeting ASHRAE 62.2-2016 Ventilation Residential Standards and CALGreen’s mandatory measures where necessary and <p>GreenPoint Rated Existing Home:</p> <ul style="list-style-type: none"> • Units must meet certain prerequisites and achieve a minimum point requirement in each of the five environmental categories to score the required number of points.
Governance of Scheme	USHBC developed the scheme. Technical Expert Groups are responsible for reviewing the scheme on an ongoing basis.	This label was developed by Build it Green.
Certification Process	Projects certified by accredited LEED assessors. Certifiers have substantial training and expertise.	Independent third-party verifiers.

On-going Certification	Certification can be one-time, though EB:OM certification and/or reporting through ARC is encouraged.	One-time certification.
Market Commentary	Generally perceived well globally, and in North America in particular. LEED is generally seen as the leading scheme in the world with strong assurance of overall quality.	GreenPoint Rated differs from certifications like LEED in that it is binary and is more closely aligned with California's energy code and green building requirements. Since the program's implementation in early 2011, it has seen strong use and support from building owners, developers, policy makers, and building departments. Remodelers often partner with third-party raters, but they can also become certified as GreenPoint Raters themselves and rate their own projects.
Performance display		

Appendix 3: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	BRIDGE Housing
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	BRIDGE Housing Sustainability Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	September 22, 2020
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP and SBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible categories for the use of proceeds Affordable Housing, Transit Oriented Development, Green Building and Energy Efficiency, are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 1, 7, 10 and 11.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input checked="" type="checkbox"/> Other (please specify): Transit Oriented Development |

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

- | | |
|---|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input checked="" type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

BRIDGE will evaluate and select projects using a two-tiered review and approval approach for all potential projects. This process starts with an evaluation of social impact and financial feasibility and is followed by a

review against the Organization's existing underwriting criteria. As part of this process, the Organization's Project Review Committee is responsible for final project approval. This is in line with market practice.

Evaluation and selection

- | | |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

The proceeds of the bonds, net transaction costs, will be deposited and held in a separate account, held by BRIDGE. The bond proceeds will be disbursed to refinance all previously described, pre-identified refinanced projects, while the remainder of the bond proceeds will be deposited into a separate interest-bearing account until dispersed to finance an eligible property that meets the required criteria. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

BRIDGE is committed to providing reporting for any additional properties financed with its bond proceeds, on its website on an annual basis and until full allocation. This disclosure includes information on target populations, income distribution of set-aside units, and green building certifications. Sustainalytics views BRIDGE’s allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project On a project portfolio basis
- Linkage to individual bond(s) Other (please specify):

Information reported:

- Allocated amounts Sustainability Bond financed share of total investment
- Other (please specify):

Frequency:

- Annual Semi-annual
- Other (please specify):

Impact reporting:

- Project-by-project On a project portfolio basis
- Linkage to individual bond(s) Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
- Decrease in water use Number of beneficiaries
- Target populations Other ESG indicators (please specify): Green Building certifications.

Frequency:

- Annual Semi-annual
- Other (please specify):

Means of Disclosure

- Information published in financial report Information published in sustainability report

- Information published in ad hoc documents
- Other (please specify): Website.
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion)
- Certification
- Verification / Audit
- Rating
- Other (please specify):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- i. **Second-Party Opinion:** An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer’s adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer’s overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer’s internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. **Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green, Social and Sustainability Bond Scoring/Rating:** An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

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Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world’s foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the “Largest Approved Verifier for Certified Climate Bonds” for the third consecutive year. The firm was also recognized by Environmental Finance as the “Largest External Reviewer” in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.



Named
2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider



